

Edelweiss Rural & Corporate Services Limited

Corporate Identity Number: U45201TG2006PLC078157

ANNUAL REPORT 2021-22

BOARD'S REPORT

To the Members of Edelweiss Rural & Corporate Services Limited,

Your Directors hereby present the 16th 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, 2022:

FINANCIAL PERFORMANCE

I. Consolidated Financial Performance:

(Rs. in million)

Particulars	2021-22	2020-21
Total Revenue	17,534.18	12,603.77
Total Expenditure	18,623.94	21,009.30
(Loss) before share in associates and tax	(1,089.76)	(8,405.53)
Share in Profit/(Loss) of associates	(360.82)	-
(Loss) after share in associates and tax	(1,450.58)	(8,405.53)
Tax Expenses	85.79	392.65
(Loss) for the Year	(1,536.37)	(8,798.18)
Other Comprehensive Income/(Loss)	(18.04)	6.74
Total Comprehensive Income/(Loss)	(1,554.41)	(8,791.44)
Net Profit/(Loss) for the year attributable to:-		
Owners of the parent	(1,703.25)	(8,844.74)
Non-Controlling interests	166.88	46.56
Other Comprehensive Income / (Loss) attributable to:-		
Owners of the parent	(18.09)	7.74
Non-Controlling interests	0.05	(1.00)
Total Comprehensive Income / (Loss) attributable to:-		
Owners of the parent	(1,721.34)	(8,837.00)
Non-Controlling interests	166.93	45.56
Earnings per Equity Share (₹) (face value of Rs. 10 each):-		
Basic	(23.43)	(218.95)
Diluted	(23.43)	(218.95)

II. Standalone Financial Performance:

(Rs. in million)

Particulars	2021-22	2020-21
Total Revenue	10,841.31	7,188.58
Total Expenditure	11,661.79	16,088.18
(Loss) Before Tax	(820.48)	(8,899.60)
Tax Expenses	(74.47)	275.71
(Loss) for the year	(746.01)	(9,175.31)
Other comprehensive Income/(Loss)	(18.10)	11.42
Total comprehensive Income/(Loss)	(764.11)	(9,163.89)
Earnings per Equity Share (₹) (face value of Rs. 10 each):-		
Basic	(11.38)	(228.23)
Diluted	(11.38)	(228.23)

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

CONSOLIDATED FINANCIAL PERFORMANCE

During the year ended March 31, 2022, the Company earned revenue of Rs. 17,534.18 million as compared to Rs. 12,603.77 million during the previous year. Of the total revenue earned during the year, revenue from fee income stood at Rs. 1,286.39 million as compared to Rs. 1,498.74 million in the previous year, income from interest stood at Rs. 9,045.53 million as compared to Rs. 8,001.70 million in the previous year and income from sale of commodities stood at Rs. 5,628.40 million as compared to Rs. 2,218.41 million in the previous year. The loss for the year was Rs. 1,536.37 million as against loss of Rs. 8,798.18 million in the previous year.

STANDALONE FINANCIAL PERFORMANCE

During the year ended March 31, 2022, the Company earned revenue of Rs 10,841.31 million as compared to Rs. 7,188.58 million during the previous year. Of the total revenue earned during the year, revenue from fee and commission income stood at Rs. 754.23 million as compared to Rs. 1,205.83 million in the previous year, income from interest stood at Rs. 4,537.67 million as compared to Rs. 3,866.58 million in the previous year and income from sale of commodities stood at Rs. 4,584.77 million as compared to Rs. 1,717.12 million in the previous year. The loss for the year was Rs. 746.01 million as against loss of Rs. 9,175.31 million in the previous year.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are prepared in accordance with the Companies Act, 2013 and Rules framed thereunder (the Act) and the applicable Accounting Standards and forms part of this Report.

SHARE CAPITAL

During the year under review, the Company had issued and allotted 67,60,000 Equity Shares of the face value of Rs. 10 each at a premium of Rs. 360 per share, aggregating to Rs. 2,501.2 million to Edel Finance Company Limited, the holding company.

SUBSIDIARIES AND ASSOCIATES

The Company is a wholly owned subsidiary of Edel Finance Company Limited, which is in turn, a wholly owned subsidiary of Edelweiss Financial Services Limited (EFSL).

During the year under review, EC Commodity Limited, a subsidiary of the Company, was merged with Edel Land Limited pursuant to the Order passed by the Hon'ble National Company Law Tribunal approving the Composite Scheme of Arrangement between ECap Securities and Investments Limited (formerly known as ECap Equities Limited), Edel Land Limited and EC Commodity Limited. Consequently, EC Commodity Limited ceased to be the subsidiary of the Company w.e.f. March 25, 2022.

The salient features of the financial statements of each of the subsidiaries and associates as required under the Act is provided in the financial statements in Form AOC-1. The financial statements of the subsidiaries are available on the website of the Company at the link: www.ercls.edelweissfin.com. Any Member interested in obtaining a copy of financial statements of the subsidiaries and associates may write to the Company Secretary at the Registered Office of the Company.

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.

In accordance with the provisions of the Listing Regulations, the Company has formulated the Related Party Transactions Policy, which is available on the website of the Company at www.ercls.edelweissfin.com.

Particulars of contracts or arrangements with the related parties as prescribed in Section 188 of the Act and forming part of this Report is provided in 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 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 Listing Regulations. In the opinion of the Board, the Independent Directors are persons of integrity and possess relevant expertise, experience and proficiency.

(ii) Change in Designation of Executive Directors

During the year under review, Mr. Santosh Dadheech and Ms. Ananya Suneja resigned as Executive Directors of the Company with effect from December 1, 2021 and February 25, 2022, respectively. They continued to be Non-executive Directors of the Company. The Board places on record appreciation for the services rendered by Mr. Dadheech and Ms. Suneja during their tenure as Executive Directors of the Company.

(iii) Retirement by rotation

Mr. Nikhil Johari (DIN: 01960539) and Ms. Ananya Suneja (DIN: 07297081) retires by rotation at the forthcoming Annual General Meeting and, being eligible, have offered themselves for re-appointment.

(iv) Key Managerial Personnel (KMP)

Ms. Shailly Kedia was appointed as Company Secretary of the Company w.e.f. October 11, 2021. She resigned w.e.f. April 8, 2022. Mr. Manoj Kumar Sharma resigned as Chief Financial Officer w.e.f. March 18, 2022.

NUMBER OF BOARD MEETINGS HELD

During the year ended March 31, 2022, the Board met 7 times. The details of the Board meetings and the attendance of the Directors at the meetings are provided in the Corporate Governance Report, which forms part of this Report.

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 THE 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) and also that of the Chairman 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. The internal control system is also supported by an internal audit process.

M/s. JHS & Associates LLP, Chartered Accountants, were appointed as Internal Auditors of your Company for the financial year 2021-22.

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 Risk Committee oversees the risk management framework of the Company through regular and proactive intervention by identifying risks and formulating mitigation plans.

AUDIT COMMITTEE

The Audit Committee comprises of the following Directors:

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

Further details of the Audit Committee are provided in the Corporate Governance Report which forms part of this Report.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy to report genuine concerns/grievances. The Policy is available on the website of the Company at the link: www.ercsl.edelweissfin.com.

The Policy provides for adequate safeguards against the victimisation of the persons who use the vigil mechanism. The vigil mechanism is overseen by the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board has constituted the Corporate Social Responsibility (CSR) Committee in accordance with the provisions of the Act. The CSR Committee comprises of:

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

A report on the Corporate Social Responsibility in accordance with the provisions of the Section 135 of the Companies Act, 2013 is provided in 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, 2022 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, 2022. 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.

The Secretarial Audit Report of Allium Finance Private Limited, the Material Unlisted Subsidiary of the Company, for the year ended March 31, 2022, forms part of 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 of Women at Workplace. No cases were reported during the year under review. There were no complaints pending as on March 31, 2022. 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 the Company are not energy intensive. However, adequate measures have been taken for conservation of energy wherever possible.

- 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 explores alternative sources 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 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 leveraged the technology 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):
 - (a) the details of technology imported: Not Applicable
 - (b) the year of import: Not Applicable
 - (c) whether the technology has been fully absorbed: Not Applicable
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable
- iv. The expenditure incurred on Research and Development – Not Applicable.

C. Foreign exchange earnings and outgo

During the year under review, there was inflow of Rs. 7.99 million (previous year NIL) and foreign exchange outgo was Rs. 4.73 million (previous year Rs. 1.36 million).

OTHER DISCLOSURES

- i) 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.
- ii) There has been no change in the nature of business of the Company.
- iii) There was no revision in the financial statements of the Company.
- iv) 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.
- v) 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.
- vi) No fraud has been reported by the Auditors to the Audit Committee and the Board.

- vii) Disclosure pertaining to maintenance of cost records as specified under the Act is not applicable to the Company.
- viii) The Company has not issued equity shares with differential voting rights as to dividend, voting or otherwise.
- ix) The Company has not accepted any deposits covered under Chapter V of the Act.
- x) 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, 2022 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 ACT

In accordance with the provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the particulars of the employees are set out in the annexure to this Report. In terms of the provisions of Section 136 of the Act, the Report is being sent to the Members of the Company excluding the annexure. Any Member interested in obtaining a copy of the annexure may write to the Company Secretary at the Registered Office of the Company.

Further, disclosures on managerial remuneration as required under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as Annexure V to this Report.

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.	Catalyst Trusteeship Limited Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098	Tel No: +91 22 4922 0555 E-mail: dt@cltrustee.com Website: www.catalysttrustee.com

CORPORATE GOVERNANCE

Pursuant to the Listing Regulations, the Report on Corporate Governance together with the certificate issued by M/s. SVVS & Associates, Company Secretaries, on compliance with the conditions of Corporate Governance during the financial year ended March 31, 2022 is provided in Annexure VI and forms part of this Report.

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, 2022 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 the same 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.

ACKNOWLEDGEMENTS

The Board acknowledges the valuable guidance and continued support extended by the Securities and Exchange Board of India, Stock Exchanges, 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**

Mumbai, May 27, 2022

**Nikhil Johari
Non-executive Director
DIN: 01960539**

**Ananya Suneja
Non-executive Director
DIN: 07297081**

Edelweiss Rural & Corporate Services Limited**Form AOC-2**

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

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

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

(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	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
-	-	-	-	-	-	-	-	-

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	ECL Finance Limited (Fellow Subsidiary)	Purchase of Securities	-	2,147.00	February 12, 2021	-
2	Edelweiss Securities and Investments Private Limited (Fellow Subsidiary)	Sale of Securities	-	1,451.97	February 12, 2021	-
3	Edel Investments Limited (Fellow Subsidiary)	Sale of Securities	-	3,890.00	February 12, 2021	-

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

Nikhil Johari
Non-executive Director
DIN: 01960539

Ananya Suneja
Non-executive Director
DIN: 07297081

Mumbai, May 27, 2022

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**

Mumbai, May 27, 2022

Nikhil Johari
Non-executive Director
DIN: 01960539

Ananya Suneja
Non-executive Director
DIN: 07297081

Annual Report on Corporate Social Responsibility Activities

As prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) 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:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Vinod Juneja	Independent Director	1	1
2.	Ms. Ananya Suneja	Non-executive Director	1	1
3.	Mr. Santosh Dadheech	Non-executive Director	1	1

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:

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:

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

6. Average net profit of the company as per section 135(5): Nil

7. (a) Two percent of average net profit of the company as per section 135(5): **Nil**
- (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): **Nil**

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
Nil	-	-	-	-	-

(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:

Nil

(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): **Nil**

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

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	-
(ii)	Total amount spent for the financial year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(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	
1	FY 2018-19	Nil					
2	FY 2019-20						
3	FY 2020-21						
	Total	Nil					

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

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **Not Applicable**

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

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

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

Nikhil Johari
Non-executive Director
DIN: 01960539

Ananya Suneja
Non-executive Director
DIN: 07297081

Mumbai, May 27, 2022

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022
[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
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, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

- (i) The Companies Act, 1956 to the extent applicable and 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, 2018²;
 - (d) The Securities and Exchange Board of India Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014³;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008/ now replaced with The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 w.e.f. August 9, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021⁴;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018⁵;
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and
- (vi) Other applicable laws as may be applicable specifically to the company, namely: NIL

¹ Not applicable to the Company during the Audit Period

² *ibid*

³ *ibid*

⁴ *ibid*

⁵ *ibid*

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).

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 in advance in accordance with the Act and Secretarial Standards, 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**).

ERCSL is *inter alia* engaged in the business of financial services which includes commodity trading, shared services, loans and making investments etc.. No other business has been transacted that may have a major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.

For **SVVS & Associates Company Secretaries LLP**

May 27, 2022
Mumbai

CS. Suresh Viswanathan
Designated Partner
UDIN : F004453D000396383
FCS : 4453
CP No : 11745

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.

⁶All resolutions were carried unanimously

ANNEXURE A

The Members,
Edelweiss Rural & Corporate 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 of the provisions of Corporate and other applicable laws rules, regulations is 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.
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.

For **SVVS & Associates Company Secretaries LLP**

May 27, 2022
Mumbai

CS. Suresh Viswanathan
Designated Partner
UDIN : F004453D000396383
FCS : 4453
CP No : 11745

ANNEXURE B

No. Governing Act/Rules/Regulation/Circulars/Notifications, etc.

1. The Companies Act, 2013 (the Act) and the rules made there under
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, 2005
15. Employees' State Insurance Act, 1948
16. The Bombay Shops and Establishments Act, 1948

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

*[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]*

To
The Members

Allium Finance Private Limited

Tower 3, Wing B, Kohinoor City Mall,
Kohinoor City Kiroi Road,
Kurla West,
Mumbai - 400070.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **Allium Finance Private Limited** (hereinafter called 'the Company') for the audit period covering the financial year ended on March 31, 2022. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliance 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, agent and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representation made by the Management, We hereby report that in our opinion, the Company has, during the audit period generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder¹;
- (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.

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

During the period under review, the Company has complied with provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India related to meetings and minute.

We further report that –

Having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test- check basis, the Company has generally complied with the rules, regulations, directions and guidelines issued by Reserve Bank of India as are applicable to Non-Banking Financial Company- Systemically Important Non-Deposit taking Company.

¹ Not applicable to the Company during the Audit Period

We further report that -

The Board of Directors of the Company is duly constituted. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all the 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.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that

During the audit period there were no major actions or events undertaken by the Company which may have a major bearing on the Companies affairs in pursuance of the above referred laws, rules, guidelines, standards etc.

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**).

For ACMY & Associates

May 26, 2022.
Mumbai

Sadanand Yadav
Practicing Company Secretaries
Partner
ACS : 37012
COP No : 14153
UDIN: A037012D000396294

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.

To
The Members
Allium Finance Private Limited
Tower 3, Wing B, Kohinoor City Mall,
Kohinoor City Kirool Road,
Kurla West,
Mumbai - 400070.

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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws rules, regulations is the responsibility of management; our examination was limited to the verification of procedures on test basis.
6. 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.
7. 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.
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, Regulatory Inspection/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.

For ACMY & Associates

May 26, 2022.
Mumbai

Sadanand Yadav
Practicing Company Secretaries
Partner
ACS : 37012
COP No : 14153
UDIN: A037012D000396294

ANNEXURE B

No. Governing Act/Rules/Regulation/Circulars/Notifications, etc

1. The Companies Act, 2013 (the Act) and the rules made there under
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under
3. Reserve Bank of India Act, 1934 and the provisions made there under
4. Prevention of Money Laundering Act, 2002, and the rules regulations made there under
5. Foreign Exchange Management Act, 1999
6. The Regulation and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
7. Byelaws, Rules, Regulations and Circulars issued by Stock Exchanges
8. SEBI (Research Analysts) Regulations, 2014
9. The Maternity Benefit Act, 1961
10. Payment of Wages Act, 1936
11. Minimum wages act-regional
12. The Payment of Bonus Act, 1965
13. Equal Remuneration Act, 1976
14. The Maharashtra Labour Welfare Fund Act, 1953
15. The Maharashtra Workmen's Minimum House Rent Allowance Act, 1983
16. Employee's Provident Fund & Miscellaneous Provisions Act, 1952
17. The Payment of Gratuity Act, 1972
18. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
19. Employee Compensation Act, 1923
20. Contract Labour (Regulation and Abolition) Act, 1970
21. Employee Compensation Act, 1923
22. The Maharashtra Private Security Guards (Regulation of Employment & Welfare) Act, 1981 & Maharashtra Private Security Agencies, 2005
23. Employees' State Insurance Act, 1948
24. Apprentices Act, 1961
25. The Inter-State Migrant Workmen (Regulation of Employment and Conditions Of Service) Act, 1979
26. The Bombay Shops and Establishments Act, 1948 and The Maharashtra Shops and Establishments Act, 2017.

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. Santosh Dadheech	Executive Director (Refer Note 1)	17.90
		2. Ms. Ananya Suneja	Executive Director (Refer Note 1)	39.19
		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. Santosh Dadheech	Executive Director (Refer Note 1)	8.53%
		Ms. Ananya Suneja	Executive Director (Refer Note 1)	243.57%
		Mr. Manoj Sharma (resigned w.e.f. March 18, 2022)	Chief Financial Officer	44.05%
		Ms. Rupa Agarwal (resigned w.e.f. August 17, 2021)	Company Secretary	-24.91%
		Ms. Shailly Kedia (appointed w.e.f. October 11, 2021 and resigned w.e.f. April 8, 2022)	Company Secretary	Refer Note 3
[^] The increase in % remuneration for FY-22 is not comparable with FY-21, as the bonus paid for FY-21 stood at Nil.				
3.	Percentage increase in the median remuneration of employees in the Financial year	114.16%		
4.	Number of permanent employees on the rolls of the Company at the end of the year	191 permanent employees on the rolls of the Company as on March 31, 2022.		
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional	<p>The average increase in the remuneration for the managerial personnel is 25.99% and for non-managerial personnel is 87.35%.</p> <p>(The employees joined/left the Company during the financial year 2021-22 are not considered for this purpose).</p> <p>The increase in % remuneration for FY-22 is not comparable with FY-21, as the bonus paid for FY-21 stood at Nil.</p>		

	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. Mr. Santosh Dadheech and Ms. Ananya Suneja resigned as Executive Directors of the Company with effect from December 1, 2021 and February 25, 2022 respectively. They continue to be Non-executive Directors of the Company.
2. The Company has been paying sitting fees of Rs. 20,000 per meeting to the Independent Directors for attending the meetings of the Board and the Committees thereof.
3. Ms. Shailly Kedia was designated for part of the year, hence percentage increase in remuneration is not reported.

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

Mumbai, May 27, 2022

**Nikhil Johari
Non-executive Director
DIN: 01960539**

**Ananya Suneja
Non-executive Director
DIN: 07297081**

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

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

Board of Directors

Composition, Meeting and Attendance

The Board of Directors of the Company comprises of 5 Directors of which 3 are Non-executive Non-Independent Directors and 2 are Independent Directors.

The annual calendar of the Board Meetings is agreed upon at the beginning of the year. The agenda for the Board Meetings is circulated in advance and is backed by comprehensive background information to enable the Board to take informed decisions. During the financial year 2021-22, the Board met 7 times i.e. on: May 25, 2021, June 10, 2021, August 4, 2021, September 17, 2021, October 27, 2021, January 28, 2022 and March 24, 2022.

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the financial year 2021-22 and at the last Annual General Meeting (AGM), the number of directorships and committee positions held by them in other public limited companies and the name of the other listed entities where he/she is a Director and category of directorships as on March 31, 2022, are as under:

Name and DIN of the Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM held on November 29, 2021	No. of directorships in other Public Limited Companies ⁵	Name of other Listed entities where person is Director - Category of Directorship	Committee Position* (Including this Company)	
						Member	Chairman
Dr. Vinod Juneja (DIN: 00044311)	Independent (Chairman)	7	No	8	2	5	1
Mr. Kunnasagar Chinniah (DIN 01590108)	Independent	7	No	6	2	6	-
Ms. Ananya Suneja (DIN: 07297081)	Non-executive	6	Yes	5	Nil	-	-
Mr. Nikhil Johari (DIN: 01960539)	Non-executive	6	No	1	Nil	-	-
Mr. Santosh Dadheech (DIN: 00196204)	Non-executive	7	Yes	Nil	Nil	-	-

\$ Only Directorships of public limited companies incorporated in India have been considered and excludes private limited companies, section 8 companies and foreign companies.

*Only Audit Committee and Stakeholders' Relationship Committee, in other public limited companies, have been considered for the Committee position.

None of the Directors hold office in more than 10 public companies as prescribed under the Companies Act, 2013 ('the Act'). No Director holds Directorships in more than 7 listed companies. Further, none of the Non-executive Directors serve as Independent Director in more than 7 listed companies as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'). None of the Directors on the Board is a member of more than 10 Committees and Chairperson of more than 5 Committees, across all public limited companies in which he/she is a Director. Independent Directors are Non-executive Directors as defined under the Listing Regulations and the Act along with Rules framed thereunder. In terms of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Dr. Vinod Juneja is an Independent Director of Shyam Telecom Limited and Shristi Infrastructure Development Corporation Limited, the listed companies.

Mr. Kunnasagaran Chinniah is an Independent Director of Edelweiss Financial Services Limited and a Nominee Director of Nirlon Limited, the listed companies.

Based on the declarations received from the Independent Directors, the Board has confirmed that they meet the criteria of independence as prescribed under the Listing Regulations and that they are independent of the management. Further, the Independent Directors have, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs. In the opinion of the Board, the Independent Directors are persons of integrity and possess relevant expertise, experience and proficiency.

All the Directors of the Company have confirmed that they are not disqualified for appointed as Directors pursuant to Section 164 of the Act.

M/s. SVVS & Associates, Company Secretaries, have issued a certificate certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities & Exchange Board of India (SEBI), the Ministry of Corporate Affairs and any such statutory authority.

Board skills/expertise/competence matrix

The Board have identified the following parameters with respect to the skill/expertise/competence that are available with the Board in the context of the business and sector for it to function effectively:

Directors	Industry Knowledge / Experience			Technical Skills/Experience						Behavioural Competencies	
	Financial and Capital Markets	Understanding of laws and regulations	International Experience	Accounting and Finance	Risk Management	Strategic Management	Legal and Compliance	Information Technology	Governance	Leadership and Mentoring Skills	Interpersonal Relations
Dr. Vinod Juneja	*	*	*	*	*	*	*	*	*	*	*
Ms. Ananya Suneja	*	*	*	*	*	*	*	*	*	*	*
Mr. Santosh Dadheech	*	*	*	*	*	*	*	*	*	*	*
Mr. Nikhil Johari	*	*	*	*	*	*	*	-	*	*	*
Mr. Kunnasagaran Chinniah	*	*	*	*	*	*	*	*	*	*	*

Committees of the Board:

A) Audit Committee

Meetings held:

During the Financial Year 2021-22, the Committee met 5 times on June 10, 2021, August 4, 2021, September 17, 2021, October 27, 2021 and January 28, 2022.

The Committee comprises of Independent Directors only. The composition as on March 31, 2022 and attendance during the year ended March 31, 2022 is as under:-

Name of the Members	No. of meetings Attended
Mr. Kunnasagaran Chinniah - Chairman	5
Dr. Vinod Juneja	5
Mr. Nikhil Johari	5

All the members have financial management expertise. The constitution and terms of reference of the Committee are in compliance with the requirements of the Act and the Listing Regulations.

Brief description of the terms of reference of the Audit Committee *inter alia* include:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company
- 3) Approval of payment to the statutory auditors for any other service rendered by the statutory auditors
- 4) Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:
 - a. matters required to be included in the Directors Responsibility statement to be included in the Board's Report in terms of clause (c) of sub section 3 of the Section 134 of the Companies Act, 2013
 - b. changes if any, in the accounting policies and practices and reasons for the same
 - c. major accounting entries involving estimates based on the exercise of judgement by management
 - d. significant adjustments made in the financial statements arising out of audit findings
 - e. compliance with the listing and other legal requirements relating to financial statements
 - f. disclosure of any related party transactions
 - g. qualifications in the draft audit report.
- 5) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval
- 6) Evaluation of internal financial controls and risk management systems
- 7) Reviewing, with the management, performance of statutory auditors and internal auditors, adequacy of the internal control systems
- 8) Discussion with internal auditors of any significant findings and follow up thereon
- 9) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
- 10) To review the functioning of the Whistle Blower/Vigil mechanism
- 11) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Auditors, Internal Auditors and the Chief Financial Officer are invited to attend the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee.

B) Nomination and Remuneration Committee

Meetings held:

During the Financial Year 2021-22, the Committee met 3 times on May 25, 2021, September 17, 2021 and October 27, 2021.

The composition as on March 31, 2022 and attendance during the year ended March 31, 2022 is as under:-

Name of the Members	No. of Meetings Attended
Dr. Vinod Juneja - Chairman	3
Mr. Kunnasagaran Chinniah	3
Mr. Nikhil Johari	2

Brief description of the terms of reference of the Nomination & Remuneration Committee *inter alia* include:

- 1) Identifying the persons who can become Directors
- 2) Formulating the criteria for determining the qualifications, positive attributes etc. and independence of a Director
- 3) Recommending to the Board a policy relating to the remuneration for the Directors & Key Managerial Personnel
- 4) Recommend to the Board, all remuneration, in whatever form, payable to senior management
- 5) Specify the manner for effective annual evaluation of performance of the Board, its Committees and individual Directors.

The Company has formulated a Remuneration Policy which is annexed to the Board's Report.

Board Evaluation

During the year, in accordance with the Board Evaluation Policy and the Guidance Note on Board Evaluation issued by SEBI, an annual evaluation of its own performance and that of the Committees and Directors pursuant to the provisions of the Act and the Listing Regulations was carried out by the Board on various parameters which inter alia included composition, diversity, effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, contribution of the Committees 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) and also that of the Chairman in terms of the provisions of the Act, the Listing Regulations and the Guidance Note issued by SEBI in this regard was discussed.

Familiarization Programme

The Independent Directors are familiarized with their roles, rights, responsibilities etc. in relation to the nature of the financial services sector and the business model of the Company. The details are uploaded on the website of the Company at: www.ercsl.edelweissfin.com.

Remuneration to the Directors

The Company pays sitting fees of ₹20,000 per meeting to the Independent Directors for attending the meetings of the Board and the Committees thereof.

The details of the remuneration paid to the Directors during the financial year ended March 31, 2022 are as under:

(Amount Rs. in million)

Name of the Director	Remuneration (fixed & performance bonus)	Perquisites	Sitting Fees	Commission	Others*	Total
Dr. Vinod Juneja	-	-	0.34	-	-	0.34
Mr. Kunnasagaran Chinniah	-	-	0.46	-	-	0.46
Ms. Ananya Suneja	20.45	0.04	-	-	-	20.49
Mr. Nikhil Johari	-	-	-	-	5.25	5.25
Mr. Santosh Dadheech	9.35	0.48	-	-	1.77	11.59

*Fees paid for professional services.

None of the Directors hold any shares in the Company.

C) Stakeholders' Relationship Committee

Meetings held:

During the financial year 2021-22, the Committee met once on May 25, 2021. The composition as on March 31, 2022 and attendance during the year ended March 31, 2022 is as under:-

Name of the Members	No. of Meetings Attended
Mr. Nikhil Johari - Chairman	1
Dr. Vinod Juneja	-
Ms. Ananya Suneja	1

Based on the reports received from the Registrar & Share Transfer Agents during the year ended March 31, 2022, the Company did not receive any requests/complaints during the year ended March 31, 2022. As on March 31, 2022, there were no outstanding requests/complaints.

General Body Meetings

The date, time and venue of the last three Annual General Meetings are given below:

Financial Year	Date	Time	Venue	No. of Special Resolutions passed
2020-2021	November 29, 2021	5.00 p.m.	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098	Nil
2019-2020	October 29, 2020	10.00 a.m.	Held through Video Conferencing/ Other Audio Visual means	Nil
2018-2019	September 30, 2019	11.00 a.m.	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai- 400 098	Nil

Means of Communication

The financial results, press releases and the presentation made to the Investors/Analysts are submitted to the Stock Exchanges and also uploaded on the website of the Company at www.ercsl.edelweissfin.com. The financial results are also published in the newspapers.

I. General Shareholder Information

i. AGM: Date, time and venue/ mode	Friday, September 30, 2022 at 3.30 p.m. at the Corporate Office of the Company at 4-A, 4th Floor, Emgeen Chambers, CST Road, Kalina, Santacruz (East), Mumbai – 400098
ii. Financial Year:	April 1, 2021 to March 31, 2022
iii. Book Closure dates:	Not Applicable
iv. Dividend payment date:	Not Applicable

II. Listing of Securities on Stock Exchanges:

Non-convertible Debentures

The Company has issued Secured Non-convertible Debentures (NCDs) on private placement.

Some of the NCDs are listed on BSE.

The Company has paid the listing fees to BSE for the financial year 2022-23.

Debenture Trustee:

The details of the Debenture Trustees for the NCDs issued by the Company are given below:

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate
Mumbai - 400 001
Tel: 022-4080 7000
Email: itsl@idbitrustee.com
Website: www.idbitrustee.com

Catalyst Trusteeship Limited
Windsor, 6th Floor, Office No. 604,
C.S.T. Road, Kalina, Mumbai – 400 098
Mumbai – 400 098
Tel.: +91 22 49220555
Email: dt@ctltrustee.com
Website: www.catalysttrustee.com

III. Registrar & Share Transfer Agent:

a. Equity Shares

Link Intime India Private Limited,
C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400
083 Tel: +91 22 4918 6270 Fax: +91 22 4918 6060
e-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

b. Non-Convertible Debentures

KFin Technologies Private Limited

Selenium Tower B, Plot 31-32,
Financial District, Nanakramguda,
Serilingampally,
Hyderabad - 500 032
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
Email: einward.ris@kfintech.com
Website: www.kfintech.com

IV. Distribution of shareholding and shareholding pattern as on March 31, 2022

The Company is a Wholly Owned Subsidiary of Edel Finance Company Limited, which (alongwith its nominees) holds 4,65,35,367 Equity Shares of Rs. 10 each representing 100% of the shareholding pattern.

V. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued GDRs/ADRs/Warrants or any other instrument convertible into equity.

VI. Plant locations – Not Applicable

VII. **Credit ratings** : The credit ratings obtained by the Company during the year 2021-22 are as under:-

Rating agency	Rating	Instruments	Date of revision (if any)	Revised Rating
CARE	CARE A+	Bank Borrowing	No Revision	No change
	Outlook: Stable			
	CARE A1+	Short term borrowing		
CRISIL	CRISIL AA-	Non-convertible Debentures	No Revision	No change
	Outlook: Negative			
	CRISIL AA-	Bank Borrowing		
	Outlook: Negative			
	CRISIL A1+	Short term borrowing		
	CRISIL AA-	Pref Share		
Outlook: Negative				
ICRA	ICRA A+	Non-convertible Debentures	No Revision	No change
	ICRA A+	Bank Borrowing		

Other Disclosures

- i. The Company did not enter into any materially significant related party transactions having a potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in the financial statements.
- ii. The financial statements (both standalone and consolidated) have been prepared in accordance with the applicable Accounting Standards.
- iii. The Company has a Whistle Blower Policy/Vigil Mechanism to report concerns about unethical behaviour, actual or suspected fraud or violation of our code of conduct and confirms that no personnel have been denied access to the Audit Committee.
- iv. Code for Prohibition of Insider Trading of the Company, the Policy for determining Material Subsidiaries and the Policy on Related Party Transactions are available at: www.ercsl.edelweissfin.com
- v. There have been no instances where the Board has not accepted recommendations of any Committee of the Board, during the financial year.

- vi. The statutory auditors of the Company, M/s. S. R. Batliboi & Co. LLP were paid a consolidated amount of Rs. 8.58 million by the Company and its subsidiaries for all the services provided by them.
- vii. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- a) Number of complaints filed during the Financial Year: Nil
 - b) Number of complaints disposed of during the Financial Year: Nil
 - c) Number of complaints pending as on end of the Financial Year: Nil.
- viii) The Company has complied with the mandatory conditions of Corporate Governance, as prescribed under the Listing Regulations.
- ix) The disclosures on loans and advances in the nature of loans to firms/companies in which directors are interested are disclosed in the notes to the financial statements.

x) Compliance Certificate

Pursuant to the Listing Regulations, a certificate issued by M/s. SVVS & Associates, Company Secretaries, certifying the compliance by the Company with the provisions of the Corporate Governance forms part of this Report.

Address for correspondence:

For any assistance, request or instruction regarding transfer or transmission of securities, dematerialisation of securities, change of address, non-receipt of annual report, dividend warrant and any other query relating to the securities of the Company, the investors may write to:

<p>The Company Secretary Edelweiss Rural & Corporate Services Limited Registered Office: 2nd Floor, MB Towers, Plot No. 5, Road No. 2, Banjara Hills, Hyderabad 500 034 Corporate Office: 4-A, 4th Floor, Emgeen Chambers, CST Road, Kalina, Santacruz (East), Mumbai – 400098 Tel. No.: +91 22 4009 4400 Fax: +91 22 4086 3610 Email: cs@edelweissfin.com Website: www.edelweissfin.com</p>	<p>Link Intime India Private Limited C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400 083. Tel: +91 22 4918 6270 Fax: +91 22 4918 6060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in</p>	<p>KFin Technologies Private Limited Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Tel: +91 40 6716 2222 Fax: +91 40 2343 1551 Email: einward.ris@kfintech.com Website: www.kfintech.com</p>
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Declaration by the Directors under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct

In accordance with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, it is hereby confirmed that for the financial year ended March 31, 2022, the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct.

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

Mumbai, May 27, 2022

**Nikhil Johari
Non-executive Director
DIN: 01960539**

**Ananya Suneja
Non-executive Director
DIN: 07297081**

Compliance Certificate on Corporate Governance

The Members,

Edelweiss Rural & Corporate Services Limited

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

Road No. 2, Banjara Hills,

Hyderabad,

Telangana – 500034.

We have examined the compliance with the conditions of Corporate Governance of **Edelweiss Rural & Corporate Services Limited** ("the Company") for the year ended on 31st March, 2022, as prescribed in the Regulations 17 to 27, 62(1A), and Para C, D and E of **Schedule V** of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as mandatorily applicable, as specified in **the aforesaid provisions** of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

May 27, 2022

Mumbai

CS. Suresh Viswanathan

Designated Partner

UDIN : F004453D000396504

FCS : 4453

CP No : 11745

O/c

S.R. BATLIBOI & Co. LLP

Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

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 Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at March 31 2022, 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 and associate, 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, and its associate as at March 31, 2022, their consolidated loss including other comprehensive loss, 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 and its associate 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 63 of the consolidated financial statements, which describes the economic and social disruption as a result of continued COVID-19 pandemic of the Group's business and financial metrics including the Group's estimates of impairment of loans and investments, which are highly dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

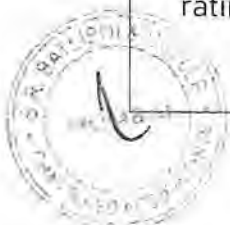


Key Audit Matters

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, 2022. 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 and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, 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
Impairment of financial instruments (expected credit losses) (as described in Note 53 (c) of the consolidated financial statements)	
<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; 	<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



Key audit matters	How our audit addressed the key audit matter
<ul style="list-style-type: none"> • 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 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>	<p>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>
<p>Information technology (IT) systems and controls</p>	
<p>The reliability and security of IT systems play a key role in the business operations, financial accounting and reporting process of the 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>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;



Key audit matters	How our audit addressed the key audit matter
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.	<ul style="list-style-type: none">• 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.

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, which we have obtained prior to the date of this auditor's report.

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 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 including its associate 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 and of its associate 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 of its associate 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 and of its associate are responsible for assessing the ability of the Group and of its associate 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 and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

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 and its associate 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 and its associate 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 and its associate of which we are the independent auditors and whose financial information we have audited, 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, 2022 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

We did not audit the financial statements and other financial information, in respect of 4 subsidiaries whose financial statements include total assets of Rs 49,529.02 million as at March 31, 2022, and total revenues of Rs 7,581.52 million and net cash outflows of Rs 6,512.86 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. The consolidated financial statements also include the Group's share of net loss of Rs. 360.82 million for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements, 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 associate, 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, and associate, is based solely on the reports 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. 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 and associates, 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;
 - (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, 2022 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 and its associate, none of the directors of the Group's companies and its associates, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, and its associate, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;



- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associates incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company, its subsidiaries and associates 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 and associate, 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 and its associates in its consolidated financial statements - Refer Note 42.1 to the consolidated financial statements;
 - ii. The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2022;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate, incorporated in India during the year ended March 31, 2022.
 - iv. a) The respective managements of the Holding Company and its subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, as disclosed in note 76 (a) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associate to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The respective managements of the Holding Company and its subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, other than as disclosed in the note 76 (b) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries and associate from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associate shall, whether, directly or indirectly, lend or invest in other persons or



S.R. BATLIBOI & CO. LLP

Chartered Accountants

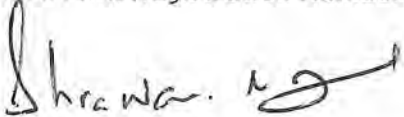
entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. No dividend has been declared or paid during the year by the Holding Company, its subsidiaries and its associate, 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: 22102102AJSPCP8705

Place of Signature: Mumbai

Date: May 27, 2022



Annexure 1 Referred to in Paragraph Under the Heading "Report on Other Legal and Regulatory Requirements" of Our Report of Even Date on the Consolidated Financial Statements of Edelweiss Rural & Corporate Services Limited

Based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate, incorporated in India, as noted in the 'Other Matter' paragraph we state that:

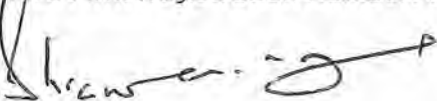
- (3) (xxi) There are no qualifications or adverse remarks by the respective auditors in their report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated financial statements except for following where the respective auditor have reported unfavorable or adverse remarks in their audit report to the principal auditor.

Sr.no.	Name	CIN	Holding Company/Subsidiary/ Associate	Clause number of the CARO report which is unfavorable or adverse
1	Edelweiss Housing Finance Limited	U65922MH2008PLC182906	Subsidiary	iii (c), iii (d) and (xi) (a)
2	Allium Finance Private Limited	U67120MH2008PTC180229	Subsidiary	iii (c) and iii (d)
3	Edelweiss Investment Adviser Limited	U74140TG2008PLC120334	Subsidiary	iii (c), iii (d) and xvii
4	Edel Land Limited	U74900MH2008PLC287466	Associate	iii (c), iii (d), iii (e), xvii
5	Edelweiss Rural & Corporate Services Limited	U45201TG2006PLC078157	Holding Company	iii (c), iii (d), iii (e), iii (f), ix (d), xvii and ix (e)

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number:102102

UDIN: 22102102AJSPCP8705

Place of Signature: Mumbai

Date: May 27, 2022



Annexure 2 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, 2022, 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") and its associate, 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 and its associate, 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 these 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 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 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 these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statement included obtaining an understanding of internal financial controls with reference to these 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 Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these consolidated financial statements.

Meaning of Internal Financial Controls With Reference to these Consolidated Financial Statements

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

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

Because of the inherent limitations of internal financial controls with reference to these 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 control 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 and its associate, 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, 2022, 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.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

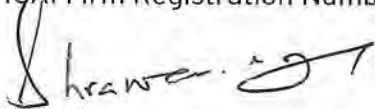
Other Matters

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 and 1 associate, 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: 22102102AJSPCP8705

Place of Signature: Mumbai

Date: May 27, 2022



Edelweiss Rural & Corporate Services Limited

Consolidated Balance Sheet

(Currency: Indian rupees in millions)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2A	2,427.49	2,507.48
(b) Investment property	2A	3,539.01	3,987.99
(c) Goodwill on consolidation		146.82	146.82
(d) Other Intangible assets	2A	14.04	15.45
(e) Intangible assets under development	2B	17.35	9.16
(f) Financial Assets			
(i) Investments	3	16,039.73	11,199.86
(ii) Loans	4	31,560.64	34,467.02
(iii) Other financial assets	5	351.67	301.00
(iv) Other bank balances	6	360.97	17.87
(g) Deferred tax assets (net)	7	1,228.67	1,211.13
(h) Income tax assets (net)	8	1,476.03	891.73
(i) Other non-current assets	9	20.68	21.14
Total Non-Current assets		57,183.10	54,776.35
Current assets			
(a) Financial Assets			
(i) Stock in trade	10	2,257.81	3,263.43
(ii) Investments	11	346.92	193.36
(iii) Trade and other receivables	12	226.48	323.92
(iv) Cash and cash equivalents	13	3,069.85	9,791.40
(v) Bank balances other than cash and cash equivalents	14	2,796.36	990.35
(vi) Loans	15	11,096.41	20,546.83
(vii) Other financial assets	16	402.33	1,382.16
(viii) Derivative financial instruments		17.16	-
(b) Current tax assets (net)	17	232.43	760.72
(c) Other current assets	18	412.13	545.38
Total Current assets		20,857.88	37,797.55
TOTAL ASSETS		78,040.98	92,573.90
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	465.35	397.75
(b) Instruments entirely equity in nature	19	9,500.00	9,500.00
(c) Other equity	20	(5,042.21)	(6,068.05)
Total equity attributable to Owners of the Company		4,923.14	3,829.70
Equity attributable to Non-controlling interests		3,850.62	3,868.75
Total Equity		8,773.76	7,698.45
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	37,894.70	35,613.61
(ii) Other financial liabilities	22	7,058.62	4,840.32
(iii) Lease liabilities		109.57	116.24
(b) Provisions	23	6.87	4.20
(c) Other non-current liabilities	24	1.82	-
Total Non-current liabilities		45,071.58	40,574.37
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	21,185.40	40,757.00
(ii) Trade payables	26		
Total outstanding dues of micro enterprises and small enterprises		7.26	0.23
Total outstanding dues to creditors other than micro enterprises and small enterprises		310.87	526.12
(iii) Other financial liabilities	27	2,472.84	729.45
(iv) Lease liabilities		32.82	23.71
(v) Derivative financial instruments		29.17	-
(b) Other current liabilities	28	106.22	2,189.93
(c) Provisions	29	45.38	46.81
(d) Current tax liabilities	30	5.68	27.52
Total current liabilities		24,195.64	44,301.08
TOTAL EQUITY AND LIABILITIES		78,040.98	92,573.90

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

Shrawan Jalan
Partner
Membership No: 102102
Mumbai
27 May 2022



For and on behalf of the Board of Directors of

Ananya Suneja
Director
IIN: 07297081

Nikhil Johari
Director
DIN: 01960539

Chirag Shah
Company Secretary

Mumbai
27 May 2022



Edelweiss Rural & Corporate Services Limited

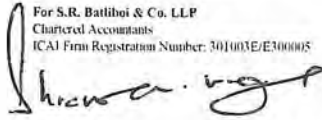
Consolidated Statement of Profit and Loss

(Currency: Indian rupees in millions)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations			
Fee income	31	1,286.39	1,498.74
Interest income	32	9,045.53	8,001.70
Sale of commodities		5,628.40	2,218.41
Other operating revenue	33	367.72	765.24
Other income	34	1,206.14	119.68
Total Income		17,534.18	12,603.77
Expenses			
Purchases of commodities		5,626.30	1,794.15
Changes in inventories		-	436.09
Net Loss on fair value changes	35	197.79	3,513.00
Employee benefits expense	36	1,205.08	1,704.47
Finance costs	37	9,149.48	9,193.22
Depreciation and amortisation expense	2A	399.04	826.70
Impairment on financial instruments	38	521.65	1,853.79
Other expenses	39	1,524.60	1,687.88
Total expenses		18,623.94	21,009.30
Profit/(Loss) before share in associates and tax		(1,089.76)	(8,405.53)
Share in profit/(loss) of associates (net of tax)		(360.82)	-
Loss before tax for the year		(1,450.58)	(8,405.53)
Tax expenses			
(1) Current tax		105.53	(64.11)
(2) Short / (Excess) provision for earlier years		(11.74)	-
(3) Deferred tax		(8.00)	456.76
Loss after tax for the year		(1,536.37)	(8,798.18)
Other Comprehensive Income(Loss) for the year			
Items that will not be reclassified to profit or loss			
Re measurement gain / loss on defined benefit plans		(27.73)	12.13
Fair value gain / loss - OCI - equity		-	-
Deferred Tax Charge / (Benefit)		9.69	(35.39)
Fair value gain on revaluation of Property, Plant and Equipment (refer note in schedule 2)		-	-
Income Tax effect on above		-	-
Income Tax - OCI - that will not be reclassified		-	-
Total		(18.04)	6.74
Total Comprehensive Income		(1,554.41)	(8,791.44)
Net Profit / (Loss) for the year attributable to:			
Owners of the parent		(1,703.25)	(8,844.74)
Non-controlling interest		166.88	46.56
Other Comprehensive Income / (Loss) for the year attributable to:			
Owners of the parent		(18.09)	7.74
Non-controlling interest		0.05	(1.00)
Total Comprehensive Income / (Loss) for the year attributable to:			
Owners of the parent		(1,721.34)	(8,837.00)
Non-controlling interest		166.93	45.56
Earnings per share (Face value of Rs. 10 each):			
(1) Basic	45	(23.43)	(218.95)
(2) Diluted		(23.43)	(218.95)

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. Battiboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005




per Shrawan Jalan
Partner
Membership No: 102102

Mumbai
27 May 2022



For and on behalf of the Board of Directors



Ananya Suneja
Director
DIN: 07297081

Nikhil Johari
Director
DIN: 01960539

Chirag Shah
Company Secretary

Mumbai
27 May 2022



Edelweiss Rural & Corporate Services Limited

Consolidated Cash Flow Statement

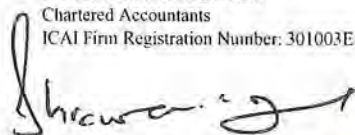
(Currency: Indian rupees in millions)

	For the year ended 31 March 2022	For the year ended 31 March 2021
A Cash flow from operating activities		
Profit / (loss) before tax	(1,450.58)	(8,405.53)
Adjustments for		
Impairment on financial instruments (net)	521.66	1,853.79
Depreciation and amortisation expense	399.04	826.70
Provision for employee benefits	25.63	1.09
Dividend on stock in trade	-	(6.63)
Share of profit from partnership firm	(4.15)	(0.93)
Finance costs	9,149.48	8,956.35
Profit / (Loss) on sale of current and non-current investments	43.46	3,174.92
Fair valuation on non-current investments	194.27	(90.94)
Operating cash flow before working capital changes	8,878.81	6,308.82
Changes in working capital		
Decrease (Increase) in trade receivables	27.20	536.49
Decrease (Increase) in stock in trade	1,005.62	(1,933.99)
Decrease (Increase) in loans and advances	11,905.39	6,516.67
Decrease (Increase) in other assets	(1,082.94)	(1,174.99)
Increase (Decrease) in liabilities and provisions	1,597.31	2,390.25
Cash generated from operations	22,331.39	12,643.25
Taxes paid (net of refunds)	(149.66)	17.26
Net cash generated from/ (use in) operating activities - A	22,181.73	12,660.51
B Cash flow from investing activities		
(Purchase) sale of fixed assets (net) (including capital work-in progress)	175.11	1,123.05
(Purchase) sale of current and non-current investments (net) (Refer note 1)	(5,098.49)	(5,214.04)
Dividend received	-	6.63
Net cash generated from/ (used in) investing activities - B	(4,923.38)	(4,084.36)
C Cash flow from financing activities		
Proceeds from / (Repayment of) loans (net) (Refer note 1)	(17,352.95)	(12,604.25)
Proceeds from / (Redemption of) subordinated liabilities	-	(17.95)
Issue of equity share capital	2,501.20	-
Redemption of commercial paper (net)	249.95	5,120.00
Issue of Compulsary Convertible Debentures & Compulsory Convertible Preference Shares	-	9,500.00
Dividend and dividend distribution tax paid	-	(34.43)
Principal repayment of leases	(49.52)	(370.54)
Interest paid	(9,336.99)	(9,522.19)
Net cash (used in) / generated from financing activities - C	(23,988.31)	(7,929.36)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(6,729.96)	646.79
Cash and cash equivalents as at the beginning of the year	9,791.40	9,144.61
Cash and cash equivalents as at the end of the year	3,069.85	9,791.40

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."

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



per Shrawan Jalan
Partner
Membership No: 102102



Mumbai
27 May 2022

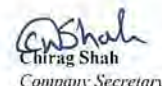
For and on behalf of the Board of Directors of



Ananya Suneja
Director
DIN: 07297081



Nikhil Johari
Director
DIN : 01960539



Chirag Shah
Company Secretary

Mumbai
27 May 2022



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 (01 April 2020)	Changes in equity share capital	Balance at the end of the reporting period (31 March 2021)	Changes in equity share capital	Balance at the end of the reporting period (31 March 2022)
	397.75	-	397.75	67.60	465.35

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	Debiture redemption reserve			
Balance at 1 April 2021	(1,159.41)	540.34	67.06	30.00	2,644.51	101.16	(3,837.90)	1,006.25	2,217.48	3,852.47
Profit or (loss) for the year	-	-	-	-	-	-	(8,844.74)	-	(8,844.74)	46.56
Other comprehensive income	-	-	-	-	-	-	7.74	-	7.74	(1,000)
Total Comprehensive Income for the year	-	-	-	-	-	-	(8,837.00)	-	(8,837.00)	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	-	-	-	107.06	-	127.93	(43.85)
Effect of change in group's interest	-	-	-	-	-	-	004.82	-	004.82	14.57
Revaluation of property, plant & equipment	-	-	-	-	-	-	-	(45.41)	-	-
Balance at 31 March 2021	(1,159.41)	547.80	80.47	30.00	2,644.51	101.16	(11,976.96)	960.84	(6,068.05)	3,868.75
Profit or (loss) for the year	-	-	-	-	-	-	(1,175.71)	-	(1,175.71)	166.88
Other comprehensive income	-	-	-	-	-	-	(18.09)	-	(18.09)	0.05
Reversal of ESOP rights	-	-	-	-	-	-	28.04	-	28.04	-
Total Comprehensive Income for the year	-	-	-	-	-	-	(1,165.76)	-	(1,165.76)	166.93
Deferred tax liability created on opening Reserve under section 29C of the National Housing Bank Act, 1987	-	-	-	-	-	-	-	-	-	-
Income tax effect of ESOP	-	-	-	-	-	-	-	-	-	-
Transfers to / from retained earnings	-	27.62	50.57	-	-	-	6.88	-	85.07	-
Transactions with shareholders in their capacity as such on issuance of preference shares	-	-	-	-	2,433.60	-	-	-	2,433.60	-
Effect of change in group's interest	-	-	-	-	-	-	(242.00)	-	(242.00)	(185.00)
Revaluation of property, plant & equipment	-	-	-	-	-	-	-	-	-	-
Avs. other change	-	-	-	-	-	-	45.40	-	45.40	-
Balance at 31 March 2022	(1,159.41)	575.42	131.04	30.00	5,078.11	101.16	(13,326.44)	915.44	(5,042.21)	3,850.62

For S. R. Bhatnagar & Co. LLP
Chartered Accountants
ICAI Firm Registration Number 3011002E3100045
per Shrawan Jalan
Partner
Membership No. 102102



For and on behalf of the Board of Directors
Manjiv Suresh
Director
DIN: 07297081
Rishabh Jaiswal
Director
DIN: 01960539
Chirag Shah
Company Secretary



Mumbai
27 May 2022

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. It is part of Edelweiss Group and is a ultimate subsidiary of the listed holding company Edelweiss Financial Services Limited. The Company provides loans to group companies and makes investments within the group. It also holds the technology shared service centre which provides service to group companies. Further, the company owns property which earns regular rental income.

1.2 Basis of preparation and presentation of 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 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 2022, comprise the financial statements of the Company and its subsidiaries as at 31 March 2022. 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 2022.

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 2022
Subsidiaries			
1	Edelweiss Comtrade Limited*	India	100%
2	Allium Finance Private Limited	India	70.97 %
3	Edelweiss Housing Finance Limited	India	55.23 %
4	Edelweiss Investment Adviser Limited	India	100.00%
Associates			
1	Edel Land Limited	India	37.59%

*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
- 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.
- 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.
- 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.



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Notes to the consolidated financial statements (*continued*)

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.



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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.

Sales 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.



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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.



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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



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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.



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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 establishing fair values. Judgements and estimates include considerations of liquidity and



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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.



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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



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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.

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 includes 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:



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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.

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



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Notes to the consolidated financial statements (continued)

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 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.

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



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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.

1.14 Income tax expenses

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The 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.

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.



Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (*continued*)

Minimum Alternative Tax (MAT) credit

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

1.15 Operating leases

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.

1.16 Investment property

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



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.

1.17 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.

1.18 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)

1.19 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).

1.20 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.



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

2.A Property, Plant and Equipment

Description of Assets	Gross Block				Accumulated Depreciation and Impairment			Net Block	
	As at 1 April 2021	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 Mar 2022	As at 1 April 2021	Charge for the year	Deductions / adjustments during the year	As at 31 Mar 2022	As at 31 Mar 2022
Property, Plant and Equipment	-	-	-	-	-	-	-	-	-
• Land	163.02	-	(1.21)	164.23	-	-	-	-	164.23
ROU - leasehold premises	300.44	51.96	12.49	349.91	195.80	30.60	0.93	225.47	114.44
Building	2,200.30	117.47	-	2,326.77	122.62	161.61	-	284.23	2,042.54
Leasehold Premises	18.22	2.63	2.12	18.73	10.70	4.41	2.00	13.11	5.62
Plant and Equipment	4.10	-	3.40	0.50	1.97	0.16	1.81	0.32	0.18
Furniture and Fixtures	88.12	0.78	10.64	78.26	42.96	10.96	8.89	45.03	33.23
Vehicles	6.86	1.35	5.39	2.82	4.71	0.71	4.38	1.04	1.78
Office equipment	100.13	0.72	31.53	69.32	71.98	11.36	26.59	54.75	14.57
Computers	202.11	8.91	52.85	158.17	162.26	16.26	48.40	130.12	28.05
Plant and Machinery-Solar power	62.05	-	-	62.05	33.87	5.05	(0.28)	39.20	22.85
Total	3,154.35	183.82	117.41	3,220.76	646.87	341.12	94.72	793.27	2,427.49
Investment property *	-	-	-	-	-	-	-	-	-
Gross Block									
Description of Assets	As at 1 April 2021	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 Mar 2022	As at 1 April 2021	Charge for the year	Deductions / adjustments during the year	As at 31 Mar 2022	As at 31 Mar 2022
Land	137.43	-	-	137.43	-	-	-	-	137.43
Flat and Building	4,896.47	510.98	829.85	4,577.60	1,045.91	145.62	15.51	1,176.02	3,401.58
Total	5,033.90	510.98	829.85	4,715.03	1,045.91	145.62	15.51	1,176.02	3,539.01

Other Intangible Assets

Description of Assets	Gross Block			Accumulated Amortisation and Impairment			Net Block	
	As at 1 April 2021	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 Mar 2022	Charge for the year	Deductions / adjustments during the year	As at 31 Mar 2022	As at 31 Mar 2022
Goodwill	18.68	-	-	18.68	-	-	-	18.68
Other Intangible Assets Software	112.78	10.90	0.26	123.42	12.30	0.24	109.38	14.04
Total	131.46	10.90	0.26	142.10	12.30	0.24	128.06	14.04



* These assets are pledged for issuance of Non-convertible debentures and Corporate Guarantee issued to State bank of India against loan facilities obtained by Group Company (refer Note 21 and Note 25).

2) Revised plan for additional FSI have been submitted and awaiting approval from Municipal Corporation of Greater Mumbai (MCGM). The company has already paid and capitalised development charges and FSI premium amounting to Rs. 391.38 million

3) There is no revaluation of assets during the year.

There are no adjustments on account of borrowing costs



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

2.A Property, Plant and Equipment

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block	
	As at 1 April 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
Property, Plant and Equipment	-	-	-	-	-	-	-	-
Land	163.02	-	-	163.02	-	-	-	163.02
ROI - leasehold premises	468.10	23.65	191.31	300.44	114.56	81.36	0.12	195.80
Building	2,209.30	-	-	2,209.30	-	122.62	-	2,086.68
Leasehold Premises	62.44	0.14	44.36	18.22	27.05	7.80	24.15	7.52
Plant and Equipment	6.58	0.01	2.49	4.10	3.13	0.62	1.78	2.13
Furniture and Fixtures	106.74	1.67	20.29	88.12	39.01	17.15	13.20	42.96
Vehicles	8.08	-	1.22	6.86	3.60	1.96	0.85	4.71
Office equipment	134.66	2.18	36.71	100.13	79.39	23.72	31.14	71.98
Computers	274.25	2.05	74.19	202.11	194.23	34.40	66.37	162.26
Plant and Machinery-Solar power	62.05	-	-	62.05	27.64	6.23	-	33.87
Total	3,495.22	29.70	370.57	3,154.35	488.61	295.87	137.61	646.87
Investment property*	-	-	-	-	-	-	-	-
Description of Assets	As at 1 April 2020	Gross Block	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
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
Total	5,387.86	270.88	624.84	5,033.90	598.56	447.39	0.04	1,045.91

Other Intangible Assets

Description of Assets	Gross Block			Accumulated Amortisation 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
Goodwill	18.68	-	-	18.68	18.68	-	-	18.68
Other Intangible Assets Software	286.28	116.23	286.73	112.78	187.73	83.44	173.85	97.32
Total	304.96	116.23	286.73	131.46	206.41	83.44	173.85	116.00

* Assets are pledged for issuance of Non-convertible debentures (refer Note 21 and Note 25)

On revaluation of assets during the year there are no adjustments on account of borrowing costs.



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

2 B Intangible Assets Under Development

(i) Intangible Assets Under Development Ageing Schedule for the year ended March 31, 2022

Intangible Assets Under Development	Amount in Intangible Assets Under Development for a period of			
	Less than 1 year	1-2 Years	2-3 years	More than 3 years
Project in progress	13.13	4.22	-	-
Total	13.13	4.22	-	17.35

(i) Intangible Assets Under Development Ageing Schedule for the year ended March 31, 2021

Intangible Assets Under Development	Amount in Intangible Assets Under Development for a period of			
	Less than 1 year	1-2 Years	2-3 years	More than 3 years
Project in progress	7.71	1.45	-	-
Total	7.71	1.45	-	9.16



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022			As at 31 March 2021		
	Face value	Quantity	Amount	Face value	Quantity	Amount
3 Non-current investments						
Trade (Quoted)						
Investments in equity instruments						
I Quoted Investments						
Investments in equity instruments of other Edelweiss group companies (fully paid up)						
Edelweiss Asset Reconstruction Company Limited *	10	51,81,837	110.35	10	1,04,82,041	446.43
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	90,000	0.90	90,000	10	0.90
Investments in debentures (fully paid up)						
10.25% ECL Finance Limited Perpetual Bonds	1,00,000	1,950	2,126.26	1,00,000	1,950	2,126.26
Investment in others						
Edelweiss Private Equity Tech Fund	1,00,000	853.43	199.79	1,00,000	853	199.35
Edelweiss Value and Growth Fund	1,00,000	3,592	314.08	1,00,000	3,592	398.01
Investment -Edelweiss Real Estate Opportunities Fund	-	-	-	-	-	19.51
India Credit Investment Fund II	-	1,58,897	1,598.14	1,58,897	-	1,588.97
India Credit Investment Fund I	-	3,91,000	2,147.00	-	-	-
Compulsorily convertible Debentures						
0.01 % -Edel Land	-	66,00,000.00	6,600.84	-	46,00,000.00	4,600.01
0.01 % -Edel Land	-	-	1,000.03	-	-	-
Associate Pick up	-	-	(360.82)	-	-	-
Security Receipts						
	-	-	2,359.72	-	-	1,600.86
Investment in Share Warrants Equity						
Team Geo Resources Limited	10	1,50,00,000	154.47	10	1,50,00,000	154.47
Less : Impairment Allowance***	-	-	(211.13)	-	-	(135.01)
			<u>16,039.73</u>			<u>11,199.86</u>

* Pledged with Catalyst Trusteeship Limited as a security against issue of the Non convertible Debentures by Edelweiss Financial Services Limited of Rs3.500 million 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 34 and 57



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
4 Loans- Non Current		
At fair value through profit and loss		
<u>Secured</u>		
Capital advances	2,357.87	1,925.51
Amortised Cost		
<u>Secured</u>		
Receivables from financing business*	3,631.68	111.30
Provision for expected credit loss on loans	(1,328.46)	(111.30)
	<u>2,303.22</u>	-
* Secured against securities		
<u>Unsecured</u>		
Loans and advances (including term loans)	3,974.76	5,049.36
Provision for expected credit loss on loans	(2.62)	-
	<u>3,972.14</u>	<u>5,049.36</u>
Term Loans		
<u>Secured **</u>		
(i) Housing Loans	20,466.12	16,955.65
(ii) Non Housing Loans	-	10,954.17
	<u>20,466.12</u>	<u>27,909.82</u>
<u>Unsecured</u>		
(i) Non Housing Loans	2,867.16	-
	<u>2,867.16</u>	-
Gross	23,333.28	27,909.82
Less: Impairment loss allowance	(405.87)	(417.67)
Net	<u>22,927.41</u>	<u>27,492.15</u>
	<u>31,560.64</u>	<u>34,467.02</u>
** Secured against tangible assets		
5 Other financial assets		
Security Deposits	24.42	105.66
Deposits placed with/ for exchange/ depositories	8.71	34.81
Other deposits	318.54	160.53
	<u>351.67</u>	<u>301.00</u>
6 Other bank balances		
Fixed deposits, held as margin money or security against borrowings, guarantees other commitments	-	0.26
Fixed deposit with banks (including interest accrued thereon) (bank deposits with more than 12 months maturity)	360.97	17.31
	<u>360.97</u>	<u>17.57</u>
(refer note 44 on Encumbrances on fixed deposits)		



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
7 Deferred tax assets (net)		
Deferred tax assets		
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	12.06	11.95
Leases - Ind AS 116	31.16	38.63
<u>Loans</u>		
Impairment on loans	1,129.65	1,172.72
<u>Investments and other financial instruments</u>		
Provision for Diminution in value of current investments	10.28	4.60
Unrealised loss on derivatives	-	-
<u>Employee benefit obligations</u>		
Provision for leave accumulation	2.17	1.24
Disallowances under section 43B of the Income Tax Act, 1961	8.86	18.36
<u>Unused tax credit</u>		
MAT credit entitlement	581.92	581.92
<u>Unused tax losses</u>		
Accumulated Losses	566.38	566.38
<u>Borrowings</u>		
Gratuity & other employee benefits	2.28	20.79
Others	0.09	111.42
	2,344.85	2,528.01
Deferred tax liabilities		
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	501.77	574.55
<u>Investments and other financial instruments</u>		
Unrealised Gain On Derivatives	18.04	25.86
Fair valuation gain of investments and stock in trade	312.22	392.68
Accrued Interest on Stage 3 receivables	1.35	1.87
<u>Borrowings</u>		
Effective interest rate on borrowings	123.87	167.97
Capitalised borrowing costs on building/ROU	57.91	55.25
Special Reserve u/s 36(1) (viii)	101.02	98.70
	1,116.18	1,316.88
	1,228.67	1,211.13

Note: Refer note 59 for disclosures on Deferred Tax.



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Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
8 Income tax assets (net)		
Advance income taxes	1476.03	891.73
	<u>1476.03</u>	<u>891.73</u>
9 Other non-current assets		
Prepaid expenses	-	0.01
Other deposits	18.93	19.55
Contribution to gratuity fund (net)	0.15	0.04
Input tax credit	1.60	1.54
	<u>20.68</u>	<u>21.14</u>



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Edelweiss Rural & Corporate Services Limited

Notes to the consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
10 Stock in trade		
At fair value through profit or loss		
(i) Mutual Fund	-	67.53
(ii) Debt securities	2,253.53	2,892.27
(iii) Equity instruments	-	65.75
(iv) Nifty-linked debentures	4.28	237.88
Total - Gross (A)	<u>2,257.81</u>	<u>3,263.43</u>
(i) Stock in trade held outside India	-	-
(ii) Stock in trade held in India	2,257.81	3,263.43
Total (B)	<u>2,257.81</u>	<u>3,263.43</u>
Less: Allowance for impairment (C)	-	-
Total Net (A-C)	<u>2,257.81</u>	<u>3,263.43</u>



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022			As at 31 March 2021		
	Face value	Quantity	Amount	Face value	Quantity	Amount
11 Current investments						
Investment in others						
Forefront Wealth Advisors LLP	-	-	0.42	-	-	6.76
EMSFA LLP	-	-	3.23	-	-	-
Security receipts						
EARC - SAF 1 -Trust	431.32	2,55,000	18.14	431.32	2,55,000	94.64
EARC - SAF 2 -Trust	12.68	10,000	5.43	12.68	10,000	5.25
-EARC SAF -3 Trust - Series I	-	-	-	402.00	19,000	18.55
-EARC Trust SC 297	-	-	-	1.00	3,38,621	4.40
-EARC TRUST SC 337	-	-	-	1.00	47,325	0.02
-EARC Trust SC 391	-	-	-	948.85	73,950	63.74
Other	-	-	319.70	-	-	-
			346.92			193.36

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



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
12 Trade receivables		
Receivable from agency business		
(i) Trade receivables		
Receivables considered good - Secured*	59.17	102.84
Receivables considered good - Unsecured	169.70	167.76
Receivables - Credit impaired	390.58	491.17
	<u>619.45</u>	<u>761.77</u>
Less : Allowance for expected credit losses	392.97	437.85
	<u>226.48</u>	<u>323.92</u>
<i>*secured by inventory held on behalf of principal</i>		
13 Cash and cash equivalents		
Cash on hand	0.01	-
Balances with banks (refer note 44 on Encumbrances on fixed deposits)	3,069.84	9,791.40
	<u>3,069.85</u>	<u>9,791.40</u>
14 Bank balances other than cash and cash equivalents		
Fixed deposits (refer note 44 on Encumbrances on fixed deposits)	2,796.36	990.35
	<u>2,796.36</u>	<u>990.35</u>



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
15 Loans - Current		
<i>Secured *</i>		
Receivables from financing business	9,105.09	8,314.22
- considered non performing assets	327.92	-
Provision for expected credit loss on loans	(196.74)	(1,190.13)
	9,236.27	7,124.09
<i>Unsecured</i>		
Term Loans (including capital advance)	4.44	1,317.46
Loans and advances to related parties	1,711.92	12,015.95
Loans and advances to employees	1.08	1.46
Accrued interest on loans given related parties	441.16	228.21
Intercompany deposits placed	-	1,100.00
Accrued interest on intercompany deposits	-	14.07
Impairment on intercompany deposits placed	-	(1,114.23)
ECL provision	(298.46)	(140.18)
*Secured by tangible assets	11,096.41	20,546.83
16 Other financial assets		
Rental deposits	-	9.97
Deposits- others	-	538.36
Receivable from exchange / clearing house (net)	0.62	0.78
Margin placed with broker	7.98	3.56
Advances recoverable in cash or in kind or for value to be received	393.73	829.49
	402.33	1,382.16
17 Current tax assets (net)		
Advance income taxes	232.43	760.72
	232.43	760.72
18 Other current assets		
(Unsecured considered good, unless stated otherwise)		
Contribution to gratuity Fund (net)	-	32.89
Input tax credit	272.88	308.29
Advances to employees	3.91	2.70
Prepaid expenses	55.87	81.59
Vendor advances	50.58	89.99
Advances recoverable in cash or in kind or for value to be received	28.89	29.92
	412.13	545.38



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
19 Share capital		
Authorised:		
4,25,00,000 (Previous year: 4,25,00,000) equity shares of Rs. 10 each	475.00	425.00
7,20,00,000 (Previous year: 7,20,00,000) preference shares of Rs. 10 each	670.00	720.00
	1,145.00	1,145.00
(a) Equity Shares		
Issued, Subscribed and Paid up:		
4,65,35,367 (Previous year: 3,97,75,367) equity shares of Rs. 10 each, fully paid up	465.35	397.75
	465.35	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	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	9,000.00
	9,500.00	9,500.00

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

	31 March 2022		31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each fully paid				
Outstanding at the beginning of the year	3,97,75,367	397.75	3,97,75,367	397.75
Issued during the year	67,60,000	67.60	-	-
Outstanding at the end of the year	4,65,35,367	465.35	3,97,75,367	397.75

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

	31 March 2022		31 March 2021	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Equity shares				
Edel Finance company Limited	4,65,35,367	100.00%	3,97,75,367	100.00%

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

	31 March 2022		31 March 2021	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Equity shares of Rs 10 each fully paid up				
Edel Finance company Limited	4,65,35,367	100.00%	3,97,75,367	100.00%

Rights, preferences and restrictions attached to equity shares:

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

Terms of Compulsory Convertible Preference Shares ("CCPS")

Non-cumulative Dividend of 0.01% per annum on the face value of the CCPS shall be paid to the CCPS holders. The CCPS will automatically be convertible into equity shares at the end of 10 years from the date of allotment. 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 2022	As at 31 March 2021
20 Other Equity		
Capital Reserve	(1,159.41)	(1,159.41)
Reserve under section 29C of the National Housing Bank Act, 1987	575.42	547.80
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934	131.04	80.47
Capital Redemption Reserve	30.00	30.00
Securities Premium Account	5,078.11	2,644.51
Revaluation Reserve through other comprehensive income	915.44	960.84
Debenture redemption reserve	2,612.47	2,697.54
ESOP Reserve	101.16	101.16
Retained earnings	(13,326.44)	(11,970.96)
	<u>(5,042.21)</u>	<u>(6,068.05)</u>

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

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
21 Long-term borrowings		
<i>Secured*</i>		
Non-convertible redeemable debentures	11,288.36	12,735.44
Term loans from bank [Secured by charge on immovable property with bank]	6,945.67	13,540.32
Interest accrued on borrowings	398.36	1,200.12
<i>Unsecured</i>		
Loans and advances from related parties	18,762.31	-
Preference Shares Capital - Fellow Subsidiaries	-	2,036.39
Preference Shares Capital - Outsiders	500.00	11.47
Privately Placed Non-convertible redeemable debentures	-	6,089.87
	500.00	8,137.73
	37,894.70	35,613.61
<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	142.00	725.98
Other payables	6,916.62	4,114.34
	7,058.62	4,840.32
23 Long-term provisions		
Gratuity	1.16	0.31
Compensated leave absences	5.71	3.89
	6.87	4.20
24 Other non-current liabilities		
Other	1.82	-
	1.82	-



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
25 Short-term borrowings		
<u>Secured</u>		
Bank overdraft	2,143.88	1,349.27
[Secured by pari passu charge on inventory and corporate guarantee of ultimate holding company]		
Privately Placed Non-convertible debentures*	3,719.54	23,157.31
Sub-total (A)	5,863.42	24,506.58
<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>		
<u>Unsecured</u>		
Loan & Advances from Others		
Loan from related parties	1,291.50	3,669.42
[repayable on demand, at the rate of interest 9%]		
Commercial paper	5,370.00	5,120.00
Less : Unamortised discount	(351.00)	(350.95)
	5,019.00	4,769.05
Preference Shares Capital - Fellow Subsidiaries	2,214.87	-
Preference Shares Capital - Outsiders	28.27	-
Short term loan from bank	6,276.21	7,738.79
Sub-total (B)	14,829.85	16,177.26
Unamortised discount		
Interest accrued on borrowings (C)	492.13	73.16
Total (A+B+C)	21,185.40	40,757.00



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021			
26 Trade Payables					
Total outstanding dues of micro enterprises and small enterprises	7.26	0.23			
Total outstanding dues to creditors other than micro enterprises and small enterprises	310.87	526.12			
	318.13	526.35			
For trade payables due for payment, following ageing schedule shall be given:					
As at March 31, 2022	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	7.26	-	-	-	7.26
(ii) Others	307.65	0.81	1.76	0.65	310.87
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
Total	314.91	0.81	1.76	0.65	318.13
As at March 31, 2021	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.23	-	-	-	0.23
(ii) Others	521.68	3.47	0.34	0.63	526.12
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
Total	521.91	3.47	0.34	0.63	526.35
27 Other financial liabilities					
Book overdraft	44.18	-			
Accrued salaries and benefits	328.36	320.79			
Retention money payable	1.29	1.29			
Other payables (including on account of securitisation/ assignments)	166.75	386.58			
Securitisation liability (including loan assigned under PCG* scheme)	1,589.27	-			
Statutory dues payable	-	20.79			
Investor payable on assigned loans	342.99	-			
	2,472.84	729.45			
*PCG- Partial Credit Guarantee Scheme					
28 Other current liabilities					
Withholding taxes, Goods & service tax and other taxes payable	69.45	39.73			
Others	36.77	13.12			
Book overdraft	-	542.18			
Other payables (including on account of securitisation/ assignments)	-	1,351.63			
Payable to employees	-	43.27			
	106.22	2,189.93			
29 Short-term provisions					
Provision for employee benefits :					
- Gratuity	35.19	32.56			
- Compensated absences	9.78	6.29			
Proposed dividend	-	7.38			
Provision for expenses	0.41	0.58			
	45.38	46.81			
30 Current tax liabilities (net)					
Provision for taxation	5.68	27.83			
	5.68	27.83			



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	For the year ended 31 March 2022	For the year ended 31 March 2021
31 Fee income		
Income from commodities services	0.78	127.42
Business support services income	691.11	1,181.28
Advisory income (including referral and arranger fees)	594.50	190.04
	1,286.39	1,498.74
32 Interest income		
Interest Income from loans	2,346.73	1,812.41
Interest income on loans from others	4,276.80	4,531.72
Interest income on fixed deposits	171.90	177.37
Interest income on debt instrument	1,685.14	1,018.27
Interest income on margin with brokers	0.16	0.45
Interest income on preference shares	-	118.66
Interest Income - Others	289.47	(1.26)
Income on direct assignment	275.33	344.08
	9,045.53	8,001.70
33 Other operating revenue		
Warehouse income	54.67	411.42
Rental income	313.05	353.86
Gain / (loss) due to foreign exchange movement on trade	-	(0.04)
	367.72	765.24
34 Other income		
Foreign exchange gain	-	(0.22)
Miscellaneous income	59.57	66.74
Interest on Income tax refund	24.83	53.16
Profit / (loss) on sale of long term investment	1,121.74	-
	1,206.14	119.68
35 Net (Gain) / Loss on fair value changes		
Loss on trading of securities (net)	665.31	292.49
Profit / (loss) on trading in equity derivative instruments (net)	(31.23)	52.17
Loss / (Profit) on trading in currency derivative instruments (net)	-	91.98
Fair value gain / (loss) on revaluation of real estate (unrealised)	(324.93)	-
FV Security receipts	2.82	-
Income distribution from Fund	(347.76)	(0.06)
Loss on sale of long term investment	62.60	3,197.24
Dividend on Stock in trade	-	(1.80)
Dividend on long term investment	-	(4.83)
Share of (profit) loss in partnership firm	(4.15)	(0.93)
Fair value (gain) / loss - Equity	183.91	(11.16)
Fair value gain - Debt Instruments	10.36	(79.78)
Profit on sale of mutual fund units (FVTPL)	(19.14)	(22.32)
	197.79	3,513.00



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	For the year ended 31 March 2022	For the year ended 31 March 2021
36 Employee benefit expenses		
Salaries, wages and bonus	1,094.28	1,584.84
Contribution to provident and other funds	53.59	56.53
Expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP)	13.36	18.65
Staff welfare expenses	43.85	44.45
	1,205.08	1,704.47
37 Finance costs		
Interest on debentures	3,493.95	4,399.25
Interest on term loan	1,594.80	2,400.72
Interest on bank overdraft	21.45	46.92
Interest on loan	3,107.84	1,333.41
Discount on commercial paper	420.01	480.77
Financial and bank charges	36.46	152.50
Interest on debt securities	90.82	53.74
Interest on lease liabilities	13.19	24.71
Interest on shortfall in payment of advance income tax	1.05	1.99
Interest on subordinated debt	56.27	56.25
Interest on working capital demand loan	111.01	-
Interest on borrowings other than debt securities	23.36	26.88
Finance cost- Preference Shares	179.27	216.08
	9,149.48	9,193.22
38 Impairment on financial instruments		
Bad- debts and advances written off	80.28	106.18
Loss on sale of loan assets sold to assets reconstruction company	347.14	359.27
Diminution in value of investments	-	129.35
Provision for non performing assets	153.62	1,146.95
Provision for doubtful debts	(10.04)	48.06
Provision for standard assets	(49.35)	63.98
	521.65	1,853.79



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

	For the year ended 31 March 2022	For the year ended 31 March 2021
39 Other expenses		
Advertisement and business promotion	4.52	2.61
Auditor's remuneration (refer note below)	17.80	15.33
Commission and brokerage	16.59	26.37
Communication expenses	23.94	23.20
Computer expenses	125.85	132.89
Computer software	90.03	4.54
Clearing and custodian charges	1.93	25.20
Contribution towards corporate social responsib	10.53	21.52
Dematerialisation charges	-	0.19
Directors' sitting fees	1.58	1.12
Electricity charges (net)	9.90	42.95
Foreign exchange loss (net)	0.05	(1.90)
Freight & Forwarding Expenses	0.02	-
Insurance	9.57	27.39
Loss on sale of Investments	-	2.63
Legal and professional fees	656.39	202.54
Loss on sale of fixed assets (net)	(4.13)	138.08
Membership and subscriptions	0.39	4.03
Office expenses	109.59	190.41
Postage and courier	3.70	2.13
Printing and stationery	10.26	8.51
Rates and taxes	8.08	81.98
Rating support fees	12.55	20.94
Rent	82.58	72.82
Repairs and maintenance - building	0.07	0.11
Repairs and maintenance - others	10.26	13.23
Security transaction tax	3.95	8.61
Goods and Service tax expenses	63.41	214.95
Stamp duty	13.50	21.10
Stock exchange expenses	14.57	2.29
Transportation charges	5.73	23.85
Travelling and conveyance	30.34	20.77
Warehousing charges	55.00	192.96
Loan origination costs amortised	112.69	125.22
Miscellaneous expenses	23.36	19.31
	1,524.60	1,687.88
Auditor's remuneration:		
As auditors	17.70	13.16
Reimbursement of expenses	0.10	2.17
	17.80	15.33



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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 in the nature of administration, compliance, payroll, finance and accounts, Technical support etc. provided to group companies
Warehouse services	Warehouse services includes warehousing and collateral management services for agri commodities
Trading in commodities	Purchase and sale of agri commodities

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

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 2022	As at/ For the year ended 31 March 2021
I	Segment Revenue		
	a) Capital based business	10,908.82	8,291.31
	b) Treasury management	1,220.62	681.39
	c) Business Support Services	740.13	779.49
	d) Warehouse services	55.46	580.00
	e) Trading in commodities	4,584.77	2,218.41
	f) Unallocated	24.38	53.17
	Total Income	17,534.18	12,603.77
II	Segment Results		
	a) Capital based business	(1,482.30)	(8,050.89)
	b) Treasury management	(79.40)	(124.45)
	c) Business Support Services	88.78	(155.38)
	d) Warehouse services	(3.78)	(116.27)
	e) Trading in commodities	1.72	(11.72)
	f) Unallocated	24.40	53.18
	Total	(1,450.58)	(8,405.53)
	Loss before taxation	(1,450.58)	(8,405.53)
	Less : Provision for taxation	85.79	392.65
	Profit after taxation	(1,536.37)	(8,798.18)
III	Segment Assets		
	a) Capital based business	72,541.36	84,564.43
	b) Treasury management	2,745.64	4,928.04
	c) Business Support Services	106.69	108.86
	d) Warehouse services	-	107.94
	e) Trading in commodities	-	-
	f) Unallocated	2,647.29	2,864.63
	Total	78,040.98	92,573.90



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

40 Segment reporting (continued)

IV	Segment Liabilities		
	a) Capital based business	66,992.90	80,226.14
	b) Treasury management	2,256.87	4,386.09
	c) Business Support Services	0.63	213.72
	d) Warehouse services	16.82	32.87
	e) Trading in commodities	-	-
	f) Unallocated	-	16.63
	Total	69,267.22	84,875.45
V	Capital expenditure (Including intangibles under development)		
	a) Capital based business	705.86	416.71
	b) Treasury management	-	-
	c) Business Support Services	-	-
	d) Warehouse services	-	-
	e) Trading in commodities	-	-
	f) Unallocated	-	-
	Total	705.86	416.71
VI	Depreciation and amortisation		
	a) Capital based business	347.62	695.94
	b) Treasury management	6.33	1.97
	c) Business Support Services	45.09	100.10
	d) Warehouse services	-	28.69
	e) Trading in commodities	-	-
	f) Unallocated	-	-
	Total	399.04	826.70
VII	Significant non-cash expenses other than depreciation and amortisation		
	a) Capital based business	577.65	4,668.01
	b) Treasury management	-	9.84
	c) Business Support Services	-	-
	d) Warehouse services	(19.69)	14.99
	e) Trading in commodities	-	-
	f) Unallocated	-	-
	Total	557.96	4,692.84

No single customer represents 10% or more of the Company's total revenue for the year ended 31 March 2022 and 2021.



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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

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. Fellow Subsidiaries with whom the Group has transactions

Edel Land Limited
ECL Finance Limited
Edel Investments Limited
Edelcap Securities Limited
EdelGive Foundation
Edelweiss Alternative Asset Advisors Limited
Edelweiss Asset Management Limited
Edelweiss Asset Reconstruction Company Limited
Edelweiss Broking Limited
Edelweiss Custodial Services Limited (Upto 26 March 2021)
Edelweiss Finance & Investments Limited
Edelweiss Gallagher Insurance Brokers Limited (Upto 17 October 2021)
Edelweiss General Insurance Company Limited
Edelweiss Global Wealth Management Limited
Edelweiss Retail Finance Limited
Edelweiss Securities And Investments Private Limited
Edelweiss Securities Limited
Edelweiss Tokio Life Insurance Company Limited
India Credit Investment Fund II
Edelweiss Trustee Services Limited
Ecap Equities Limited
Edel Finance Company Limited
Aster commodities DMCC
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 Limited
EAAA, LLC
EW Special Opportunities Advisors LLC
EW India Special Assets Advisors LLC
Edelweiss Securities (Hong Kong) Private Limited
Edelweiss Financial Services INC
Edelweiss India Capital Management
EFSL International Limited
Edelweiss Financial Services UK Limited
Edelweiss holdings Limited
Edelweiss Securities (IFSC) Limited
Edelweiss Securities Trading and Management Private Limited



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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. 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
- D. Associate of Ultimate holding company (EFSL)
Edelweiss Securities (Hong kong) Private Limited (from 27th March 2021)
Edelweiss Financial Services (UK) Limited (from 27th March 2021)
Edelweiss Securities (IFSC) Limited (from 27th March 2021)
Edelweiss Investment Advisors Private Limited (from 27th March 2021)
ESL Securities Limited (from 27th March 2021)
Edelweiss Financial Services Inc. (from 27th March 2021)
- E. 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) (resigned w.e.f. November 30, 2021)
Mrs. Ananya Suneja (Executive Director) (resigned w.e.f. February 25, 2022)
Mr. Manoj Sharma (Chief Financial Officer) (resigned w.e.f. March 18, 2022)
- F. Non-Executive Directors
Ms. Kalpana Maniar (Resigned w.e.f. December 28, 2020)
Mr. Nikhil Johari
Mr. Santosh Dadheech (w.e.f. December 1, 2021)
Mrs. Ananya Suneja (w.e.f. February 26, 2022)
- G. Independent Directors
Dr. Vinod Juneja
Mr. Kunnasagan Chinniah



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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)

II. Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021
Capital account transactions during the year			
Interim dividend paid/proposed	ECL Finance Limited	-	0.70
Equity Issued to	Edel Finance Company Limited	2,501.20	-
Compulsory Convertible Preference Share 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			
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	36,891.63	21,430.85
	ECap Equities Limited	32,313.66	11,803.68
	ECL Finance Limited	-	8,610.00
	Edel Finance Company Limited (Refer note no 5)	45.00	5,304.52
	Lichen Metals Private Limited	-	178.69
	Edel Investments Limited	15,308.88	975.58
	Edelweiss Securities And Investments Private Limited	-	576.70
	Edelweiss Retail Finance Limited	11,780.00	2,400.00
	Edelcap Securities Limited	4,963.72	-
	Edel Land Limited	500.00	-
Short term loans taken from (Max basis) (Refer note 1 and 2)	Edelweiss Financial Services Limited	-	7,876.58
	ECap Equities Limited	-	5,468.83
	ECL Finance Limited	-	2,700.00
	Edelweiss Finvest Private Limited	-	-
	Lichen Metals Private Limited	-	120.36
	Edel Finance Company Limited	-	3,131.00
	EC Commodity Limited	-	-
	Edel Investments Limited	-	107.40
	Edelweiss Securities And Investments Private Limited	-	543.40
	Edelweiss Retail Finance Limited	-	2,150.00
	Edelweiss Rural & Corporate Services Limited	-	-
Short term loans repaid to (Refer note 2 Total basis)	Edelweiss Financial Services Limited	29,749.48	19,233.77
	ECap Equities Limited	17,266.21	11,803.68
	ECL Finance Limited	-	10,214.00
	Edel Finance Company Limited (Refer note no 5)	50.51	5,299.52
	Lichen Metals Private Limited	-	179.19
	Edel Investments Limited	14,762.21	849.45
	Edelweiss Securities And Investments Private Limited	0.40	576.30
	Edelweiss Retail Finance Limited	8,310.00	2,413.00
	Edelcap securities limited	4,019.26	-
	Edel Land Limited	500.00	-



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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)

H. Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021
Short term loans repaid to	Edelweiss Financial Services Limited	-	4,605.00
(Refer note 1 and 2)	Ecap Equities Limited	-	5,645.53
	ECL Finance Limited	-	2,700.00
	Edelweiss Finvest Private Limited	-	3,132.00
	Lichen Metals Private Limited	-	165.00
	Edelweiss Insurance Brokers Limited	-	-
	Edel Finance Company Limited	-	-
	EC Commodity Limited	-	-
	Edel Investments Limited	-	106.50
	Allium Finance Private Limited	-	10.00
	Edelweiss Securities And Investments Private Limited	-	421.30
	Edelweiss Finance & Investments Limited	-	-
	Edelweiss Retail Finance Limited	-	2,213.00
	Edelweiss Housing Finance Limited	-	-
Short term loans given to (Refer note 2) (Total basis)	Ecap Equities Limited	1,238.86	96,887.81
	ECL Finance Limited	18,287.86	9,831.54
	Edel Finance Company Limited (Refer note no 5)	7,312.11	34,312.89
	Edelcap Securities Limited	784.48	4,882.60
	Edel Investments Limited	5,609.50	512.66
	Edelweiss Global Wealth Management Limited	1,125.60	1,372.58
	Edelweiss Retail Finance Limited	8,240.00	20,830.00
	Edelweiss Securities Limited	-	1,578.85
	Edelweiss Broking Limited	900.00	1,216.10
	Edelweiss Securities And Investments Private Limited - Magnoli	5,009.17	1,015.21
	Edelweiss Financial Services Limited	-	3,313.86
	Edelweiss Finance and Investments Limited	-	38.94
	Edelweiss Custodial Services Limited	-	916.00
	Edelweiss Alternative Asset Adviser Limited	-	1,740.27
	Edel Land Limited	98,064.93	7,491.96
	Edelweiss Multi Strategy Fund Advisors LLP	-	45.00
	Lichen Metals Private Limited	-	0.46
Short term loans given to	Ecap Equities Limited	-	8,283.85
(Refer note 1 and 2)	ECL Finance Limited	-	3,100.00
	Edel Finance Company Limited (Refer note no 5)	-	5,267.05
	Edelcap Securities Limited	-	-
	Edel Investments Limited	-	17.50
	Edelweiss Investment Adviser Limited	-	2,900.50
	Edelweiss Global Wealth Management Limited	-	1,041.13
	Edelweiss Retail Finance Limited	-	4,200.00
	Edelweiss Securities Limited	-	1,470.00
	Edelweiss Broking Limited	-	700.00
	Edelweiss Securities And Investments Private Limited	-	797.13
	Edelweiss Financial Services Limited	-	750.00
	Edelweiss Finance and Investments Limited	-	28.94
	Edelweiss Custodial Services Limited	-	916.00
	Edelweiss Asset Management Limited	-	-
	Edelweiss Alternative Asset Advisors Limited	-	1,016.96
	EC Commodity Limited	-	921.73
	Edel Land Limited	-	4,638.50
	Edelweiss Multi Strategy Fund Advisors LLP	-	31.41
	Lichen Metals Private Limited	-	0.61
	Edelweiss Trustee Services Limited	-	-
	Edel Finance Company Limited	-	-



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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)

H. Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021
Short term loans repaid by (Refer note 2) (Total basis)	Ecap Equities Limited	3,361.86	97,825.34
	ECL Finance Limited	18,507.86	8,847.45
	Edel Finance Company Limited (Refer note no 5)	9,679.51	29,676.52
	Edelcap Securities Limited	784.48	3,230.20
	Edel Investments Limited	5,609.50	67.67
	Edelweiss Global Wealth Management Limited	2,100.06	1,265.06
	Edelweiss Retail Finance Limited	8,240.00	-
	Edelweiss Securities Limited	-	1,587.32
	Edelweiss Broking Limited	900.00	1,219.62
	Edelweiss Securities And Investments Private Limited	3,489.19	4,032.94
	Edelweiss Financial Services Limited	-	3,313.86
	Edelweiss Finance and Investments Limited	-	67.89
	Edelweiss Custodial Services Limited	-	2,072.00
	Edelweiss Alternative Asset Adviser Limited	-	2,860.19
	Edel Land Limited	-	5,128.91
	Edelweiss Multi Strategy Fund Advisors LLP	-	76.41
	Lichen Metals Private Limited	-	265.67
Short term loans repaid by (Refer note 1 and 2)	Ecap Equities Limited	-	10,785.20
	ECL Finance Limited	-	3,600.00
	Edelweiss Finvest Private Limited	-	5,267.05
	Edelcap Securities Limited	-	-
	Edel Investments Limited	-	22.60
	Edelweiss Investment Adviser Limited	-	1,500.00
	Edelweiss Global Wealth Management Limited	-	936.38
	Edelweiss Retail Finance Limited	-	4,200.00
	Edelweiss Securities Limited	-	1,470.00
	Edelweiss Broking Limited	-	700.00
	Edelweiss Securities And Investments Private Limited -	-	797.13
	Edelweiss Financial Services Limited	-	750.00
	Edelweiss Finance and Investments Limited	-	28.94
	Edelweiss Custodial Services Limited	-	916.00
	Edelweiss Asset Management Limited	-	-
	Edelweiss Alternative Asset Advisors Limited	-	1,016.96
	EC Commodity Limited	-	899.57
	Edelweiss Comtrade Limited	-	34.00
	Edel Land Limited	-	1,625.58
	Edelweiss Trustee Services Limited	-	-
	Edel Finance Company Limited	-	-
	Edelweiss Multi Strategy Fund Advisors LLP	-	31.41
	Edelweiss Multi Strategy Funds Management Private Limited	-	-
	Lichen Metals Private Limited	-	264.60
Loan portfolio purchase under direct assignment	ECL Finance Limited	1,005.78	1,937.86
	Edelweiss Retail Finance Limited	282.82	1,769.67
Loan sold under Securitisation	Edelweiss General Insurance Company Limited	100.83	-
	Edelweiss Tokio Life Insurance Company Limited	997.36	-
Non Convertible Debentures subscribed by	Ecap Equities Limited	1,589.28	-
Security deposit received from	Edelweiss Securities Limited	7.33	-
	Edelweiss Custodial Services Limited	84.44	-
Security deposit repaid to	Edelweiss Global Wealth Management Limited	75.00	-
	Edel Land Limited	100.00	-
	ECL Finance Limited	500.00	-
Loan sale to ARC	Edelweiss Asset Reconstruction Company Limited	1,925.70	26.80



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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)

H. Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021
Investments			
Investments in equity shares sold to	Edel Finance Company Limited (Refer note no 5)	-	4,906.33
	Edelweiss Financial Services Limited	0.10	-
	Edelweiss Securities And Investments Private Limited	1,451.97	-
Investments in Compulsory Convertible debentures of	Edel Land Limited	3,000.00	600.00
	ECap Equities Limited	-	4,000.00
Investment in others	Edelweiss Value and Growth Fund	10.09	1.70
	India Credit Investment Fund II	238.33	1,588.97
	Edelweiss Private Equity Tech Fund	5.83	-
Investment in Security Receipt issued by	EARC Trust SC 378	-	22.78
	EARC Trust SC 417	365.93	-
	EARC Trust SC 418	273.19	-
	EARC Trust SC 447	566.27	-
	EARC Trust SC 451	294.44	-
	EARC Trust SC 459	137.10	-
Redemption in debentures of	Edelweiss Asset Reconstruction Company Limited	191.63	195.46
	ECL Finance Limited	1,200.00	-
	Edel Land Limited	5,159.28	-
Withdrawal of capital from partnership firm	Edelweiss Resolution Advisors LLP	0.24	7.80
	Edelweiss Multi Strategy Fund Advisors LLP	7.02	5.25
Secondary market transactions (acting as broker)			
Margin placed with (Refer note 1 and 2)	Edelweiss Securities Limited	80.00	2.21
	Edelweiss Custodial Services Limited	1,452.37	3,840.48
	Edel Investments Limited	7.20	-
	Edelweiss Investment Limited	113.00	-
Margin withdrawn from (Refer note 1 and 2)	Edelweiss Custodial Services Limited	1,450.24	3,331.81
	Edelweiss Securities Limited	86.00	2.67
	Edelweiss Investment Limited	113.00	-
	Edel Investments Limited	12.67	-
Margin placed with clearing house (aggregate of debit)	Edelweiss Custodial Services Limited	0.31	-
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	238.31	1,181.66
	Edelweiss Investment Limited	148.08	-
Amount received from broker for cash segment	Edelweiss Securities Limited	334.59	1,245.56
	Edelweiss Investment Limited	168.09	-
Purchase of Securities	Edelweiss Securities limited	-	1,043.33
	Edel Finance Company Limited (Refer note no 5)	-	0.10
	ECL Finance Limited	2,147.00	-
Security Receipts Purchased from	Edelweiss Finvest Limited	-	88.38
Sale of Security Receipts	Edelweiss Retail Finance Limited	378.65	-



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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)

II. Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021	
Purchase of fixed assets from	Edelweiss Securities Limited	0.07	0.09	
	Edelweiss Global Wealth Management Limited	-	0.01	
	Edelweiss Broking Limited	0.03	0.13	
	Ecap Equities Limited	-	0.01	
	Edelweiss Financial Services Limited	0.14	0.04	
	ECL Finance Limited	0.50	0.20	
	Edelweiss Finance and Investments Limited	1.35	0.01	
	Edelweiss Asset Management Limited	-	0.01	
	Edelweiss Gallagher Insurance Brokers Limited	-	0.03	
	Edelweiss Retail Finance Limited	0.33	0.03	
	Edelcap Securities Limited*	0.03	0.05	
	Edelweiss Alternative Asset Advisors Limited	-	0.01	
	Edel Land Limited	0.03	0.01	
	Edel Investments Limited	-	0.01	
	EdelGive Foundation	0.04	-	
	Sale of fixed assets to	Edelweiss Securities Limited	0.03	0.98
		Edelweiss Custodial Services Limited	0.00	0.05
Edelweiss Broking Limited		0.07	3.55	
Ecap Equities Limited		-	0.01	
Edelcap Securities Limited		0.05	0.04	
Edelweiss Financial Services Limited		0.11	0.02	
ECL Finance Limited		1.12	0.41	
Edelweiss General Insurance Company Limited		1.31	0.12	
Edelweiss Asset Reconstruction Company Limited		0.02	0.10	
Edelweiss Finance & Investment Limited*		0.04	0.10	
Edel Land Limited		0.07	0.09	
Edelweiss Retail Finance Limited		0.02	0.01	
Edelweiss Gallagher Insurance Brokers Limited		0.01	-	
Edel Investments Limited		0.03	0.01	
Edelweiss Alternative Asset Advisors Limited		-	0.02	
Edelweiss Asset Management Limited		0.13	0.01	
EdelGive Foundation		0.01	0.01	
Edelweiss Global Wealth Management Limited		0.00	0.02	
Edelweiss Tokio life Insurance Company Limited		-	0.17	
Edelweiss Insurance Brokers Limited	0.00	-		
Purchase/subscription of debentures from	ECL Finance Limited	150.72	295.88	
	Ecap Equities Limited	3,027.07	1,812.67	
	Edelweiss Invest Private Limited	-	1,633.94	
	Edelcap Securities Limited	-	661.02	
	Edel Land Limited	111.59	1,060.34	
	EC Commodity	822.34	-	
	Edel Investments Limited	314.37	-	
	Edelweiss Retail Finance Limited	0.20	-	
Sale/redeemption of debentures to	ECL Finance Limited	-	2,799.42	
	Ecap Equities Limited	-	495.24	
	Edelweiss Retail Finance Limited	-	250.08	
	Edel Land Limited	312.92	717.28	
	Edelweiss Securities And Investments Private Limited	-	15.23	
	Edelcap Securities Limited	-	445.14	
	Edel Finance Company Limited (Refer note no 5)	19.12	-	
	Edel Investments Limited	3,890.00	-	
Edelweiss Broking Limited	115.88	-		
Remuneration paid to	Rujan Panjwani	-	3.68	
	Santosh Dadhech	9.83	9.85	
	Rajat Avasthi	21.66	9.93	
	Mr. Krishnaswamy Siddharth	-	2.34	
	Mr. Manjeet Bijlani	-	0.73	
	Ms. Riddhi parekh	1.82	2.05	
	Manoj Sharma	2.97	2.06	
	Ananya Sunja	20.60	2.28	
	Mr. Manish Dhanuka	6.07	4.49	
	Mr. Ravindra Dhobale	1.97	-	
	Mr. Tushar Kotecha	2.23	-	
Mr. Girish Manik	0.61	-		



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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)

II. Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021
Director Sitting Fees	Kunnasagan Chinniah	0.46	0.22
	Vinod Juneja	0.34	0.30
	Mr. P. N. Venkatachalam	0.14	0.40
	Mr. Vaidyanathan P	-	-
	Sunil Phatarphekar	0.28	0.28
	Biswamohan Mahapatra	0.32	0.10
	Mr. Gautam Chatterjee	0.08	-
Income			
Business support service charges from	ECL Finance Limited	72.36	126.36
	Edelweiss Broking Limited	2.97	87.27
	Edelweiss Securities Limited	268.18	49.14
	Edelweiss Retail Finance Limited	0.76	18.04
	Edelweiss Custodial Services Limited	0.26	33.27
	ECap Equities Limited	-	46.96
	Edelweiss Asset Reconstruction Company Limited	28.20	58.74
	Edel Finance Company Limited (Refer note no 5)	0.76	-
	Edelweiss Financial Services Limited	43.67	220.69
	Edelweiss Global Wealth Management Limited	0.24	3.73
	Edelweiss Alternative Asset Advisors Limited	3.46	20.21
	Edelweiss General Insurance Company Limited	43.98	31.14
	Edelweiss Asset Management Limited	3.81	23.62
	Edelcap Securities Limited	56.05	22.67
	Edelweiss Finance and Investments Limited	0.87	16.74
	Edel Investments Limited	1.57	2.88
	Edelweiss Gallagher Insurance Brokers Limited	10.81	7.49
	Edelweiss International (Singapore) Pte. Limited	6.29	7.10
	Edel Land Limited	17.15	1.44
	Lichen Metals Private Limited	-	0.03
	Edelweiss Tokio Life Insurance Company Limited	68.00	39.42
	EdelGive Foundation	5.57	1.57
	Edelweiss Capital Services Limited	0.01	-
	Edelweiss Securities And Investments Private Limited	43.01	-
	Edelweiss Trusteeship Company Limited	0.01	-
	ESL Securities Limited	0.04	-
Advisory fees earned from	ECL Finance Limited	17.50	33.93
	Edelweiss Retail Finance Limited	4.30	9.00
	Edelweiss Asset Reconstruction Company Limited	-	-
	Edel Land Limited	-	-
Service fee received from	Edelweiss Retail Finance Limited	0.26	-
	ECL Finance Limited	0.11	-
Service charges paid	Edelweiss Retail Finance Limited	1.50	-
	ECL Finance Limited	1.44	-
Collateral management fees received from	ECL Finance Limited	-	1.59
	Edelweiss Financial Services Limited	-	1.59
Corporate Guarantee support fee	ECL Finance Limited	0.02	142.49
	Edel Finance Company Limited (Refer note no 5)	6.93	8.58
	Edelweiss Retail Finance Limited	-	2.32
Rating Support Fees Income	Edelweiss Financial Services Limited	0.09	0.10
	Edelweiss Securities Limited	0.03	0.03
	Edelweiss Finance and Investments Limited	0.13	0.14
	ECap Equities Limited	0.02	0.04
	ECL Finance Limited	0.68	0.91
	Edelweiss Broking Limited	0.02	0.01
	Edelweiss Custodial Services Limited	0.03	0.04
	Edel Finance Company Limited (Refer note no 5)	-	-
	Edelweiss Asset Reconstruction Company Limited	0.07	0.09
	Edel Finance Company Limited (Refer note no 5)	0.08	0.10
	Edelweiss Retail Finance Limited	0.06	0.08



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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)

II. Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021
Interest income on debentures from	Edelweiss Asset Reconstruction Company Limited	160.87	152.29
	ECL Finance Limited	239.31	236.00
	Edelweiss Retail Finance Limited	1.64	12.49
	ECL Finance Limited/Edel Finance Company Limited	2.64	2.64
	ECap Equities Limited	-	0.01
	Edel Land Limited	28.65	-
Interest income on Nifty Linked Debentures	ECap Equities Limited	838.39	610.88
Interest income on loan from	ECL Finance Limited	265.07	8.53
	ECap Equities Limited	229.27	1,381.79
	Edelweiss Broking Limited	16.51	19.11
	Edelweiss Securities Limited	-	0.08
	Edelcap Securities Limited	1.30	-
	Edelweiss Financial Services Limited	-	30.81
	Edelweiss Alternative Asset Advisors Limited	7.35	46.20
	Edel Investments Limited	10.31	0.07
	Edelweiss Global Wealth Management Limited	111.37	101.13
	Edelweiss Retail Finance Limited	24.16	32.91
	Edelweiss Finance and Investments Limited	-	0.28
	Edel Land Limited	1,195.97	80.65
	Edelweiss Custodial Services Limited	-	10.59
	Edelweiss Multi Strategy Fund Advisors LLP	-	3.12
	Lichen Metals Private Limited	-	0.57
	Edel Finance Company Limited*	340.63	60.51
Edelweiss Securities And Investments Private Limited - Magnoli	65.72	-	
Interest Income - Preference Capital (SIT)	ECap Equities Limited	-	118.66
Interest income on margin placed with	Edelweiss Custodial Services Limited	0.16	0.45
Interest Income on security deposit to	ECap Equities Limited	-	9.68
	Edel Land Limited	9.39	-
Share of Profit in LLP	ECap Equities Limited	-	-
	Edelweiss Multi Strategy Fund Advisors LLP*	4.19	-
	Edelweiss Resolution Advisors LLP	-	4.96
Share of loss in LLP	Edelweiss Multi Strategy Fund Advisors LLP	-	4.03
	Edelweiss Resolution Advisors LLP	0.04	-
Rental income from	ECL Finance Limited	11.78	42.16
	Edelweiss Financial Services Limited	26.90	48.71
	Edelweiss Securities Limited	12.93	48.70
	Edelweiss Broking Limited	0.20	39.58
	Edelweiss Alternative Asset Advisors Limited	45.18	42.00
	Edelweiss Asset Reconstruction Company Limited	44.73	34.02
	Edelweiss Custodial Services Limited	94.24	17.15
	Edelweiss Global Wealth Management Limited	-	8.05
	Edelweiss Finance and Investments Limited	-	12.39
	Edelcap Securities Limited	14.01	36.60
	ECap Equities Limited	-	7.21
	Edel Investments Limited	25.25	4.69
	Edelweiss Asset Management Limited	24.96	15.07
	Edelweiss General Insurance Company Limited	0.26	1.35
	Edelweiss Retail Finance Limited	-	1.56
	Edelweiss Tokio Life Insurance Company Limited	-	0.02
	Edel Land Limited	2.28	1.06
	EdelGive Foundation	1.12	1.20
	Edel Finance Company Limited	-	2.07
	Lichen Metals Private Limited	-	0.40
Edelweiss Gallagher Insurance Brokers Limited	-	0.20	
Edelweiss Securities (IFSC) Limited*	-	-	
ESL Securities Limited	-	0.48	
Investment management support service from	Edelweiss International (Singapore) Pte. Limited	1.69	23.82



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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)

II. Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021
ARC Management Fee received from	Edelweiss Financial Services Limited	89.03	12.06
Cost reimbursements recovered from	ECL Finance Limited	2.79	17.39
	Edelweiss Financial Services Limited	1.61	3.87
	Edelweiss Securities Limited	12.56	18.69
	Edelweiss Broking Limited	2.84	45.80
	Edelweiss Alternative Asset Advisors Limited	1.74	3.08
	Edelweiss Custodial Services Limited	2.83	8.53
	Edelcap Securities Limited	4.27	12.41
	Edelweiss Finance and Investments Limited	0.50	4.59
	Edelweiss Global Wealth Management Limited	0.09	0.50
	Edel Investments Limited	1.93	0.83
	Edelweiss General Insurance Company Limited	0.59	9.14
	Edelweiss Tokio Life Insurance Company Limited	4.95	9.80
	Edel Land Limited	0.57	1.59
	EdelGive Foundation	0.08	0.59
	Lichen Metals Private Limited	-	0.03
	Edelweiss Gallagher Insurance Brokers Limited	0.22	3.21
	Edel Finance Company Limited	0.01	0.28
	ECap Equities Limited	-	3.49
	Edelweiss Asset Management Limited	1.18	4.70
	Edelweiss Asset Reconstruction Company Limited	1.91	4.55
	Edelweiss Retail Finance Limited	0.38	1.28
	Edelweiss Trusteeship Company Limited	-	0.01
	Edelweiss Capital Services Limited	0.15	0.01
	ESL Securities Limited	0.09	-
Income distribution from Fund	India Credit Investment Fund	64.00	-
	Edelweiss Value & Growth Fund	283.76	-
Expenses			
Clearing expenses to	Edelweiss Custodial Services Limited	0.28	8.65
Contribution towards corporate social responsibilities	Edelgive Foundation	10.53	18.02
Cost reimbursement to	Edelweiss Financial Services Limited	9.58	116.80
	ECap Equities Limited	-	27.28
	Edelweiss Broking Limited	0.15	1.85
	Edelweiss Securities Limited	1.04	7.03
	Edelweiss Asset Management Limited	-	0.00
	Edelweiss Retail Finance Limited	9.15	24.63
	Edelweiss Alternative Asset Advisors Limited	11.54	16.62
	Edelweiss Custodial Services Limited	0.60	14.27
	Edel Land Limited	1.87	3.06
	Edelcap Securities Limited	0.01	3.04
	Edelweiss Finance and Investments Limited	-	0.41
	ECL Finance Limited	132.37	117.11
	Edelweiss Tokio Life Insurance Company Limited	-	-
	Edelweiss International (Singapore) Pte. Ltd.	0.01	-
Trade exposure charges paid to	Edelweiss Custodial Services Limited	7.77	-
Advisory Fees paid to	Edelweiss Alternative Asset Advisors Limited	15.46	9.32
	ECL Finance Limited	326.60	-
Group mediclaim insurance paid to	Edelweiss General Insurance Company Limited	-	0.02
ESOP cost reimbursement	Edelweiss Financial Services Limited	4.40	-
Brokerage and commission expenses	Edelweiss Securities Limited	2.45	6.76
	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
	Edelweiss Investment Limited	0.01	-
Enterprise service charge paid to	ECL Finance Limited	20.12	-
Donation expenses	EdelGive Foundation	-	3.50
Interest expenses on loans from	ECap Equities Limited	13.64	306.82
	Edelweiss Financial Services Limited	2,005.73	352.58



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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)

H. Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021
	Edel Finance Company Limited	1.11	22.04
	ECL Finance Limited	-	125.19
	Lichen Metals Private Limited	-	5.02
	Edel Investments Limited	79.29	18.16
	Edelweiss Securities And Investments Private Limited	0.02	1.51
	Edelweiss Retail Finance Limited	193.43	135.27
	Edel Land Limited	267.71	-
	Edelcap Securities Limited	47.36	-
Interest expense on Securitisation	Edelweiss General Insurance Company Limited	0.13	-
	Edelweiss Tokio Life Insurance Company Limited	0.70	-
Interest expenses on Security deposit	ECL Finance Limited	58.68	60.50
	Edelweiss Global Wealth Management Limited	-	9.07
	ECap Equities Limited	-	12.10
Interest expenses on debentures	ECap Equities Limited	-	354.81
	ECL Finance Limited	8.68	3.66
	Edelweiss Finance & Investments Limited	0.02	17.35
	Edelcap Securities Limited	74.37	235.58
	Edel Land Limited	400.44	198.06
	Edel Investments Limited	166.01	6.92
	Edel Finance Company Limited (Refer note no 5)	-	2.63
	Edelweiss Tokio Life Insurance Company Limited	2.58	18.46
	Edelweiss Retail Finance Limited	0.81	0.24
	Edelweiss Securities And Investments Private Limited	12.40	-
Interest on CCD	Edel Finance Company Limited	0.90	-
Interest / dividend on preference shares	ECL Finance Limited	74.98	68.86
	Edelweiss Securities Limited	-	4.53
	Edel Finance Company Limited (Refer note no 5)	-	52.39
	ECap Equities Limited	103.50	88.12
Management fees paid to	Edelweiss Asset Reconstruction Company Limited	76.72	55.69
Rating fees to and Bank guarantee commission	Edelweiss Financial Services Limited	-	0.32
Risk and reward sharing fee expense	Edelweiss Financial Services Limited	1.94	-
Corporate Guarantee support fee	Edelweiss Financial Services Limited	-	170.18
	Edel Land Limited	0.03	0.01
Professional fees paid to	Edelweiss Financial Services Limited	-	0.06
	ECL Finance Limited	0.55	-
Balances with related parties as on 31 March 2022 - (Assets)			
Accrued interest income on loans given	Edelweiss Alternative Asset Advisors Limited	3.63	-
	Edelweiss Global Wealth Management Limited	6.23	2.42
	ECL Finance Limited	152.00	1.57
	Edelweiss Retail Finance Limited	-	8.14
	ECap Equities Limited	5.50	112.69
	Edelweiss Securities And Investments Private Limited	7.38	0.08
	Edel Land Limited*	130.81	6.57
	Edel Finance Company Ltd	41.82	11.48
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
	Edel Finance Company Limited (Refer note no 5)	1.78	1.78
	Edel Land Limited	15.40	-
Investment in Partnership Firm	Edelweiss Multi Strategy Fund Advisors LLP	0.05	0.05
	Edelweiss Resolution Advisors LLP	0.10	0.07
Investments in equity shares in	Edelweiss Asset Reconstruction Company Limited	110.35	446.43
Investments in preference shares in	ECap Equities Limited (After Deemed Contribution)	-	-
Investment in others	Edelweiss Value and Growth Fund	314.09	598.02
	Edelweiss Private Equity Tech Fund	199.80	199.36
	India Credit Investment Fund II	1,507.03	1,502.16



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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)

H. Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021
Partner's current account - receivable from	Edelweiss Resolution Advisors LLP	0.32	0.63
	Edelweiss Multi Strategy Fund Advisors LLP	3.18	6.01
Investments in debentures of	10.25% ECL Finance Limited Perpetual Bonds	2,120.60	2,120.60
	ECAP Equities Limited	-	4,000.01
	Edel Land Limited	7,600.39	600.00
Investment in debt instruments of	Edelweiss Asset Reconstruction Company Limited	1,301.86	1,493.78
	Edel Land Limited	316.90	-
Investment in Security Receipts issued by	EARC Trust SC 447	240.95	-
	EARC Trust SC 451	553.31	-
	EARC Trust SC 459	282.02	-
Margin on trading of securities (net)			
Margin Payable to	Edelweiss Custodial Services Limited	0.10	-1.57
	Edelweiss Securities Limited	-	0.37
	Edel Investments Limited	0.50	-
Margin Receivable	Edelweiss Custodial Services Limited	2.04	-
Trade receivables from	ECL Finance Limited	35.57	-
	Edelweiss Broking Limited	1.17	1.00
	Edelweiss Securities Limited	64.37	-
	Edelweiss Asset Reconstruction Company Limited	6.73	-
	Edelweiss Custodial Services Limited	8.24	0.02
	Edelweiss General Insurance Company Limited	8.56	0.15
	Edelweiss Retail Finance Limited	3.98	0.61
	Edelcap Securities Limited	6.28	-
	Edelweiss Finance and Investments Limited	-	0.02
	Edelweiss Asset Management Limited	2.89	0.04
	Edelweiss International (Singapore) Pte. Limited	1.79	30.92
	Edel Investments Limited	1.87	-
	Edelweiss Multi Strategy Fund Advisors LLP	0.01	-
	Edelweiss Securities And Investments Private Limited -	5.32	-
	Edel Land Limited	0.79	-
	Edel Finance Company Limited	4.63	3.99
	Edelweiss Capital (Singapore) Pte. Limited	-	0.02
	EdelGive Foundation	0.33	-0.56
	Edelweiss Tokio Life Insurance Company Limited	7.14	0.00
	Edelweiss Alternative Asset Advisors Limited	6.09	-
	Edelweiss Financial Services Limited	30.06	0.01
	ESL Securities Limited	0.01	-
Other receivable from	Edelweiss Asset Management Limited	0.02	-
	Edelweiss Securities Limited	-	0.09
	ECL Finance Limited	0.93	13.56
	Edelweiss Financial Services Limited	-	14.48
	ECAP Equities Limited	-	-
	Edelweiss Custodial Services Limited	-	0.07
	Edelweiss General Insurance Company Limited	0.12	0.04
	Edelweiss Global Wealth Management Limited	-	0.01
	Edelcap Securities Limited	-	0.03
	Edelweiss Finance and Investments Limited	0.01	0.50
	Edel Land Limited	-	0.12
	Edelweiss Alternative Asset Adviser Limited	-	0.02
	ESL Securities Limited	0.01	0.01
	Edelweiss Broking Limited	-	-
	Edel Finance Company Limited	1.15	-
	Edelweiss Retail Finance Limited	0.08	-
	EdelGive Foundation	0.56	-
	Edelweiss Asset Reconstruction Company Limited	0.03	-



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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)

H. Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021
Short term loans and advances given to	Edelweiss Global Wealth Management Limited	70.06	1,050.14
	Edelweiss Alternative Asset Advisors Limited	330.00	1.19
	ECL Finance Limited	780.00	1,000.00
	ECap Equities Limited	-	6,116.57
	Edel Land Limited	399.18	3,159.61
	Edelweiss Securities And Investments Private Limited -	1,544.26	23.88
	Edel Finance Company Ltd	2,632.60	5,000.00
Stock in trade/ Nifty Linked Debentures	ECL Finance Limited	-	237.76
	ECap Equities Limited	3.00	-
Security deposit given including accrued interest	ECap Equities Limited	-	80.91
Balances with related parties as on 31 March 2021 - (Liabilities)			
Dividend payable to	ECL Finance Limited	-	0.70
	ECap Equities Limited	-	0.70
Subordinated Preference Shares	ECL Finance Limited	918.36	843.38
	ECap Equities Limited	1,296.51	1,193.01
Accrued interest expense on loans taken from	ECap Equities Limited	1.24	24.02
	ECL Finance Limited	0.24	0.87
	Edelweiss Financial Services Limited	244.11	51.13
	Edel Finance Company Limited	-	0.05
	Edel Investments Limited	7.29	2.41
	Edelweiss Securities And Investments Private Limited	-	1.49
	Edelweiss Retail Finance Limited	22.75	-
	Edelcap Securities Limited	7.55	-
	Edel Land Limited	121.65	-
Interest Payable-CCD	Edel Finance Company Limited (Refer note no 5)	-	0.01
Interest Receivable on Short term borrowings from	ECL Finance Limited	7.38	-
Margin receivable from	Edelweiss Custodial Services Limited	5.56	505.44
	Edelweiss Securities Limited	-	6.00
	Edel Investments Limited	0.45	-
Non convertible debentures held by	ECap Equities Limited	-	3,877.74
	ECL Finance Limited	8.33	158.38
	Edelweiss Finance & Investments Limited	0.16	0.16
	Edel Investments Limited	300.82	10.46
	Edel Land Limited	4,064.34	1,065.42
	Edelcap Securities Limited	350.53	1,469.33
	Edelweiss Tokio Life Insurance Company Limited	225.80	200.00
	Edelweiss Retail Finance Limited	7.47	7.60
Interest accrued but not due on Non convertible debentures held by	Edelweiss Finance and Investments Limited	-	-
	ECL Finance Limited	0.01	0.01
	Edelweiss Retail Finance Limited	0.58	11.29
	Edelweiss Tokio Life Insurance Company Limited	0.52	0.52
Interest Payable on Debenture	ECap Equities Limited	-	60.52
	Edel Investments Limited	0.53	0.18
	Edel Land Limited	70.66	56.48
	Edelcap Securities Limited	4.62	44.08
	Edelweiss Tokio Life Insurance Company Limited	-	5.07
Rental deposits payable to	Edelweiss Asset Reconstruction Company Limited	50.00	50.00
	ECap Equities Limited	-	100.00
	ECL Finance Limited	-	500.00
	Edelweiss Global Wealth Management Limited	-	75.00
	Edelweiss Securities Limited	7.33	-
	Edelweiss Custodial Services Limited	84.44	-



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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)

H. Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021
Trade payables to	Edelweiss Alternative Asset Advisors Limited	0.14	1.78
	Edelweiss Financial Services Limited	4.88	130.31
	Edelweiss Retail Finance Limited	6.22	1.87
	ECap Equities Limited	-	1.63
	Edelweiss Securities Limited	0.22	0.55
	ECL Finance Limited	102.46	87.01
	Edel Investments Limited	-	0.19
	Edelweiss Asset Management Limited	-	0.00
	Edelweiss Global Wealth Management Limited	-	0.20
	Edel Land Limited	2.00	0.01
	EC Global Limited	0.02	0.02
	Edel Finance Company Limited (Refer note no 5)	-	2.22
	ESL Securities Limited	-	0.38
	Edelweiss Finance and Investments Limited	0.40	-
Other payables to	Edelweiss Broking Limited	-	0.01
	Edelweiss Financial Services Limited	1.44	17.31
	Edelweiss Securities Limited	0.16	0.14
	Edelweiss Custodial Services Limited	0.03	0.29
	Edel Finance Company Limited	0.04	0.02
	Edelweiss Finance & Investments Limited	-	0.11
	Edelweiss Retail Finance Limited	-	0.03
	Edelweiss Securities (IFSC) Limited	0.18	0.10
Short term loans taken from	Edel Finance Company Limited	-	5.51
	Edel Investments Limited	685.00	138.33
	Edelweiss Retail Finance Limited	3,470.00	-
	ECap Equities Limited	112.56	0.52
	Edelweiss Financial Services Limited	9,339.23	2,197.08
	Edelcap Securities Limited	944.46	-
Non convertible debentures outstanding	ECL Finance Limited	-	1,325.36
	Edelweiss Retail Finance Limited	18.61	16.04
	Edel Finance Company Limited (Refer note no 5)	28.07	28.13
	Edel Land Limited	555.97	-
Off balance sheet item			
Corporate guarantee given for	ECL Finance Limited	249.09	-
	Edel Finance Company Limited (Refer note no 5)	726.55	766.20
	Edelweiss Retail Finance Limited	32.49	-
Risk and Rewards Guarantee taken from	Edelweiss Financial Services Limited	2,208.60	-
Corporate guarantee given by	Edelweiss Financial Services Limited	1,324.40	3,336.71
	Edel Land Limited	280.22	300.82

Total

0.00 represents amount 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, 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
- 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
- Loan given to subsidiaries and fellow subsidiaries are for the general corporate business.
- Remuneration to KMP's shall be within the limit as prescribed.



B

Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

42 Contingent liabilities, commitments and leasing arrangements:

42.1 Contingent liabilities and commitments

- a) Taxation matters in respect of which appeal is pending Rs. 418.52 million (Previous year: Rs. 510.00 million).
- b) Corporate guarantee given by the Group to bank for Rs.1,324.42 million (Previous year: Rs. 1,890.58 million) for availing Fund based Banking facilities by its subsidiary Company Edelweiss Housing Finance Limited.
- c) The Group has given composite corporate guarantee to bank for Rs. 569.98 million (Previous year: Rs. Nil million) for availing fund based Banking facilities by its subsidiary/fellow Subsidiary Companies i.e. Edelweiss Housing Finance Limited, ECL Finance Limited and Edelweiss Retail Finance Limited.
With reference Deed of Guarantee agreement between the Company and the Lender, the liability of the Company is lower of value of immovable properties of the Company or outstanding respective facilities of the respective Group Companies. The charge created on immovable properties of the Company amounting to Rs. 569.98 million as at March 31, 2022.
- d) The Group has given guarantee of Rs. 726.55 million (Previous year Rs.766.20 million) on behalf of Edel Finance Company Limited ('EFCL'), a holding company, which has sold certain financial assets to Edelweiss Asset Reconstruction Company Limited ('EARC'), another group company. The terms of sale required any Edelweiss group company to provide EARC with unconditional and irrevocable guarantee for securing the guaranteed obligation of EFCL.
- e) Undrawn Commitments for AIF funds Rs.. 4,743.14 million (Previous Year Rs.3,184.67 million)
- f) During the year ended 31 March 2022, certain assets amounting to Rs. 1284.40 million were sold to alternative assets funds by the fellow subsidiary NBFCs. The Group has, vide a put agreement dated 31 July 2021, has guaranteed / undertaken to purchase these financial assets amounting to Rs. 1284.40 million on occurrence of certain trigger event as per the agreement
- g) Litigation pending against Group amounts to Rs. 177.90 as at 31 March 2022 (Previous Year: Nil) on account of ammended value proposed by regulation authority in the case of IDBI Trusteeship Ltd v/s. Ornate Spaces Ltd.
- h) The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent in it's operation. As a result, the company is involved in various litigation, arbitration and regulatory proceedings in the ordinary course of it's business. The company has formal controls and policies for managing legal claims. Based on professional legal advise, the company had several unresolved legal claims however individually any of the claim is not material. The aggregate value of claim against the company is Rs. 2.54 million
- i) Undrawn Committed credit lines subject to meeting of conditions, Rs. 287.95.00 (Previous Year: Rs. 325.00) as at the balance sheet date
- j) Capital Commitments - Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 10.52 million (Previous Year: Rs.334.22 million)
- k) The Group has has provided bank gurantess amouting to 319.23 (Previous Year: Nil million)
- l) The group has Loan sanctioned and pending disbursements of 871.90 million (Previous Year: Rs. 1281.26 million)

The Group's pending litigations mainly comprise of claims against Group pertaining to proceedings pending with Income Tax, Excise, Custom, Sales/VAT tax / GST and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

The 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.



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

- 43 During the Year March ended 31,2022 the Group has discontinued its agri warehousing and related business activities. The loss before tax of agri warehousing and related business activities for the quarter ended March 31, 2022 and December 31, 2021 is Rs. Nil million and Rs. 8.7 million respectively. The loss before tax of agri warehousing and related business activities for the year ended March 31, 2022 is Rs. 42.2 million.

43.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, 2022, there is no stock lying with the Group under the Supply Chain Management agreements.

43.b Third party stock.

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

Third Party Stock comprises of the following:

- a) Pure warehousing -These stocks are held purely for warehousing purposes in the warehouse of the Group (Off books)
b) 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-22	31-Mar-21
	(Rs. millions)	(Rs. millions)
Pure warehousing stock (PWH)	-	5,380
Pledged stock	-	2,390
Total	-	7,770



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

44 Encumbrances on fixed deposits held by the Group:

a)	Fixed deposits aggregating to Rs.Nil million (Previous year: Rs. 0.28 million) have been pledged with sales tax authorities for meeting deposit requirements.
b)	Fixed deposits aggregating to Rs. 57.15 million (Previous year: Rs. 56.06 million) have been pledged with banks for obtaining the bank guarantee provided to VAT authorities for meeting statutory requirements.
c)	Fixed deposits aggregating to Rs. 16.50 million (Previous year: Rs.16.50 million) have been pledged with bank for obtaining the bank guarantee provided to Customs authorities for meeting statutory requirements.
d)	Fixed deposits aggregating to Rs. 14.31 million (Previous year: Rs.41.88 million) have been pledged with bank for obtaining the bank guarantee provided to various mandis for margin and license requirements.
e)	Fixed deposits aggregating to Rs.322.83 million (Previous year: Rs. Nil million) have been pledged with banks for securing bank Guarantee.
f)	Fixed deposits aggregating to Rs.910.76 million (Previous year: Rs. 762.40 million) have been pledged with banks for letter of credit and securitisation.
g)	Fixed deposits aggregating to Rs.1,117.00 million (Previous year: Rs. Nil million) have been pledged with banks for securing Bank Overdraft.
h)	Fixed deposits aggregating to Rs.Nil million (Previous year: Rs. 29.62 million) have been pledged with banks for securing Bank Overdraft.
i)	Bank Balance aggregating to Rs. 665.48 million (Previous year: Rs. 46.33 million) have been held in Escrow account is charged against debt securities



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

45 Earnings per share (EPS)

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

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

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

	2021-22	2020-21
Profit/(loss) for the year	(1,536.37)	(8,798.18)
Weighted average number of equity shares for calculating basic EPS		
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	67,60,000	-
Compulsory Convertible Debenture and Preference share	2,57,49,955	-
Total number of equity shares outstanding at the end of the year	7,22,85,322	3,97,75,367
Weighted average number of equity shares for calculating Basic EPS	6,55,62,363	3,97,75,367
Number of dilutive potential equity shares	-	-
Weighted average number of equity shares for calculating diluted EPS	6,55,62,363	4,01,83,750
Earnings per share (EPS) (Face value Re.1 each)		
Basic earnings share (in Rs)	(23.43)	(218.95)
Dilutive earning per share (in Rs)	(23.43)	(218.95)

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")



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

46 Leases:-

- 1) This note provides information for Right of use assets where the Group is a lessee. Group has not given any property on lease

Set out below are the carrying amounts of right-of-use assets recognised and the movements	As at March 31, 2022	As at March 31, 2021
Opening balance as at	104.64	353.54
Addition / disposal during year	45.71	20.74
Lease pre-closure	(5.31)	(188.28)
Depreciation/Amortisation for the year	(30.60)	(81.36)
Closing balance as at	114.44	104.64

- 2) This note provides information for leases where the Group is a lessee. Group has not given any property on lease

Set out below are the carrying amounts of lease liabilities and the movements	As at March 31, 2022	As at March 31, 2021
Opening balance as at	139.95	418.21
Addition / disposal during year	35.84	19.56
Accretion of interest	13.19	24.71
Lease pre-closure	(9.71)	(284.15)
Lease payment for the year	(36.88)	(38.38)
Closing balance as at	142.39	139.95

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

Particulars	Mar-22	Mar-21
Depreciation on ROU of assets	30.60	81.36
Reversal of lease pre-closure	(4.40)	(13.63)
Interest cost	13.19	24.71
Expenses related to short term lease	-	-
Total amount recognised in statement of profit and loss	39.39	92.44

- 4) This note provides information for Total cash Outflow for Leases

Particulars	Mar-22	Mar-21
Cash outflow of long term leases	37.28	48.21
Cash outflow of short term leases	0.55	0.33
Total	37.83	48.54

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

Particular	As at March 31, 2022	As at March 31, 2021
Less than 1 year	40.03	36.30
1-3 years	70.42	68.46
3-5 years	54.14	40.92
More than 5 years	5.72	22.83
Total	170.31	168.51



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

47 Retirement benefit plan

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

Amount of Rs.46.17 million (Previous year: Rs.62.98 million) is recognised as expenses and included in "Employee benefit expense" in the statement of profit and loss

B) Defined benefit plan (Gratuity):

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

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

Statement of profit and loss

Expenses recognised in the Statement of Profit and Loss:

	2021-22	2020-21
Current service cost	10.97	13.66
Interest on defined benefit obligation	(0.26)	1.18
Expected return on plan asset	-	1.32
Past service cost	-	-
Actuarial (gain) or loss recognized in the year	-	(0.22)
Exchange rate adjustment	-	-
Total included in 'Employee benefits expense'	10.71	15.94

Movement in Other Comprehensive Income:

	2021-22	2020-21
Balance at start of year (Loss)/ Gain	(6.57)	(17.66)
Re-measurements on define benefit obligation (DBO)		
a. Actuarial (Loss)/ Gain from changes in financial assumptions	2.46	(3.07)
b. Actuarial (Loss)/ Gain from experience over the past year	(2.89)	4.66
c. Actuarial (Loss)/ Gain from changes in demographic assumptions	(3.40)	0.84
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	2.64	12.42
Effect of acquisition/ (divestiture)	-	-
Re-measurements on Asset Ceiling	-	-
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	(26.54)	(3.76)
Balance at end of year (Loss)/ Gain	(34.30)	(6.37)

Balance sheet

Reconciliation of defined benefit obligation (DBO) :

	2021-22	2020-21
Present value of DBO at the beginning of the year	92.24	98.18
Acquisition/ (Divestiture)	(5.98)	-
Transfer in / (Out)	(5.22)	(6.85)
Interest cost	4.04	5.27
Current service cost	10.97	12.74
Benefits paid	(25.44)	(20.55)
Past service cost	-	(0.02)
Actuarial (gain)/loss	3.84	3.47
Exchange Rate Adjustment	-	-
Present value of DBO at the end of the year	74.46	92.24

Reconciliation of fair value of plan assets:

	2021-22	2020-21
Fair value of plan assets at the beginning of the year	107.80	96.48
Acquisition / (Divestiture)	(9.58)	-
Contributions by Employer	19.55	16.04
Benefits paid	(19.55)	(20.55)
Interest income	4.90	4.73
Acquisition/ (Divestiture)/ Curtailment	-	-
Return on plan asset excluding amount included in net interest on the net defined benefit liability/ (asset)	2.64	11.10
Fair value of plan assets at the end of the year	105.76	107.80



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

47 Retirement benefit plan (Continued)

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

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

	2021-22	2020-21
Present value of Defined Benefit Obligation	74.46	92.24
Fair value of plan assets at the end of the year	105.76	107.80
Net Liability	(31.30)	(15.56)
Less: Effect of limiting net assets to asset ceiling	39.11	-
Liability recognised in the balance sheet	7.81	(15.56)

Experience adjustments:

	2021-22	2020-21
On plan liabilities: loss / (gain)	23.29	(5.82)
On plan assets: gain / (loss)	-	(0.03)
Estimated contribution for next year	-	0.01

Principal actuarial assumptions at the balance sheet date:

	2021-22	2020-21
Discount rate	5.90% ^a	7% ^a
Salary escalation	7% ^a	7% ^a
Employees attrition rate	16% ^a	13% ^a -60% ^a
Expected return on plan asset	5.00% ^a	7.30% ^a
Mortality Rate	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)

Percentage Break-down of Total Plan Assets

	2021-22	2020-21
Investment Funds with Insurance Company and Cash	96.00%	99.90% ^b
Cash and cash equivalents	4.00%	0.10% ^b
Total	100.00%	100%^b

Sensitivity Analysis for 2022:

DBO increases / (decreases) by	2021-22	2020-21
Increase of 1% in Salary Growth Rate	3.82	3.24
Decrease of 1% in Salary Growth Rate	(3.51)	(3.11)
Increase of 1% in Discount Rate	(3.52)	(3.13)
Decrease of 1% in Discount Rate	4	3.32
Increase of 1% in Attrition Rate	(0.19)	(0.14)
Decrease of 1% in Attrition Rate	0.20	0.13
Mortality (Increase in expected lifetime by 1 year)	2	Negligible Change
Mortality (Increase in expected lifetime by 3 years)	6	Negligible Change

48 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. 13.36 million (previous year release of Rs. 18.65 million).



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

49 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 Mediclaim, 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 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 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 Group 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 31 as Business support services income relates to amount recovered from these entities for the said services.

Other recoveries:

The income in note 33 relates to amount recovered from the ultimate holding Company, subsidiaries, fellow subsidiaries, for occupying office premises in the Group's building.



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

50 Details of dues to micro enterprise and small enterprise:

Trade Payables includes Rs.7.26 million (Previous year: Rs. 0.33 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 afore mentioned 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

	2021-22	2020-21
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	7.26	0.23
Interest due on above	-	-
Total	7.26	0.23
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	-	-

51 Corporate social responsibility (CSR):

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

- Gross amount required to be spent by the Group during the year was Rs. 10.53 million (Financial Year 20-21 Rs. 21.52 million)
- Amount spent during the year on:

Particulars	In cash	Yet to be paid in cash	Total
Constructions / acquisition of any assets	-	-	-
On purpose other than (i) above	10.53	-	10.53

- Shorfall at the end of the year was Rs. Nil million (Previous Year Nil million)
- Total of previous years shorfall was Rs. Nil million (Previous Year Nil million)



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

52 Trade Receivables

	31-Mar-22	31-Mar-21
Receivables considered good - secured	2.45	102.84
Receivables considered good - unsecured	226.42	197.76
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	791.58	491.17
Gross receivables	619.45	761.77
Provision for impairment - unsecured	-	-
Allowance for expected credit losses - Receivables which have significant increase in credit risk	(192.97)	(437.85)
Provision for impairment - credit impaired	-	-
Total receivables net of provision	226.48	323.92

Trade receivables ageing schedule (consolidated)

Particulars	Outstanding for following periods from due date of payment #					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
As at March 31, 2022						
(i) Undisputed Trade receivables - considered good	228.85	-	-	-	-	228.85
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	3.76	0.04	-	3.80
(iii) Undisputed Trade Receivables - credit impaired	-	5.02	12.30	25.02	344.46	386.80
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Gross receivables	228.85	5.02	16.06	25.06	344.46	619.45
(i) Undisputed Trade receivables - considered good	2.37	-	-	-	-	2.37
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	3.76	0.04	-	3.80
(iii) Undisputed Trade Receivables - credit impaired	-	5.02	12.30	25.02	344.46	386.80
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total ECL Provision on receivables (B)	2.37	5.02	16.06	25.06	344.46	392.97
Total receivables net of provision = (A)-(B)	226.48	-	-	-	-	226.48

Particulars	Outstanding for following periods from due date of payment #					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
As at March 31, 2021						
(i) Undisputed Trade receivables - considered good	299.61	25.41	1.47	0.86	0.66	328.01
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	0.10	-	0.10
(iii) Undisputed Trade Receivables - credit impaired	10.59	7.73	26.08	20.78	368.48	433.66
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	310.20	33.14	27.55	21.74	369.14	761.77
(i) Undisputed Trade receivables - considered good	2.26	1.83	-	-	-	4.09
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	10.59	7.73	26.08	20.78	368.48	433.66
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	0.10	-	0.10
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total ECL Provision on receivables (B)	12.85	9.56	26.08	20.88	368.48	437.85
Total receivables net of provision = (A)-(B)	297.35	23.58	1.47	0.86	0.66	323.92



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

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.

B) Approach to capital management

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

For the purposes of the 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.

Particular	As at 31st March 2022	As at 31st March 2021
Total Debt	59,080.10	76,370.61
Equity	4,923.14	3,829.70
Net Debt to Equity	12.00	19.94

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 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 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:

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)

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. As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

Probability of Default

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

Loss Given Default (LGD)

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

Exposure at Default (EAD)

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the 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:

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

Where,

$$\text{Drawn Credit Line} = \text{Current outstanding amount}$$

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

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

53 Risk Management framework (continued)

C) Reconciliation of impairment allowance on trade receivables:

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as on 31-Mar-20	449.73
Add/ (less): asset originated or acquired (net)	(11.88)
Impairment allowance as on 31-Mar-21	437.85
Add/ (less): asset originated or acquired (net)	(44.88)
Impairment allowance as on 31-Mar-22	392.97

Trade Receivables - Ageing and Expected Credit loss (ECL):

31-Mar-22	Days past due	0-90 days	91-180 days	181-270 days	270-360 days	>360 days	Total
ECL rate	0.51%	7.24%	57.89%	100.00%	100.00%	100.00%	63.44%
Total Gross amount	207.25	20.86	2.21	3.63	385.50	619.45	619.45
ECL - simplified approach	(1.05)	(1.51)	(1.28)	(3.63)	(385.50)	(392.97)	(392.97)
Net carrying amount	206.20	19.35	0.93	-	-	226.48	226.48
31-Mar-21	Days past due	0-90 days	91-180 days	181-270 days	270-360 days	>360 days	Total
ECL rate	3.68%	21.55%	29.22%	6.08%	98.31%	57.48%	57.48%
Total Gross amount	260.39	35.63	27.21	20.06	418.48	761.77	761.77
ECL - simplified approach	(9.58)	(7.68)	(7.95)	(1.22)	(411.42)	(437.85)	(437.85)
Net carrying amount	250.81	27.95	19.26	18.84	7.06	323.92	323.92

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



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

53 Risk Management framework (Continued)

D) Collateral held and other credit enhancements

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

Maximum exposure to credit risk as at	31-Mar-22	31-Mar-21	Principal type of collateral
Financial assets			
Loans:			
Retail Loans and Wholesale Loans	39,295.25	54,653.85	Property, book Receivables Diversified pool of Real Estate Projects, Land, Bank balance
Trade receivables	226.48	761.77	
Debt instruments and other investment at amortised cost	9,510.46	6,720.61	No Collateral
Other Financial Assets	754.10	1,683.16	No Collateral
Total financial assets at amortised cost	49,786.29	63,819.39	
Derivative financial instruments	17.16	-	
Loans at FVTPL	3,361.82	-	No Collateral
Financial assets at FVTPL	6,876.19	19.51	No Collateral
Financial assets at FVTPL Stock in trade- except MF	2,257.81	4,199.91	No Collateral
Total financial instruments at fair value through profit or loss	12,512.98	4,219.42	
Debt instruments at fair value through OCI	-	-	
Total debt instruments at fair value through OCI	-	-	
Total Financial assets	62,299.27	68,038.81	
Loan commitments	871.90	1,281.26	Property: book Receivables
Financial guarantee contracts	2,620.95	2,656.50	No Collateral
Other commitments (max exposure)	3,492.85	3,937.76	
Total	65,792.12	71,976.57	

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

31-Mar-22	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans	3,728.42	2,676.23	1,052.19	3,006.12
Distressed assets	-	-	-	-
Total financial assets at amortised cost	3,728.42	2,676.23	1,052.19	3,006.12
Loan commitments	-	-	-	-
Financial guarantee contracts	2,620.95	0.09	2,620.86	2,620.86
Total	6,349.37	2,676.32	3,673.05	5,626.98

31-Mar-21	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans:	4,594.72	2,564.94	2,029.78	2,616.13
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



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

53 Risk Management framework (Continued)

E) Analysis of risk concentration

The Group's concentration of risk are managed by client/counterparty and sector. The following table shows the risk concentrated by industry for the components of the balance sheet.

Industry analysis - Risk concentration for 31 March 2022

Particulars	Financial services	Retail and wholesale	Other's Including commodity	Total
Financial assets				
Cash and cash equivalent and other bank balances	6,227.18	-	-	6,227.18
Derivative financial instruments	17.16	-	-	17.16
Investment	16,386.65	-	-	16,386.65
Stock in trade	2,257.81	-	-	2,257.81
Trade and other receivables	226.48	-	-	226.48
Loans	9,720.22	32,937.18	-	42,657.40
Other Financial Assets	615.50	135.54	-	751.10
Total	35,451.06	33,072.72	-	68,523.78
Other Commitments	2,620.95	871.91	-	3,492.86
Total	38,072.01	33,944.63	-	72,016.64

Industry analysis - Risk concentration for 31 March 2021

Particulars	Financial services	Retail and wholesale	Other's Including commodity	Total
Financial assets				
Cash and cash equivalent and other bank balances	10,781.75	-	-	10,781.75
Derivative financial instruments	-	-	-	-
Investments	6,345.68	2,191.37	-	8,537.05
Stock in trade	2,676.24	-	587.18	3,263.42
Trade and other receivables	215.97	-	107.95	323.92
Loans	20,511.57	34,502.28	-	55,013.85
Other Financial Assets	4,269.07	287.84	-	4,556.91
Total	44,800.28	36,981.49	695.13	82,476.90
Other Commitments	2,656.50	1,281.26	-	3,937.76
Total	47,456.78	38,262.75	695.13	86,414.66



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

53 Risk Management Framework (Continued)

F) Liquidity risk and funding management

- 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 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. 70 million as on 31 March 2022 (as on 31 March 2021: Rs. 1400.70 million)

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

The table below summarises the maturity profile of the undiscounted cash flows of the Group's non-derivatives financial liabilities. 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.

Analysis of non-derivative financial liabilities by remaining contractual maturities

As at 31-Mar-22

Non-derivative financial liabilities	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	220.93	97.20	-	-	-	318.13
Borrowings (other than debt securities)	4,688.23	1,591.31	8,855.35	16,158.50	561.13	31,854.52
Debt securities	9,155.50	394.06	5,077.76	1,045.12	13,019.05	28,691.49
Subordinated financial liabilities	-	-	2,290.75	112.50	612.50	3,015.75
Other financial liabilities	1,343.72	362.03	803.98	2,564.94	4,660.18	9,673.85
Total undiscounted non-derivative financial liabilities	15,407.38	2,444.60	17,027.84	19,881.06	18,792.86	73,553.74

Analysis of non-derivative financial assets by remaining contractual maturities

Non-derivative financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	4,853.94	35.78	977.72	335.06	24.68	6,227.18
Stock-in-trade	1,632.83	4.29	7.86	556.23	56.60	2,257.81
Trade receivables	38.58	106.69	81.21	-	-	226.48
Loans	2,614.24	2,095.26	7,425.09	22,070.74	27,008.54	61,183.87
Investments	337.84	-	5.43	11,024.40	5,018.98	16,386.65
Other financial assets	401.19	-	13.92	23.75	316.43	754.29
Total undiscounted non-derivative financial assets	9,878.62	2,152.02	8,510.23	34,010.18	32,485.23	87,056.28



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated Financial Statements (continued)

(Currency: Indian rupees in millions)

2. Analysis of non-derivative financial liabilities by remaining contractual maturities

As at 31-Mar-21

Non-derivative financial liabilities	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	89.35	437.60	-	-	-	526.95
Borrowings (other than debt securities)	17,211.49	4,117.51	4,197.87	883.40	2,666.55	29,176.82
Debt securities	3,279.17	6,418.02	10,877.59	7,900.98	15,740.32	44,216.08
Subordinated financial liabilities	-	-	56.23	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

As at 31-Mar-22

Non-derivative financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	9,823.01	69.13	827.49	34.74	44.95	10,799.32
Stock-in-trade	652.93	1,043.35	894.01	30.53	42.61	3,263.43
Trade receivables	110.43	108.80	98.63	-	-	323.92
Loans	3,606.11	2,593.48	10,941.35	29,131.06	8,741.24	55,013.84
Investments	25.12	-	1.00	11,367.10	-	11,493.22
Other financial assets	950.93	389.52	1.23	75.64	365.84	1,683.16
Total undiscounted non-derivative financial assets	15,174.53	4,704.34	12,763.71	40,639.67	9,194.64	82,476.89

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, scheduled recovery from group company receivables, expected borrowing and future cash flows that will be generated from operations. 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.

Analysis of derivative financial liabilities by remaining contractual maturities

As at 31-Mar-22

Derivative Financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Net settled derivatives entered into for trading purposes	(12.01)	-	-	-	-	(12.01)
Total	(12.01)	-	-	-	-	(12.01)

As at 31-Mar-21

Derivative Financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Net settled derivatives entered into for trading purposes	-	-	-	-	-	-
Total	-	-	-	-	-	-



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

53 Risk Management framework (Continued)

G) Market risk

Market risk is the 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 interest rates, equity prices, foreign exchange rates and credit spreads. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters.

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. 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 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.

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.

2021-22						
Currency of borrowing / advances	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
INR Loans	0.25	30.92	-	0.25	(30.92)	-
INR Borrowing	0.25	(15.01)	-	0.25	15.01	-

2020-21						
Currency of borrowing / advances	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
INR Loans	0.25	35.74	-	0.25	(35.74)	-
INR Borrowing	0.25	(11.63)	-	0.25	11.63	-

(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).

2021-22						
Currency	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	-	-

2020-21						
Currency	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	-	-

(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

2021-22						
Impact on	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	(0.60)	-	5	0.60	-
Mutual Funds	5	65.09	-	5	(65.09)	-

2020-21						
Impact on	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	179.29	-	5	(179.29)	-
Mutual Funds	5	4.82	-	5	(4.82)	-



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

53 Risk Management framework (Continued)

G) Market risk (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.

2021-22						
Impact on	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	-	-	5	-	-

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

(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.

2021-22						
Impact on	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	168.09	-	5	(168.09)	-
Security held for trading	5	56.09	-	5	(56.09)	-

2020-21						
Impact on	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)	-



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

53 Risk Management framework (Continued)

ii) Below Table shows Group's exposure to market risk into Traded Risk and Non-Traded Risk

Particulars	31-Mar-22			31-Mar-21		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets						
Cash and cash equivalent and other bank balances	6,227.18	-	6,227.18	10,781.75	-	10,781.75
Derivative financial instruments	17.16	17.16	-	-	-	-
Investment at FVTPL	4,173.21	-	4,173.21	4,219.42	-	4,219.42
Financial assets at FVTPL	3,361.82	-	3,361.82	2,089.30	-	2,089.30
Stock-in-trade	2,257.81	2,257.81	-	3,263.43	3,263.43	-
Loans	39,295.23	-	39,295.23	52,924.55	-	52,924.55
Trade receivables	226.48	-	226.48	323.92	-	323.92
Financial investments- Amortised cost	12,213.44	-	12,213.44	7,173.80	-	7,173.80
Other assets	754.00	5.90	748.10	1,700.73	2.35	1,698.38
Total	68,526.33	2,280.87	66,245.46	82,476.90	3,265.78	79,211.12
Liability						
Borrowings (other than Debt Securities)	29,531.02	-	29,531.02	26,362.35	-	26,362.35
Derivative financial instruments	29.17	29.17	-	-	-	-
Financial liability designated at fair value through profit and loss	-	-	-	33.98	-	33.98
Debt securities	26,805.93	-	26,805.93	47,451.79	-	47,451.79
Subordinated Liabilities	2,743.15	-	2,743.15	2,556.47	-	2,556.47
Trade payables	318.13	-	318.13	526.35	-	526.35
Other liabilities	9,673.85	-	9,673.85	5,633.62	-	5,633.62
Total	69,101.25	29.17	69,072.08	82,564.56	-	82,564.56



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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 shows an analysis of financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

Particulars	31-Mar-22			Total
	Level 1	Level 2	Level 3	
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets)				
Exchange-traded derivatives	17.16	-	-	17.16
Total derivative financial instruments (assets)	17.16	-	-	17.16
Stock-in-trade				
Securities held for trading	-	330.97	1,301.86	1,632.83
Debt Securities	620.70	-	-	620.70
Nifty Linked Debentures	-	-	4.28	4.28
Stock-in-trade	620.70	330.97	1,306.14	2,257.81
Investments				
Equity instruments	-	-	1.00	1.00
Investments in Funds	-	-	314.09	314.09
Security receipts	-	-	2,702.98	2,702.98
Investment in Tech fund	-	-	199.80	199.80
India Credit Investment Fund II	-	-	1,511.33	1,511.33
India Credit Investment Fund I	-	-	2,147.00	2,147.00
Total investments measured at fair value	-	-	6,876.20	6,876.20
Loans and other financial assets measured at fair value	-	-	3,361.82	3,361.82
Property Plant and equipment	-	-	-	-
Land and Building	-	-	2,205.58	2,205.58
Total financial assets measured at fair value on a recurring basis	637.86	330.97	13,749.74	14,718.57

Particulars	31-Mar-21			Total
	Level 1	Level 2	Level 3	
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets)				
Exchange-traded derivatives	-	-	-	-
Total derivative financial instruments (assets)	-	-	-	-
Stock-in-trade				
Debt Securities	1,458.96	5.04	1,493.98	2,957.98
Mutual Fund	67.53	-	-	67.53
Nifty linked debentures	-	-	-	-
Equity Instruments	0.03	-	-	0.03
Preference Shares	-	-	237.88	237.88
Stock-in-trade	1,526.52	5.04	1,731.86	3,263.42
Investments				
Debt securities	-	-	-	-
Security Receipt	-	-	1,787.46	1,787.46
Mutual fund units	-	-	-	-
Units of AIF	-	-	-	-
Warrants	-	-	-	-
Equity instruments	-	-	1.00	1.00
Investments in Funds	19.51	-	2,299.53	2,319.04
Others (Share warrants)	-	-	111.92	111.92
Total investments measured at fair value	19.51	-	4,199.91	4,219.42
Loans and other financial assets measured at fair value	-	-	2,089.30	2,089.30
Property Plant and equipment	-	-	-	-
Land and Building	-	-	2,249.18	2,249.18
Total financial assets measured at fair value on a recurring basis	1,546.03	5.04	10,270.25	11,821.32



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

B) Assets and liabilities by fair value hierarchy (Continued)

Particulars	31-Mar-22			Total
	Level 1	Level 2	Level 3	
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	29.17	-	-	29.17
OTC derivatives	-	-	-	-
Embedded derivative liabilities in market-linked debentures	-	-	-	-
Non convertible debentures issued	-	-	-	-
Short sales	-	-	-	-
Total financial liabilities measured at fair value on a recurring basis	29.17	-	-	29.17

Particulars	31-Mar-21			Total
	Level 1	Level 2	Level 3	
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	17.12	-	-	17.12
OTC derivatives	-	-	-	-
Embedded derivative liabilities in market-linked debentures	-	-	-	-
Non convertible debentures issued	-	-	-	-
Short sales	-	-	-	-
Total financial liabilities measured at fair value on a recurring basis	17.12	-	-	17.12

Fair valuation techniques :

Debt securities

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

Equity instruments

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

Units of Alternative Investment Funds and Mutual Fund.

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

Open-ended funds that are redeemable at any time, and that report a daily net asset value (NAV) and for which sufficient subscriptions and redemptions occur at NAV are measured at NAV and classified as level 1.

Derivatives

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

Embedded derivatives

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

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.



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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. The information given below is with respect to financial assets and financial liabilities measured at amortised cost for which the fair value is different than the carrying amount. Carrying amounts of cash and cash equivalents, trade receivables, trade and other payables as on 31 March 2022 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets and other financial liabilities is not significant in each of the years presented.

Particulars	31 March 2022				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	39,295.25	40,414.74	-	-	40,414.74
Investments at amortised cost	9,510.46	11,827.03	-	-	11,827.03
Other financial assets	-	-	-	-	-
Total	48,805.71	52,241.77	-	-	52,241.77
Financial liabilities					
Borrowings	59,080.10	59,080.10	-	59,080.10	-
Trade Payables	318.13	318.13	-	318.13	-
Other financial liabilities	9,531.46	9,531.46	-	9,531.46	-
Lease Liabilities	142.39	142.39	-	142.39	-
Total	69,072.08	69,072.08	-	69,072.08	-
Off-balance sheet items					
Loan commitments	871.91	435.96	-	-	435.96

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					
Borrowings	48,067.92	48,494.83	-	14,385.46	34,109.37
Trade payables	1.89	1.47	-	1.89	-
Other financial liabilities	0.57	0.50	-	0.57	-
Total	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



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

54 Fair Value Measurement (continued)

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

The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

Particulars	Financial assets						Total
	Investments in security receipts	Investments in units of AIF	Investments in unquoted equity shares categorised at Level 3	Other investments classified as FVTPL	Loans FVTPL	Nifty Linked Debentures	
At 1 April 2021	1,787.46	2,299.53	112.94	-	2,089.30	1,731.67	8,020.90
Purchase	1,650.15	2,401.26	-	1,592.80	-	5,047.39	10,691.60
Sales	(718.59)	(302.44)	(111.94)	(746.52)	-	(5,965.50)	(7,844.99)
Gains / (losses) for the period (2021-22) recognised in profit or loss	(2.81)	-	-	427.69	1,272.52	(810.55)	886.85
Gains / (losses) for the period (2021-22) recognised in other comprehensive income	-	-	-	-	-	-	-
At 31 March 2022	2,716.21	4,398.35	1.00	1,273.97	3,361.82	2.99	11,754.34
Unrealised gains / (losses) related to balances held at the end of the period	(13.22)	(226.14)	-	27.88	-	1.29	(210.19)

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



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

54. Fair Value Measurement (continued)

E) Unobservable inputs used in measuring fair value categorised 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 2022	Valuation Techniques	Significant Unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
80th linked debentures	1,306.15	Fair value using Black scholes Model or Monte Carlo approach based on the embedded derivative	Market index curve Risk - adjusted discounted rate 11.5% - 12.5%	5% 0.5 - 1%	65.31 (6.47)	5% 0.5 - 1%	65.31 6.47
Investment in Security receipts	2,702.99	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	(12.15)	0.5% decrease in Risk adjusted discount rate	12.28
Investments in units of AIF	4,172.21	Net Assets Approach	Fair value of underlying investments	5%	212.95	5%	(212.95)
Investments in unquoted equity shares categorised at Level 3	1.00	Comparable transaction and P/E and discounted cash flow	Fair value per share	5%	0.05	5%	(0.05)
Loans - FVTPL	3,361.81	Comparable transaction and P/E and discounted cash flow	Fair value per share	1%		A 1% point change in the discounting rate used in the fair valuation of level 3 asset does not have a significant impact on its value	
Total	11,544.16				259.69		(128.97)

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
80th linked debentures	1,731.86	Fair value using Black scholes Model or Monte Carlo approach based on the embedded derivative	Expected gross recoveries Risk - adjusted discounted rate 11.5% - 12.5%	5% 0.5 - 1%	112.30 (23.36)	5% 1%	(112.30) 23.91
Investments in units of AIF	2,299.54	Net Assets Approach	Fair value of underlying investments	5%	119.31	5%	(119.31)
Investment 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)	112.04	Comparable transaction and P/E and discounted cash flow	Fair value per share	5%	5.64	5%	(5.64)
Other instruments classified as FVTPL	2,089.30	Comparable transaction and P/E	Fair value	1%		A 1% point change in the discounting rate used in the fair valuation of level 3 asset does not have a significant impact on its value	
Total	8,021.10				205.33		(205.33)



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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 2022						
	Notional		Fair value of asset		Notional		Fair value of liability
	Unit	Notional amount	Unit	Notional amount	Unit	Notional amount	
(i) Index linked derivatives							
Index Futures	Number of currency units	3,30,750	17.16	1,77,050	Number of currency units	1,77,050	29.17
Less: Amount offset (refer note 56 - offsetting disclosure)	Number of currency units	(3,30,750)	(17.16)	(1,77,050)	Number of currency units	(1,77,050)	(29.17)
Total Derivative Financial Instruments		-	-	-		-	-

Particulars	31 March 2021						
	Notional		Fair value of asset		Notional		Fair value of liability
	Unit	Notional amount	Unit	Notional amount	Unit	Notional amount	
(i) Index linked derivatives							
Index linked derivatives	Number of currency units	28,84,475	19.12	24,08,547	Number of currency units	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)	Number of currency units	(24,08,547)	(14.31)
Total Derivative Financial Instruments		-	-	-		-	-



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian 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.

The tables on the following pages 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, netting arrangements

At 31 March 2022	Offsetting recognised in balance sheet		Netting potential not recognised in balance sheet		Assets not subject to netting arrangements recognised on the balance sheet	Total assets Recognised in the balance sheet	Maximum exposure to risk After consideration of netting potential
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities			
Particulars	17.16	-	17.16	-	-	17.16	17.16
Derivative financial assets							

Financial liabilities subject to offsetting, netting arrangements

At 31 March 2022	Offsetting recognised in balance sheet		Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements recognised on the balance sheet	Total liabilities Recognised in the balance sheet	Maximum exposure to risk After consideration of netting potential
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets			
Particulars	29.17	-	29.17	-	-	29.17	29.17
Derivative financial liabilities							

Financial assets subject to offsetting, netting arrangements

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

Financial liabilities subject to offsetting, netting arrangements

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



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

57 Investments

As at 31 March 2022

Particulars	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
(i) Debt securities	2,126.26	-	-	-	-	-	2,126.26
(ii) Equity instruments	-	-	1.00	-	1.00	-	1.00
(iii) Subsidiaries	-	-	-	-	-	-	-
a) Equity	-	-	-	-	-	-	-
b) Debt securities	-	-	-	-	-	3,889.14	3,889.14
c) Preference shares	-	-	-	-	-	-	-
(iv) Other Edelweiss group companies	-	-	-	-	-	839.75	839.75
a) Equity	-	-	-	-	-	-	-
b) Debt securities	-	-	-	-	-	110.34	110.34
c) Preference shares	-	-	-	-	-	-	-
(v) Preference shares	-	-	-	-	-	-	-
(vi) Security Receipt	-	-	2,702.99	-	2,702.99	-	2,702.99
(vii) Others - Investments In Partnership firm Group	-	-	-	-	-	3.64	3.64
(viii) Share warrants	-	-	-	-	-	-	-
(ix) Others - Investments in Funds	-	-	4,259.01	-	4,259.01	-	4,259.01
(x) investment in CCDS	-	-	-	-	-	-	-
Total - Gross (A)	2,126.26	-	1,000.03	-	1,000.03	2,570.05	3,570.08
(i) Investments outside India	-	-	7,963.03	-	7,963.03	7,412.92	17,502.21
(ii) Investment in India	2,126.26	-	7,963.03	-	7,963.03	7,412.92	17,502.21
Total (B)	2,126.26	-	7,963.03	-	7,963.03	7,412.92	17,502.21
Less: Allowance for impairment (C)	5.66	-	86.81	-	86.81	1,023.09	1,115.56
Total Net (A-C)	2,120.60	-	7,876.22	-	7,876.22	6,389.83	16,386.65

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) 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 - Investments 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) investment in CCDS	-	-	-	-	-	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



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

58 Income tax

The components of income tax expense recognised in profit or loss for the years ended 31 March 2022 and 31 March 2021 are:

Particulars	2021-22	2020-21
Current tax	105.53	62.70
Adjustment in respect of current income tax of prior years	(11.74)	(126.81)
Deferred tax relating to origination and reversal of temporary differences	(8.00)	491.23
Deferred tax relating to unused tax losses and unused tax credits (including write-downs) (net)	-	(34.47)
Total tax expense	85.79	392.65
Total current tax	93.79	(64.11)
Total deferred tax	(8.00)	456.76

Reconciliation of the total tax expense

The tax expense shown in the statement of profit and loss differs from the tax expense that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2022 and 31 March 2021 are follows:

Particulars	2021-22	2020-21
Profit / (Loss) before tax	(1,089.76)	(8,405.53)
Tax rate	34.94%	34.94%
Income tax expense calculated based on above tax rate	(361.09)	(2,937.23)
Adjustment in respect of income tax of prior years	(12.01)	(126.81)
Others -share of partnership firm / Dividend Income	-	(1.73)
Tax break deduction u/s 36(1)(viii) of Income tax act,1961	2.33	(0.76)
Deduction u/s 35D of Income tax act,1961	(0.08)	(0.08)
Effect of non-deductible expenses	23.08	-
Penalties	0.00	-
Preference shares cost	-	32.74
Standard Deduction and Property Tax on HP Income	-	(3.39)
Effect of utilisation of tax losses or deferred tax assets on losses earlier recognised now considered not recoverable	-	1,909.37
Impact of certain items being taxed at different rates	-	-
Impact of tax rate changes between two accounting periods	-	-
Losses without DTA	-	1,298.32
Write-down / reversal of write down of deferred tax assets on unused tax credits and unused tax losses (net)	(65.67)	-
Effect of non-recognition of deferred tax asset on current-period losses	497.62	5.82
Others	1.60	216.40
Tax expense recognised in profit or loss	85.79	392.65



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

59 A. Components of deferred tax

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

Movement for the period (2021-22)									
31-Mar-22	Opening deferred tax asset/(liability)	On Account of consolidation	Adjusted opening deferred tax asset/(liability) as per Ind AS	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total Movement	Closing deferred tax asset/(liability)
Deferred taxes in relation to:									
Property, Plant and Equipment - revaluation	(554.67)	-	-	64.96	-	-	-	64.96	(489.71)
Stock-in-trade & Investments	(353.89)	-	-	51.96	-	-	-	51.96	(301.93)
Employee benefits obligations	97.95	-	-	(94.33)	9.69	-	-	(84.64)	13.31
Fair valuation of Derivatives	74.16	-	-	(92.20)	-	-	-	(92.20)	(18.04)
Borrowings	(154.47)	-	-	30.60	-	-	-	30.60	(123.87)
Loans Given	976.17	-	-	152.13	-	-	-	152.13	1,128.30
LSOP cost	0.07	-	-	(0.07)	-	-	-	(0.07)	-
Provision for expected credit loss	320.15	-	-	(320.15)	-	-	-	(320.15)	-
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	500.96	-	-	65.42	-	-	-	65.42	566.38
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	447.02	-	-	134.90	-	-	-	134.90	581.92
Reversal of fee income	86.80	-	-	(86.80)	-	-	-	(86.80)	-
Capitalised borrowing costs on building	(34.72)	-	-	(23.19)	-	-	-	(23.19)	(57.91)
Effective interest rate on financial assets	9.96	-	-	(9.96)	-	-	-	(9.96)	-
Stage 3 income recognition	(1.87)	-	-	1.87	-	-	-	1.87	-
Interest spread on assignment transaction	(106.97)	-	-	106.97	-	-	-	106.97	-
Effective interest rate on financial liabilities	(17.36)	-	-	17.36	-	-	-	17.36	-
Other	(78.15)	-	-	8.53	-	-	(0.15)	8.38	(69.78)
Total	1,211.13	-	-	8.00	9.69	-	(0.15)	17.54	1,228.67



Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

59 Components of deferred tax (continued)

31-Mar-21	Movement for the period (2020-21)								
	Opening deferred tax asset/(liability)	On Account of consolidation	Adjusted opening deferred tax asset/(liability) as per Ind AS	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total Movement	Closing deferred tax asset/(liability)
Deferred taxes in relation to:									
Property, Plant and Equipment - revaluation	(594.71)	-	-	40.18	-	(0.14)	-	40.04	(554.67)
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/Financial assets	(7.72)	-	-	81.88	-	-	-	81.88	74.16
Borrowings	(124.55)	-	-	(29.92)	-	-	-	(29.92)	(154.47)
Loans Given	1,136.07	-	-	(159.90)	-	-	-	(159.90)	976.17
ESOP cost	0.07	-	-	-	-	-	-	-	0.07
Provision for expected credit loss	(154.66)	634.04	-	(159.23)	-	-	-	474.81	320.15
Retirement Benefits	-	-	-	(0.01)	-	-	-	(0.01)	(0.01)
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	573.84	-	-	(72.88)	-	-	-	(72.88)	500.96
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	582.26	-	-	(135.24)	-	-	-	(135.24)	447.02
Reversal of Ice 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 transaction	(82.23)	-	-	(24.74)	-	-	-	(24.74)	(106.97)
Effective interest rate on financial liabilities	(17.36)	-	-	-	-	-	-	-	(17.36)
Other	(11.52)	-	-	31.32	-	(97.95)	-	(66.63)	(78.15)
Total	1,137.33	634.04	-	(456.76)	(5.39)	(98.09)	-	73.80	1,211.13



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

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

As at 31 March 2022 Financial Year to which the loss relates to	Deductible temporary differences		Unabsorbed business losses		Unused tax losses		Unabsorbed depreciation		Total Amount
	Amount	Expiry Year - Financial Year	Amount	Expiry Year - Financial Year	Amount	Expiry Year - Financial Year	Amount	Expiry Year - Financial Year	
FY 2021-22	140.55	Not applicable	2,148.52	F.Y. 2020-30	-	-	-	No expiry	2,289.07
FY 2020-21	9,937.35	Not applicable	2,449.50	F.Y. 2028-29	936.18	F.Y. 2028-29	1.44	No expiry	12,388.30
FY 2019-20	1,693.36	Not applicable	1,367.17	F.Y. 2027-28	-	-	2.34	No expiry	3,062.87
	11,771.26		5,965.19		936.18		3.78		17,740.24
As at 31 March 2021	Deductible temporary differences		Unabsorbed business losses		Unused tax losses		Unabsorbed depreciation		Total
Financial Year to which the loss relates to	Amount	Expiry Year - Financial Year	Amount	Expiry Year - Financial Year	Amount	Expiry Year - Financial Year	Amount	Expiry Year - Financial Year	Amount
F.Y. 2020-21	3,170.66	Not Applicable	2,449.50	F.Y. 2028-29	936.18	F.Y. 2028-29	1.44	No expiry	5,621.60
F.Y. 2019-20	8,775.81	Not Applicable	1,367.17	F.Y. 2027-28	-	-	2.34	No expiry	10,145.32
	11,946.47		3,816.67		936.18		3.78		15,766.92



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

60 Credit Quality

The table below shows the credit quality and the maximum exposure to credit risk based on the Company internal grading and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the company internal grading system are explained in Note 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

Loans at amortised cost

Particulars	31-Mar-22				31-Mar-21			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing								
High grade	35,692.61	-	-	35,692.61	47,677.87	-	-	47,677.87
Standard grade	-	3,025.13	-	3,025.13	-	4,432.10	-	4,432.10
Substandard grade	-	-	-	-	-	-	-	-
Non-performing								
Impaired	-	-	2,536.07	2,536.07	-	-	3,788.06	3,788.06
Total	35,692.61	3,025.13	2,536.07	41,253.81	47,677.87	4,432.10	3,788.06	55,898.03

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

Particulars	Non-credit impaired				Credit impaired				Total
	Stage I		Stage II		Stage III		Gross carrying amount	Allowance for ECL	
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL			
Balance at 1 April 2021	47,677.87	75.88	4,432.09	263.27	3,788.07	2,565.35	55,898.03	2,905.00	
Transfers:									
Transfers to 12 Month ECL (Stage 1)	1,450.70	93.18	(1,272.04)	(75.17)	(178.75)	(18.01)	-	-	
Transfers to lifetime ECL (Stage 2)	(1,007.84)	(7.46)	1,054.51	12.16	(46.67)	(4.70)	-	-	
Transfers to lifetime ECL- Credit impaired (Stage 3)	(515.83)	(3.46)	(981.44)	(50.65)	1,497.27	63.14	-	-	
Net re-measurement of ECL arising from transfer of stage	-	(77.04)	-	75.59	-	69.53	-	30.08	
Net new and further lending (repayments) (including write-off)	(12,638.45)	(11.13)	1,109.34	229.15	(0.23)	(10.17)	(11,529.32)	207.85	
Amounts written off	(8.09)	(0.50)	(0.52)	(0.34)	(79.32)	(12.53)	(87.93)	(13.67)	
Loans sold to assets reconstruction company*	-	-	-	-	(1,842.43)	(122.04)	(1,842.43)	(122.04)	
Balance at 31 March 2022	34,958.47	69.47	4,341.94	406.98	3,137.94	2,530.77	42,438.35	3,007.22	
Particulars:	Non-credit impaired				Credit impaired				
	Stage I		Stage II		Stage III		Gross carrying amount	Allowance for ECL	
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL			
Balance at 1 April 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)	(5.96)	-	-	
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	-	9.67	
Net re-measurement 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) (including write-off)	(2,214.53)	(4.43)	20.22	(10.31)	92.63	1,176.84	(2,101.73)	1,162.10	
Amounts written off	(5.94)	(0.01)	(0.88)	(0.56)	(1,565.55)	(162.14)	(1,572.40)	(162.71)	
Balance at 31 March 2021	47,677.87	75.88	4,432.09	263.27	3,788.07	2,565.85	55,898.03	2,905.00	



DJ



Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

61 Other Disclosures:

i) Changes in liabilities arising from financing activities

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

For the year ended 31 March 2022

Particulars	1-Apr-21	Cash flows	Finance costs during the year	Others	31-Mar-22
Debt securities	45,686.46	(24,112.65)	3,584.77	(139.49)	25,019.09
Borrowings other than debt securities	28,127.71	(2,327.34)	5,550.46	(62.20)	31,288.63
Subordinated liabilities	2,556.43	-	186.65	29.30	2,772.38
Total liabilities from financing activities	76,370.60	(26,439.99)	9,321.88	(172.39)	59,080.10

For the year ended 31 March 2021

Particulars	1-Apr-20	Cash flows	Finance costs during the year	Others	31-Mar-21
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
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



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

61 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 2022

Particulars	Nature	Fees and commission income
Service transferred at a point in time	Agri Shared Services (ASC), Real Estate Advisory Practice (REAP) and Others	594.02
Service transferred over time	Enterprise cost sharing	692.37
Total revenue from contract with customers		1,286.39

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

- 62 Edelweiss Custodial Services Limited ("ECDSL"), an associate 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 and there is no further update on this matter during the year.

On behalf of ECDSL, the Company has since provided the undertaking to keep sufficient assets amounting to Rs.251.95 crores 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 for the year ended March 31, 2022.

63 Impact of Covid

The uncertainty on account of COVID-19 outbreak continues to have adverse effect across the world economy including India. However, recent results from the industry is showing signs of revival signaling a return in economic growth. The impact of the COVID-19 pandemic, on Group's results, including credit quality and provisions, gain/loss on fair value changes, investment, remains uncertain and dependent on actual visibility of growth over coming quarters and steps taken by the government, RBI and other regulators to mitigate the economic impact and foster speedier growth. Further, the Group has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various financial support from banks and other fundraising opportunities in determining the Group liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Group will be able to pay its obligations as and when these become due in the foreseeable future. In assessing the recoverability of loans, receivables, deferred tax assets, intangible assets (including goodwill), investments and in case of life insurance business, estimate of claims, 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 statements. The Group will continue to closely monitor material changes in markets and future economic conditions.



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

64 Composition of the Group

Sr.	Name of the Entity	Note	Place of Incorporation	Proportion of ownership interest as at March 31, 2022	Proportion of ownership interest as at March 31, 2021
Subsidiaries:					
1	Edelweiss Housing Finance Limited		India	55.23%	55.23%
2	Edelweiss Investment Adviser Limited		India	100.00%	100.00%
3	EC Commodity Limited	a	India	-	100.00%
	Comtrade Commodities Services Limited				
4	(Formerly known as Edelweiss Comtrade Limited)		India	100.00%	100.00%
5	Allium Finance Private Limited	b	India	70.97%	55.48%
Associate					
1	Edel Land Limited		India	37.59%	32.40%

Notes:

- With effect from 01 April 2021, EC Commodities Limited have been merged with Edel Land Limited, pursuant to the scheme of arrangement approved by National Company Law Tribunal vide its Order dated 25 March 2022 .
- With effect from 21 February 2022, Group increased its stake in Allium Finance Private Limited, one of its subsidiary from 55.48% to 70.97% and same has be consolidated accordingly.



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Edelweiss Rural & Corporate 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 enterprises consolidated as subsidiaries

Sr. No.	Name of the Entity For FY 2021-22	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (in Millions)	As % of consolidated profit or loss	Amount (in Millions)	As % of consolidated other comprehensive income	Amount (in Millions)	As % of consolidated total comprehensive income	Amount (in Millions)
Parent									
	Edelweiss Rural & Corporate Services Limited	127.82%	6,292.58	53.40%	(820.48)	100.32%	(18.10)	49.16%	(764.11)
Subsidiaries									
Indian									
1	Edelweiss Housing Finance Limited	157.95%	7,776.32	(13.14%)	201.82	(0.50%)	0.09	(8.89%)	178.16
2	Edelweiss Investment Adviser Limited	(61.46%)	(3,025.58)	54.25%	(833.43)	0.76%	(0.14)	54.20%	(842.42)
3	Edelweiss Comtrade Limited	0.24%	11.88	0.29%	(4.40)	(0.47%)	0.09	0.28%	(4.37)
4	Allium Finance Private Limited	25.83%	1,271.63	(22.16%)	340.44	(0.11%)	0.02	(16.27%)	252.86
Non-Controlling Interests		78.21%	3,850.62	(10.86%)	166.88	(0.28%)	0.05	(10.74%)	166.93
Adjustments arising out of consolidation		(221.27%)	(10,893.49)	14.73%	(226.38)	0.28%	(0.05)	9.05%	(140.63)
Associate (Investment as per the equity method) - Indian									
	Edel Land Limited	(7.33%)	(360.82)	23.49%	(360.82)	0.00%	-	23.21%	(360.82)
Total		100%	4,923.14	100%	(1,536.37)	100%	(18.04)	100%	(1,554.41)

Sr. No.	Name of the Entity For FY 2020-21	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (in Millions)	As % of consolidated profit or loss	Amount (in Millions)	As % of consolidated other comprehensive income	Amount (in Millions)	As % of consolidated total comprehensive income	Amount (in Millions)
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									
1	Edelweiss Housing Finance Limited	99.08%	7,627.88	(0.42%)	37.29	(32.79%)	(2.21)	(0.40%)	35.08
2	Edelweiss Investment Adviser Limited	0.21%	16.25	0.17%	(15.06)	(36.80%)	(2.48)	0.20%	(17.54)
3	Edelweiss Comtrade Limited	(103.05%)	(7,933.17)	60.02%	(5,280.88)	0.45%	0.03	60.07%	(5,280.85)
4	Allium Finance Private Limited	13.23%	1,018.77	(0.76%)	67.07	(0.45%)	(0.03)	(0.76%)	67.05
5	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%	7,698.45	100%	(8,798.18)	100%	6.74	100%	(8,791.44)



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

66 Disclosure of interest in other company

Sr No	Name of Subsidiary	Place of Incorporation	Proportion of ownership held by non controlling interest	Profit (loss) allocated to non controlling interest	
				31-Mar-22	31-Mar-21
1	Edelweiss Housing Finance Limited	India	44.77%	61.85	16.69
2	Allium Finance Private Limited	India	29.03%	73.41	29.87

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	
		31-Mar-22	31-Mar-21
1	Non-Current Assets	25,827.29	30,159.02
2	Current Assets	13,739.30	19,151.98
3	Non current Liabilities	19,060.47	25,721.10
4	Current Liabilities	12,729.80	15,962.02
5	Equity attributable to owners of the company	4,294.86	4,212.88
6	Non controlling Interest	3,481.46	3,415.00
Sr No	Particulars	Edelweiss Housing Finance Limited	
		31-Mar-22	31-Mar-21
1	Revenue from operations	5,120.16	5,487.17
2	Total Income	5,139.10	5,510.54
3	Total Expense	4,937.28	5,591.26
4	Profit/(Loss) before tax	201.82	(80.72)
5	Tax expense	(63.75)	(118.01)
6	Profit/(Loss) after tax	138.07	37.29
7	Other Comprehensive income	0.09	(2.21)
8	Total Comprehensive income	138.16	35.08
9	Total Profit/(Loss) attributable to owners of Parent	140.01	20.60
10	Total Profit/(Loss) attributable to Non controlling interest	61.81	16.69
11	Cash flow (used)/generated from operating activities	2772.62	8,115.09
12	Cash flow (used)/generated from Investing activities	(17.47)	16.93
13	Cash flow (used)/generated from financing activities	(9,281.40)	(3,605.37)
14	Net Cash Inflow/(outflow)	(6,526.24)	4,526.66



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

67 Details of Ratio:

Particulars	March 31, 2022	March 31, 2021
Debt-equity Ratio (Refer note 1)	6.73	9.92
Interest Service Coverage Ratio (Refer note 2)	0.84	0.09
Earnings Per Share - Basic (Face Value of Rs10/- each)	(23.43)	(218.95)
Earnings Per Share - Dilutive(Face Value of Rs10/- each)	(23.43)	(218.95)
Total Debts/ Total Assets (Refer note 3)	0.76	0.82

Notes:

1	Debt-equity Ratio = Total Borrowing (Non Current Borrowing + Current Borrowings) / Net worth
2	Interest Service Coverage Ratio = Profits before interest and tax / Interest expenses
3	Total debt to Total assets = Total Borrowing (Non Current Borrowing + Current Borrowings) / Total assets.
4	Current ratio, Long Term Debts to Working capital, Bad Debts to Accounts Receivables Ratio, Current Liability Ratio, Debtors turnover, Inventory turnover and Operating Margin (%), Net Profit Margin (%) are not applicable owing to the business model of the company.



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

- 68 Title deeds of Immovable Properties not held in name of the Company**
There is no immovable property (other than properties where the Group is lessee and the lease agreements are duly executed in favour of the lessee), held by the Group, where title deeds are not held in name of Group.
- 69 Details of Benami Property held**
The Group does not have any benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- 70 Willful Defaulter**
The Group has not been declared as willful defaulter by any bank or financial institution or other lender.
- 71 Registration of charges or satisfaction of charges with Registrar of Companies (ROC)**
The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 72 Relationship with Struck off Companies**
Transaction with companies struck off under section 248 of the companies Act, 2013 or Section 560 of Companies Act, 1956

For March 31, 2022			
Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding	Relationship with the struck off Company
Reuters India Private Limited	Rent expenses	Nil	Vendor
Glossy Creation Private Limited	Receivable	0.66	Client
NMCI Inspections and Survey Company Private Limited	Sale of Scrap	Nil	Client

For March 31, 2021			
Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding	Relationship with the struck off Company
Vector Projects (I) Pvt Ltd	Office Expenses	Nil	Vendor
Glossy Creation Private Limited	Receivable	Nil	Client

- 73 Undisclosed Income**
The Group has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year.
- 74 Details of Crypto Currency or Virtual Currency**
The Group has not traded or invested in Crypto currency or Virtual Currency during the current financial year and any of the previous financial years.
- 75** The Group has granted loans or advances in the nature of loans, without specifying period of repayment of principal to companies. However, during the year the Group has executed supplementary agreement with such companies to stipulate the schedule for repayment of principal. Of these following are the details of the aggregate amount of loans or advances in the nature of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

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



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Edelweiss Rural & Corporate Services Limited

Notes to the Consolidated financial statements (continued)

(Currency: Indian rupees in millions)

- 76 A) During the year, the Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries
- (B) During the year, the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall, Other than as disclosed in note (1) below:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries

Note (1)

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

Name of Lender	Nature	Date	Rs. in millions	Name of Company in which investment done by the Company	Nature	Date	Rs. in millions	Remarks
Edelweiss Financial Services Limited (EFSL)	Loan Taken	Various dates	6,585.00	Edel Finance Company Limited (Edel finance)	Loan Given	Various dates	6,585.00	1)EFSL is ultimate holding Company of ERCSL and Edel Finance is holding company of ERCSL. 2) Edel finance has repaid Rs. 3,952.40 million back to ERCSL and ERCSL has also repaid the same back to EFSL.
Edelweiss Financial Services Limited (EFSL)	Loan Taken	Various dates	8,200.00	ECL Finance Limited (ECL Finance)	Loan Given	Various dates	8,200.00	1) EFSL is ultimate holding Company of ERCSL and ECL Finance is subsidiary of EFSL and is fellow subsidiary of ERCSL. 2) ECL finance has repaid Rs. 7,420 million back to ERCSL and ERCSL has also repaid the same back to EFSL.
Edelweiss Financial Services Limited (EFSL)	Loan Given	09-Jun-22	1,130.00	Edel Land Limited (ELL)	Loan Given	09-Jun-22	1,130.00	1)EFSL is ultimate holding Company of ERCSL and Edel Land is wholly owned subsidiary of EFSL and fellow subsidiary of ERCSL. 2) Edel Land has repaid Rs. 1,130 million back to ERCSL and ERCSL has also repaid the same back to EFSL.

Note (2)

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

- 77 The Group is in compliance with number of layers of companies, as prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 78 The Group has already responded to authorities on show cause notice in respect of import of pulses in earlier years. There are no further updates subsequent to Group's responses. Based on the management assessments, there is no impact on the financial statements for the year ended March 31, 2022.
- 79 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.
- 80 The Group has process whereby periodically all long term contract (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provisions as required under any law / accounting standard for material foreseeable losses on such long terms contracts (including derivative contract) has been made in the books of accounts.
- 81 Previous year's numbers have been regrouped and rearranged whenever necessary to confirm to current year presentation classification.

As per our report of even date attached.

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

Shrawan
per Shrawan Jalan
Partner
Membership No: 102102

Mumbai
May 27, 2022

For and on behalf of the Board of Directors

Ananya Suneja
Ananya Suneja
Director
DIN: 07297081

Mumbai
May 27, 2022

Sibill Johari
Sibill Johari
Director
DIN: 01960539

Virag Shah
Virag Shah
Company Secretary



Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accountst/) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Currency : Indian rupees in millions)

Name of the Subsidiary Company	Edelweiss Housing Finance Limited	Edelweiss Investment Adviser Limited	Comtrade Commodities Services Limited (Formerly known as Edelweiss Comtrade Limited)	Allium Finance Private Limited
Reporting currency	INR	INR	INR	INR
Exchange rate				
Paid-up Equity Share Capital	693.50	6,755.50	290.00	68.26
Reserves of the Subsidiary	7,082.82	(9,781.07)	(278.12)	1,203.38
Total Assets of the Subsidiary	39,566.59	8,653.56	35.29	1,273.58
Total Liabilities of the Subsidiary	31,790.27	11,679.14	23.41	1.95
Investments	2,618.06	-	-	1,084.95
Total Turnover	5,139.10	2,098.08	0.75	343.57
Profit/(Loss) before taxation	201.82	(833.41)	(4.40)	340.44
Provision for taxation	63.75	8.85	0.06	87.60
Profit/(Loss) after taxation	138.07	(842.27)	(4.46)	252.84
Proposed dividend	-	-	-	-
% of shareholding	100%	100%	100%	85%

For and on behalf of the Board of Directors of

Sd/-

Ananya Suneja

Director

DIN: 07297081

Sd/-

Nikhil Johari

Director

DIN : 01960539

Sd/-

Chirag Shah

Company Secretary

Mumbai

27 May 2022

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accountst/) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

Part "B": Associates

(Currency : Indian rupees in millions)

Sr No	Name of the Associate		Edel Land Limited
1	Latest Audited Balance sheet date		31-Mar-22
2	Share of Associate held by the Company on the year end		
	Number of shares		22,818,000
	Amount of Investment in Associates (₹ in millions)		6,000.00
	Extend of Holding %		37.59%
3	Reason why the associate is not consolidated		No Control
4	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in millions)		2,565.19
5	Profit / (Loss) for the year		
	i. Considered in Consolidation		(360.82)
	ii. Not Considered in Consolidation (including exceptional items)		(751.71)

For and on behalf of the Board of Directors of

Sd/-

Ananya Suneja

Director

DIN: 07297081

Sd/-

Nikhil Johari

Director

DIN : 01960539

Sd/-

Chirag Shah

Company Secretary

Mumbai

27 May 2022

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, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the 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, 2022, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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.

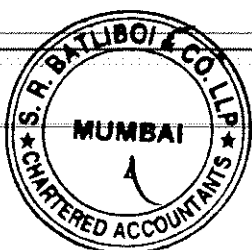
Emphasis of Matter

We draw attention to note 66 of the standalone financial statements, which describes the economic and social disruption as a result of continued COVID-19 pandemic with respect to Company's estimates of impairment of loans and investments, which are highly dependent on uncertain future developments. 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, 2022. 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.

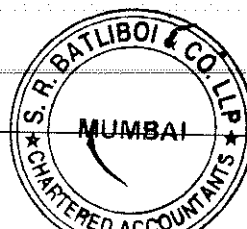
We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. 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.



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Key audit matters	How our audit addressed the key audit matter
<p>Impairment of financial instruments (expected credit losses) (as described in Note 53(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.



Key audit matters	How our audit addressed the key audit matter
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 Company. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.</p> <p>Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.</p>	<p>We performed the following procedures for testing IT general controls and for assessing the reliability of electronic data processing, assisted by specialized IT auditors:</p> <ul style="list-style-type: none"> • The aspects covered in the IT General Control audit were (i) User Access Management (ii) Program Change Management (iii) Other related ITGCs - to understand the design and test the operating effectiveness of such controls; • Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting; • Tested the periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. • Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system. • Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

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

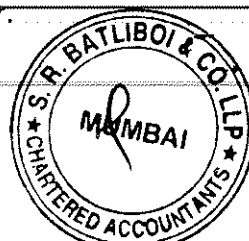
The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the standalone financial statements and our auditor’s report thereon, which we obtained prior to the date of this auditors report.

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

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

Responsibilities of Management for the Standalone Financial Statements

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



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

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

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

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

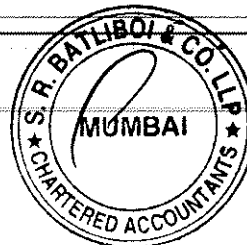
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

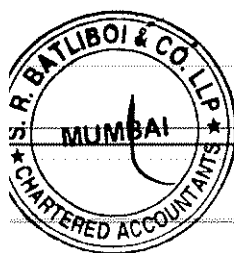
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the email confirmation received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (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;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 76 (a) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) ~~The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 76 (b) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend~~



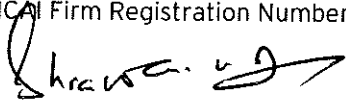
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or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

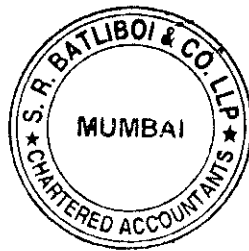
v. No dividend has been declared or paid during the year by the Company.

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



per Shrawan Jalan
Partner
Membership Number:102102
UDIN: 22102102AJSOYB2728

Place of Signature: Mumbai
Date: May 27, 2022



S.R. BATLIBOI & CO. LLP

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

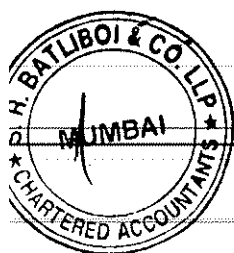
Re: Edelweiss Rural & Corporate Services Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a)(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and no discrepancies were noticed in respect of assets verified during the year.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As disclosed in note 24 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of a subsidiary. During the year the Company has availed overdraft facility from one Bank and pursuant to confirmation received from the said bank, there were no requirement to file any return/statement with the bank.
- (iii) (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies or any other parties as follows:

Amounts in Rs. millions

Particulars	Guarantees (Rs.)	Put option (Rs.)	Loans (Rs.)	Advances in nature of loans (Rs.)
Aggregate amount granted/ provided during the year				
Holding Company	-	-	7,312.10	-
Subsidiaries*	288.39	-	7,368.30	-
Fellow subsidiaries*	281.59	1,284.40	123,387.70	-
Others	-	-	1,767.60	-
Balance outstanding as at balance sheet date in respect of above cases				
Holding Company	726.50	-	2,632.60	-
Subsidiaries*	1,613.0	-	3,776.80 (net)	-
Fellow subsidiaries*	281.60	1,284.40	2,853.44 (net)	-
Others	-	-	1,235.29 (net)	-



*As disclosed in note 2 to the financial statements, charge created on immovable properties of the Company amounting to Rs. 569.98 million.

- (b) During the year the investments made, guarantees provided, and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies are not prejudicial to the Company's interest. The Company has not given any security during the year.
- (c) In respect of a loans granted to group companies, payment of interest was stipulated in the agreement and interest payment is regular. The schedule of repayment of principal was not stipulated. Hence, we are unable to comment on the regularity of principal repayment. However, during the year the Company has entered into supplementary agreement to stipulate the principal repayment. The repayment of principal as per supplementary agreement is not due.

In respect of loans granted to companies other than related parties, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except in the following cases:

Name of the Entity	Amounts in Rs. million	Due date	Extent of delay	Remarks, if any
Various parties	2,473.84	Various	>90 days	Provision made in earlier years amounting to Rs. 2,359.63 million

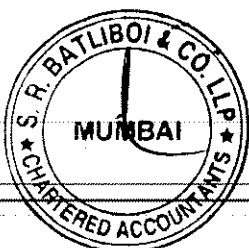
- (d) The following amounts are overdue for more than ninety days from companies or other than related parties to whom loan has been granted, and reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

Name of the Entity	Amounts in Rs. million	Due date	Extent of delay	Remarks, if any
Various parties	2,473.84	Various	>90 days	Provision made in earlier years amounting to Rs. 2,359.63 million

- (e) Loans and advance given to group Companies were due during the year have been renewed/extended by entering into supplementary agreement to stipulate principal repayment terms. As represented by the management, the Company has not granted fresh loan to settle the overdues of existing loans given to the same parties.

Amounts in Rs. million

Name of Parties	Aggregate amount of overdues existing renewed or extended	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Various group companies	54,053.20	6.1% to 100%



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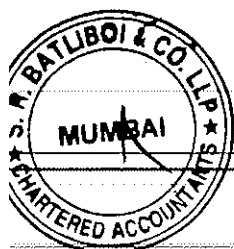
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- (f) As disclosed in note 75 to the financial statements, the Company has granted loans or advances to Group companies in the nature of loans, without specifying period of repayment of principal to companies. However, during the year the Company has executed supplementary agreement with all Group companies to stipulate the schedule for repayment of principal. The repayment of principal as per supplementary agreement is not due on these loans. Of these following are the details of the aggregate amount of loans or advances in the nature of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

	All Parties	Promoters	Related Parties - Group Companies
Aggregate amount of loans/ advances in nature of loans - Agreement does not specify any terms or period of repayment	Rs. 31,833.40 million	Nil	Rs. 31,833.40 million
Percentage of loans/ advances in nature of loans to the total loans	5.5% to 52%	Nil	5.5% to 52%

- (iv) The Company has not advanced loans to directors / to a Company in which the director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. The Company has made investments/ given loans /guarantees which is in compliance to the provisions of section 186 of the Companies Act 2013.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess, value added tax and other statutory dues applicable to it though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to custom, duty of excise, and sales tax are not applicable to Company.
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	9.97 (demand paid under protest Rs.1.99)	A.Y. 2015-16	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.79 (demand paid under protest Rs. 0.16)	A.Y. 2017-18	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	6.09	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
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)
Gujarat Value Added Tax	Value Added Tax	7.04 (demand paid under protest Rs. 0.75)	F.Y 2017-18	Deputy Commissioner

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) In respect of a loan taken from group companies, payment of interest was stipulated in the agreement and interest payment is regular. The schedule of repayment of principal was not stipulated. Hence, we are unable to comment on the regularity of principal repayment. However, during the year the Company has entered into supplementary agreement to stipulate the principal repayment. The repayment of principal as per supplementary agreement is not due. The Company has not defaulted in repayment of other borrowings or payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

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

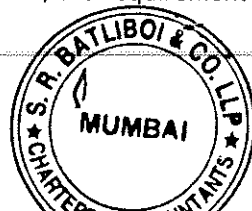
(d) On an overall examination of the financial statements of the Company, the Company has used funds raised on short-term basis aggregating to Rs. 15,416 million for long-term purposes.

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

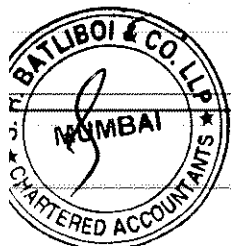
Nature Of fund taken	Name of lender	Amount involved	Name of the subsidiary, joint venture, associate	Relation	Nature of transaction for which funds utilized
Group Company loan	Edelweiss Financial Services Limited	Rs. 3,930 million	Edelweiss Investment Advisor Limited	Subsidiary	Amount utilised for lending to the subsidiary of the Company to repay its existing liabilities

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

~~(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.~~



- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) The Group has one Core Investment Company as part of the Group.
- (xvii) The Company has incurred cash losses amounting to Rs. 290.76 million and amounting to Rs. 1,425.76 million in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 65 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee



S.R. BATLIBOI & Co. LLP

Chartered Accountants

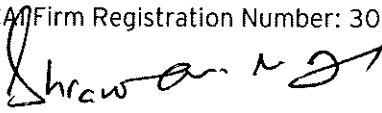
nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) There are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 52 to the financial statements.
- (b) There are no unspent amounts that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 52 to the financial statements.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

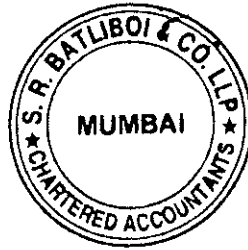
Partner

Membership Number: 102102

UDIN: 22102102AJSOYB2728

Place of Signature: Mumbai

Date: May 27, 2022



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

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

We have audited the internal financial controls with reference to standalone financial statements of Edelweiss Rural & Corporate Services Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

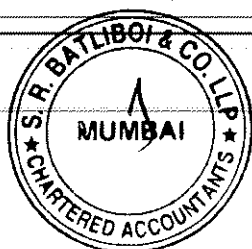
Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance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

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

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

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

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



S.R. BATLIBOI & Co. LLP

Chartered Accountants

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

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

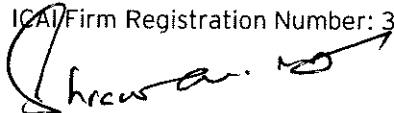
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Shrawan Jalan**

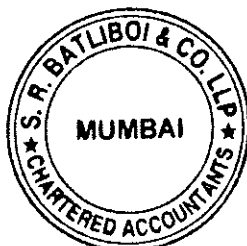
Partner

Membership Number: 102102

UDIN: 22102102AJSOYB2728

Place of Signature: Mumbai

Date: May 27, 2022



Edelweiss Rural & Corporate Services Limited

Balance Sheet as at March 31, 2022

(Currency: Indian rupees in millions)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	2,298.90	2,388.26
(b) Investment property	2	1,926.05	2,012.40
(c) Other Intangible assets	2	8.93	13.18
(d) Intangible assets under development	2	-	2.06
(e) Financial Assets			
(i) Investments	3	22,460.78	13,072.81
(ii) Bank balances other than cash and cash equivalents	4	340.36	-
(iii) Loans	5	8,051.19	10,279.89
(iv) Other financial assets	6	32.46	1.74
(f) Deferred tax assets (net)	7	1,101.16	1,016.97
(g) Income tax assets (net)	8	1,321.42	832.77
(h) Other non-current assets	9	18.83	19.45
Total Non-current assets		37,560.08	29,639.53
Current assets			
(a) Financial Assets			
(i) Stock-in-trade	10	624.98	1,693.93
(ii) Investments	11	3.65	6.76
(iii) Trade receivables	12	187.90	216.81
(iv) Cash and cash equivalents	13	117.79	323.60
(v) Bank balances other than cash and cash equivalents	14	67.49	114.91
(vi) Loans	15	2,884.32	11,294.05
(vii) Other financial assets	16	4.29	335.20
(b) Current tax assets (net)	17	224.71	744.47
(c) Other current assets	18	231.56	369.99
Total Current Assets		4,346.69	15,099.72
TOTAL ASSETS		41,906.77	44,739.25
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	465.35	397.75
(b) Instruments entirely equity in nature	19	9,500.00	9,500.00
(c) Other equity	20	(3,672.77)	(5,360.03)
Total Equity		6,292.58	4,537.72
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	15,700.65	14,781.37
(ii) Other financial liabilities	22	142.00	825.98
(iii) Lease liabilities	46	3.07	18.41
(b) Provisions	23	5.32	3.85
Total Non-current liabilities		15,851.04	15,629.61
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	19,386.41	23,709.02
(ii) Trade payables	25		
Total outstanding dues of micro enterprises and small enterprises		2.07	0.23
Total outstanding dues to creditors other than micro enterprises and small enterprises		95.12	446.52
(iii) Other financial liabilities	26	239.67	365.77
(b) Other current liabilities	27	38.49	41.26
(c) Provisions	28	1.39	9.12
Total Current liabilities		19,763.15	24,571.92
Total Liabilities		35,614.19	40,201.53
TOTAL EQUITY AND LIABILITIES		41,906.77	44,739.25

The accompanying notes are an integral part of the financial statements

1 to 80

As per our report of even date attached.

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

per Shrawan Jalan
Partner
Membership No: 102102

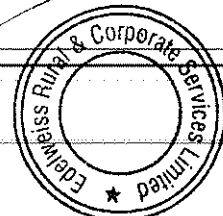
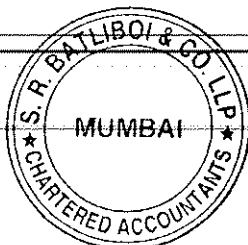
For and on behalf of the Board of Directors

Ananya Suneja
Director
DIN No.: 07297081

Nikhil Johari
Director
DIN : 01960539

Shrawan Jalan
Company Secretary
Mumbai
May 27, 2022

Mumbai
May 27, 2022



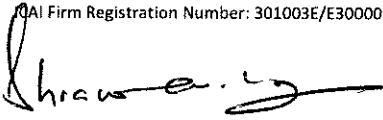
Statement of Profit and loss for the year ended March 31, 2022

(Currency : Indian rupees in millions)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations			
Fee and commission income	29	754.23	1,205.83
Net gain/(loss) on fair value changes	30	(589.05)	(472.79)
Interest income	31	4,537.67	3,866.58
Sale of commodities		4,584.77	1,717.12
Other operating revenue	32	367.72	780.42
Total Revenue from operations		9,655.34	7,097.16
Other income	33	1,185.97	91.42
Total Revenue		10,841.31	7,188.58
Expenses			
Purchases of commodities		4,583.05	1,292.75
Changes in inventories of commodities		-	436.09
Impairment on financial instruments	34	120.65	7,019.28
Employee benefits expense	35	537.04	1,136.75
Finance costs	36	5,399.90	4,734.86
Depreciation and amortisation	2	408.72	420.41
Other expenses	37	612.43	1,048.04
Total expenses		11,661.79	16,088.18
Profit / (Loss) before tax		(820.48)	(8,899.60)
Tax expenses			
(1) Current tax		-	(24.15)
(2) Deferred tax (net)		(74.47)	299.86
Profit / (Loss) after tax for the year		(746.01)	(9,175.31)
Other Comprehensive Income / (Loss)			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans		(27.82)	17.55
Deferred Tax on above		9.72	(6.13)
Total Other Comprehensive Income / (Loss)		(18.10)	11.42
Total Comprehensive Income / (Loss)		(764.11)	(9,163.89)
Earnings per equity share (Face value of Rs. 10 each):			
(1) Basic	44	(11.38)	(228.23)
(2) Diluted		(11.38)	(228.23)

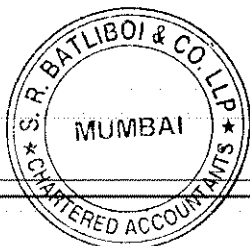
The accompanying notes are an integral part of the financial statements 1 to 80
As per our report of even date attached.

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



per Shrawan Jalan
Partner
Membership No: 102102

Mumbai
May 27, 2022



For and on behalf of the Board of Directors



Ananya Suneja
Director
DIN No: 07297081

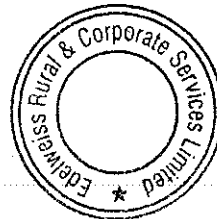


Nikhil Johari
Director
DIN : 01960539



Chirag Shah
Company Secretary

Mumbai
May 27, 2022



Edelweiss Rural & Corporate Services Limited

(Currency : Indian rupees in millions)

Statement of changes in Equity

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

Equity share capital	Balance as at 01 April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous year	Changes in equity share capital	Balance at the end of the year (31 March 2021)
	397.75	-	397.75	-	397.75

Other Equity

	Reserves and Surplus						Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Employee Stock Option Plan (ESOP) reserve	Debtore redemption reserve	Retained earnings	
Balance as at 01 April 2020	402.85	30.00	2,644.51	62.41	2,356.22	(2,698.38)	3,803.86
Profit or (loss)	-	-	-	-	-	(9,175.31)	(9,175.31)
Other comprehensive income	-	-	-	-	-	56.83	(45.41)
Total Comprehensive Income for the year	-	-	-	-	-	(9,118.48)	(9,163.89)
Balance at 31 March 2021	402.85	30.00	2,644.51	62.41	2,356.22	(11,815.86)	(5,360.03)
Profit or (loss)	-	-	-	-	-	(746.01)	(746.01)
Other comprehensive income	-	-	-	-	-	(18.10)	(18.10)
Reversal of ESOP/SAR on cancellation / lapses post vesting	-	-	-	-	-	17.77	17.77
Total Comprehensive Income for the year	-	-	-	-	-	(746.34)	(746.34)
Transfers to/ from retained earnings	-	-	-	-	-	-	-
Transactions with shareholders in their capacity as such - on issuance of Equity shares	-	-	2,433.60	-	(1,154.17)	1,154.17	-
Reversal to retain earning	-	-	-	-	-	-	-
Balance at 31 March 2022	402.85	30.00	5,078.11	62.41	1,202.05	(11,363.63)	(3,672.77)

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

1 to 80

For S.R. Battibol & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

(Signature)

per Shrawan Jain

Partner

Membership No: 102102

Mumbai

May 27, 2022

For and on behalf of the Board of Directors

(Signature)

Anshya Suneja

Director

DIN: 07297081

Mumbai

May 27, 2022

(Signature)

Nikhil Johari

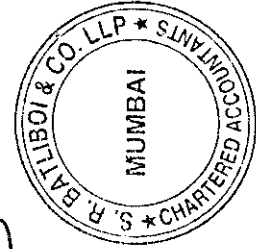
Director

DIN : 01960539

(Signature)

Chirag Shah

Company Secretary



Edelweiss Rural & Corporate Services Limited

(Currency : Indian rupees in millions)

Statement of Changes in Equity (continued)

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.

Revaluation Reserve

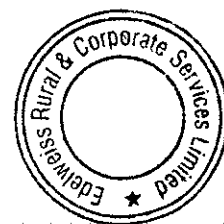
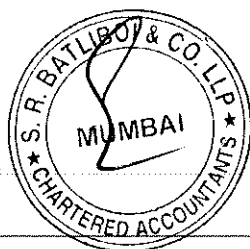
The Company decided to move to revaluation model from cost model for accounting a class of asset (i.e. flats and building) as at 31st March 2020. The management approved revaluation of owned land and buildings classified under property plant and equipment after assessing the valuation made by duly appointed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



Statement of Cash Flow for the year ended March 31, 2022

(Currency: Indian rupees in millions)

	For the year ended 31 March 2022	For the year ended 31 March 2021
A Cash flow from operating activities		
Loss before tax	(820.48)	(8,899.60)
<u>Adjustments for:</u>		
Impairment on financial instruments (net)	120.65	7,019.28
Depreciation and amortisation expense	408.72	420.41
Profit on sale of fixed assets (net)	(4.24)	138.01
Provision for employee benefits	29.17	6.91
Profit on sale of current and non-current investments	(1,059.15)	-
Dividend on Stock in trade	-	(4.83)
Interest income on Investment in Preference Shares	-	(118.66)
Profit / (Loss) on sale of current and non-current investments	235.39	1.14
Share of (profit) / loss from partnership firm	(4.15)	(4.96)
Finance costs	5,316.63	4,508.46
Operating cash flow before working capital changes	4,222.54	3,066.16
<u>Changes in working capital</u>		
(Increase) /decrease in trade receivables	32.77	552.59
(Increase) /decrease in stock in trade and inventories	1,068.94	(444.26)
(Increase) /decrease in loans and advances	10,217.53	(4,778.83)
(Increase) /decrease in other assets	439.03	118.33
Decrease in trade payables	(349.53)	(2.37)
(Decrease) / increase in liabilities and provisions	(825.44)	(1.21)
Cash (used in) /generated from operations	14,805.84	(1,489.59)
Taxes refund / (paid) (net)	31.11	98.66
Net cash (used in) /generated from operating activities - A	14,836.95	(1,390.93)
B Cash flow from investing activities		
Purchase sale of property, plant and equipment	(409.44)	(339.02)
Proceeds from sale of property, plant and equipment	176.40	286.51
Net addition to capital work in progress	2.06	105.37
Purchase of current and non-current investments	(10,364.56)	882.83
Sale of current and non-current investments	1,803.46	(2,199.69)
Dividend received	-	4.83
Net cash used in investing activities - B	(8,792.08)	(1,259.17)
C Cash flow from financing activities		
Repayment of loans (net) (Refer note 2)	(3,384.80)	(10,205.60)
Repayment of subordinated liabilities	-	(465.57)
Issue of Equity share capital	2,501.20	-
Proceeds from issue of CCD & CCPS	-	9,500.00
Proceeds from issuance of commercial paper	250.00	14,410.00
Redemption of commercial paper	-	(9,290.00)
Dividend paid	-	(34.43)
Principal repayment of leases	(24.54)	(58.95)
Interest paid	(5,592.54)	(5,048.97)
Net cash used in financing activities - C	(6,250.68)	(1,193.52)
Net Decrease in cash and cash equivalents (A+B+C)	(205.81)	(3,843.62)
Cash and cash equivalents as at the beginning of the year	323.60	4,167.22
Cash and cash equivalents as at the end of the year	117.79	323.60



Edelweiss Rural & Corporate Services Limited

Statement of Cash Flow (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
Note:		
1 Component of cash and cash equivalents		
Balances with banks		
in current accounts	108.24	320.83
in fixed deposits with original maturity less than 3 months	9.55	2.77
Cash on hand	-	-
	<u>117.79</u>	<u>323.60</u>

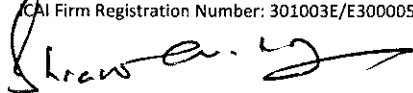
- 2 Bank receipts and payments for transaction with group companies in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows.
- 3 The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows" specified under Section 133 of Companies Act, notified under companies (Indian Accounting Standards) Rules, 2015

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

For S.R. Batliboi & Co. LLP

Chartered Accountants

CAI Firm Registration Number: 301003E/E300005

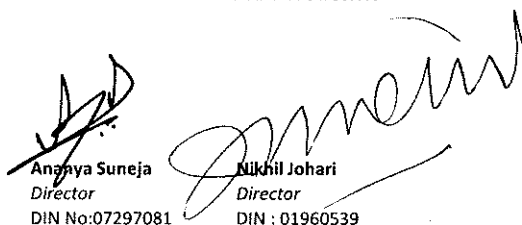


per Shrawan Jalan

Partner

Membership No: 102102

For and on behalf of the Board of Directors



Ananya Suneja

Director

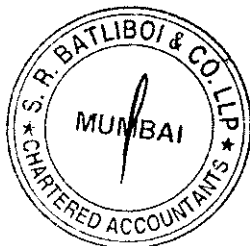
DIIN No:07297081

Nikhil Johari

Director

DIIN : 01960539

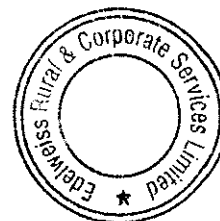
Mumbai
May 27, 2022



Mumbai
May 27, 2022



Chirag Shah
Company Secretary



Edelweiss Rural & Corporate Services Limited

Notes to the 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. It is part of Edelweiss Group and is a ultimate subsidiary of the listed holding company Edelweiss Financial Services Limited. The Company provides loans to group companies and makes investments within the group. It also holds the technology shared service centre which provides service to group companies. Further, the company owns property which earns regular rental income.

1.2 Basis of preparation and presentation of financial statements

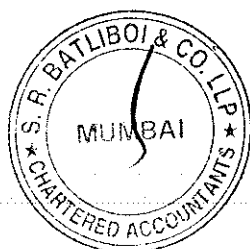
The Company's financial statements has been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and in compliance with the Division II of the Schedule III to the Companies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

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

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

1.3 Use of estimates

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

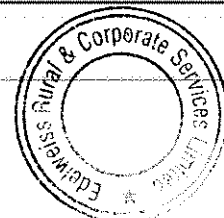
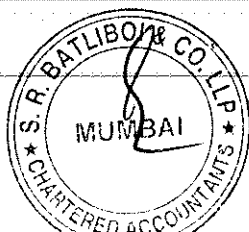


Edelweiss Rural & Corporate Services Limited

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
- Fee income including advisory fees is accounted over the period as the customer simultaneously receives and consumes the benefits, as the services are rendered.
- Business support services including web based services are accounted on accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- Profit / loss on sale of investments is recognised on trade date basis.
- Commodities sales are accounted as per terms of agreement with the parties.
- Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR.
- Warehouse income is recognised on accrual basis by reference to the agreements entered with customers.
- Agency commission/procurement income is recorded in pursuant to the terms and conditions mentioned in scope of work /agreement.
- Insurance and other claims are recognized as revenue on certainty of realisation.
- Interests on delayed payments, warehousing charges and rental income are recognised on accrual basis by reference to the agreements entered.
- Profit / loss from share in partnership firm is accounted once the amount of the share of profit/ loss is ascertained and credited / debited to the Company's account in the books of the partnership firm.
- Dividend income is recognised in profit or loss when the Company's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.
- Real estate advisory income is recognised basis the terms and conditions mentioned in the agreement.
- Revenue from Investment management services is recognised over the tenure in accordance with the terms and conditions of the investment management agreement with group companies.



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

1.5 Financial Instruments

Date of recognition

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

Initial measurement of financial instruments

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

Day 1 profit or loss

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

Classification of financial instruments

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

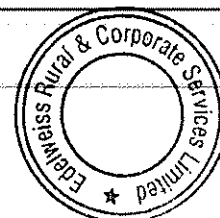
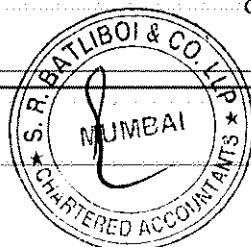
- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

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

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

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

- if those sales are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

- 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

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.

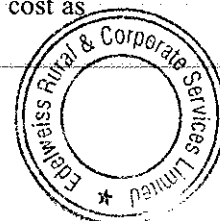
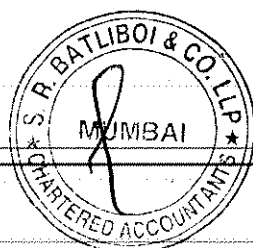
Financial assets at fair value through profit or loss

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



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

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.

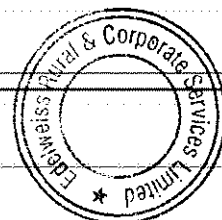
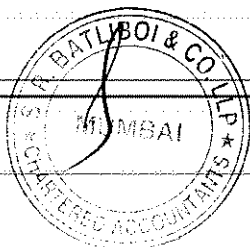
Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Redeemable preference shares

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.



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

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

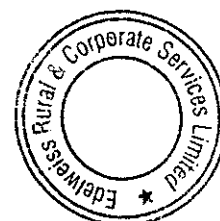
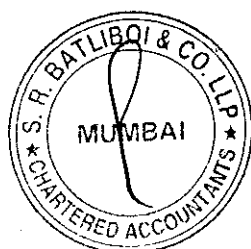
A transfer only qualifies for derecognition if either:

- 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.



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

Impairment of financial assets

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables.

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

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

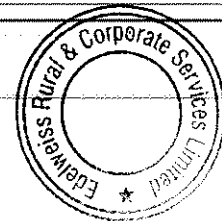
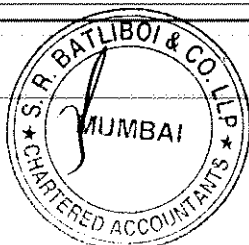
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking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



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

Collateral repossessed

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

Write off

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

Derivative financial instruments

Initial recognition and subsequent measurement

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

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

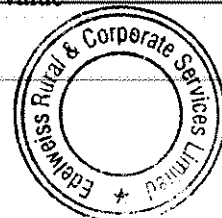
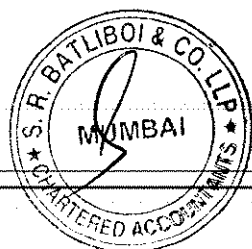
Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment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

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.



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

Determination of fair value

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

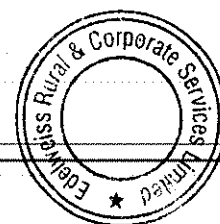
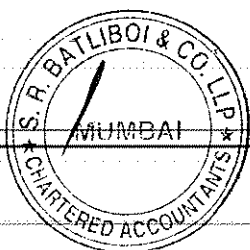
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

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

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



Edelweiss Rural & Corporate Services Limited

Notes to the 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 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

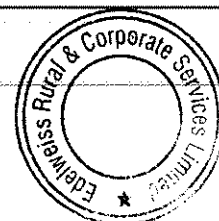
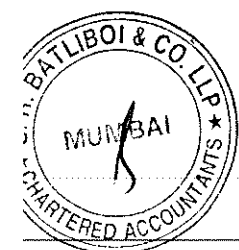
The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted 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.



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

1.9 Share-based payment arrangements

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

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

1.10 Property, plant and equipment

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

Subsequent costs incurred on an item of property, plant and equipment are recognised in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognised in profit or loss as incurred.

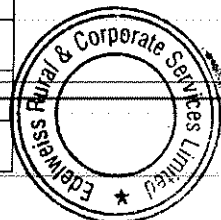
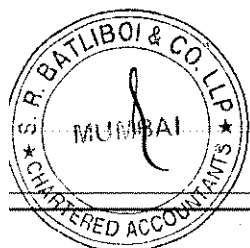
Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided up to the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Estimated useful lives of the assets are as follows:

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



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

Leasehold improvements are amortised on a straight-line basis over the estimated useful lives of the assets or the period of lease, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

Subsequent measurement of land and building under revaluation model

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

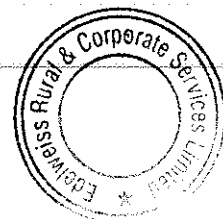
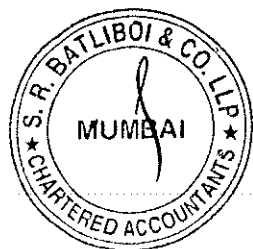
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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.



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.11 Cash and cash equivalents

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

1.12 Inventories

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

1.13 Provisions and other contingent liabilities

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

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

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

1.14 Income tax expenses

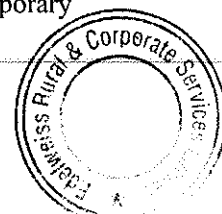
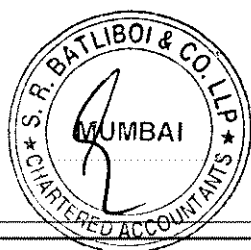
Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

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

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

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

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

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

Minimum Alternative Tax (MAT) credit

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

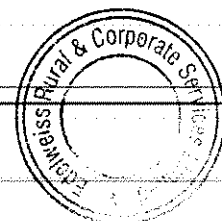
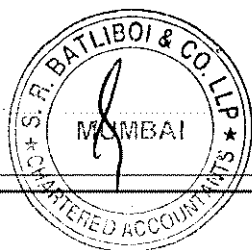
1.15 Operating leases

Company as a lessee

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Company as a lessor

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

1.16 Investment property

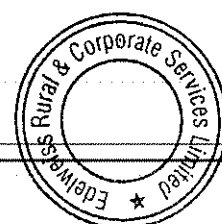
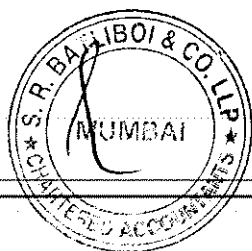
Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs.

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

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

1.17 Receivables from Agency Business

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



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

1.18 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

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

Significant increase in credit risk

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

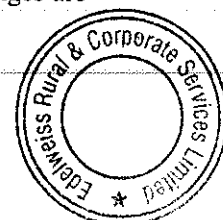
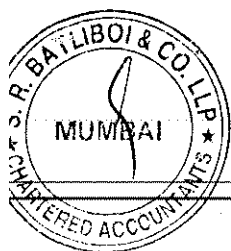
Determining lease term for lease contracts with renewal and termination option

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

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

1.19 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

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.

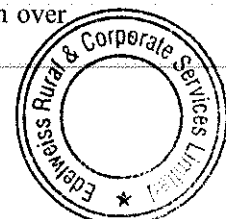
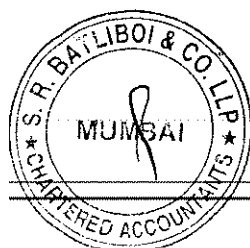
The company's expected credit loss (ECL) calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- 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
- 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



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (*continued*)

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.

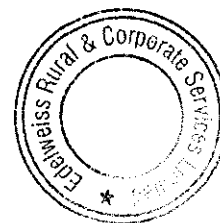
The Company has recognised deferred tax assets on carried forward tax losses with respect to certain subsidiaries where the Company believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. 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.

Standards issued but not yet effective

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



2 Property, Plant and Equipment

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block As at 31 Mar 2022
	As at 1 April 2021	Additions / adj stments during the year	Deductions /adj stments during the year	As at 31 Mar 2022	Charge for the year	Deductions /adj stments during the year	
Property, Plant and Equipment							
Land*	163.02	-	-	163.02	-	-	163.02
RON -leasehold premises	127.02	0.38	5.07	122.33	1.09	-	119.74
Building*	2,209.30	117.48	-	2,326.78	161.60	-	2,042.56
Leasehold Premises	0.14	0.54	-	0.68	0.15	-	0.53
Plant and Equipment	4.10	-	3.60	0.50	0.16	1.82	0.19
Furniture and Fixtures	79.47	-	9.66	69.81	9.81	7.98	29.37
Vehicles	6.54	1.35	5.07	2.82	0.71	4.15	1.78
Office equipment	88.20	0.25	29.70	58.75	10.02	26.90	12.60
Computers	136.77	8.63	31.13	112.27	13.50	29.76	23.41
Plant and Machinery-Solar power	62.05	-	-	62.05	5.33	-	22.85
Total	2,976.61	128.63	86.23	2,915.01	202.37	70.61	2,798.90

Investment property*

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block As at 31 Mar 2022
	As at 1 April 2021	Additions / adj stments during the year	Deductions /adj stments during the year	As at 31 Mar 2022	Charge for the year	Deductions /adj stments during the year	
Land	137.43	-	-	137.43	-	-	137.43
Flat and Building	2,249.18	274.10	180.26	2,343.02	195.41	15.22	1,788.62
Total	2,386.61	274.10	180.26	2,480.45	195.41	15.22	1,926.05

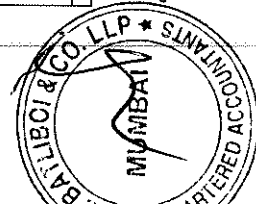
Other Intangible Assets

Description of Assets	Gross Block			Accumulated Amortisation and Impairment			Net Block As at 31 Mar 2022
	As at 1 April 2021	Additions / adj stments during the year	Deductions /adj stments during the year	As at 31 Mar 2022	Charge for the year	Deductions /adj stments during the year	
Software	90.51	6.70	0.17	97.04	10.94	0.16	88.11
Total	90.51	6.70	0.17	97.04	10.94	0.16	88.11

0.00 indicates amounts less than Rs. 0.01 million.

*These assets are pledged for issuance of Non-convertible debentures and Corporate Guarantee issued to State bank of India against loan facilities obtained by Group Companies (refer Note 21 and Note 24).

*Newspaper plan for additional FSI have been submitted and awaiting approval from Municipal Corporation of Greater Mumbai (MCGM). The Company has already paid and capitalised development charges and FSI premium amounting to Rs. 391.58 million.



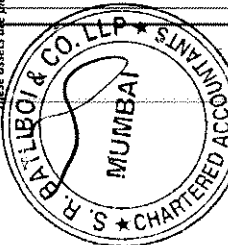
2 Property, Plant and Equipment

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	Charge for the year	Deductions / adju stments during the year	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	8.37
Building *	2,209.30	-	-	2,209.30	-	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	2.13
Furniture and Fixtures	92.11	0.30	12.94	79.47	32.40	15.09	8.88	40.86
Vehicles	7.76	-	1.22	6.54	3.37	1.96	0.85	2.06
Office equipment	115.22	2.00	29.02	88.20	67.34	20.74	25.05	25.17
Computers	202.89	1.09	67.21	136.77	139.44	25.98	60.30	31.65
Plant and Machinery-Solar power	62.05	-	-	62.05	27.64	6.23	-	28.18
Total	3,163.42	6.43	293.26	2,876.61	361.66	241.32	114.63	488.35
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
Land	137.43	-	-	137.43	-	-	-	137.43
Flat and Building	2,249.18	-	-	2,249.18	275.53	98.68	-	1,874.97
Total	2,386.61	-	-	2,386.61	275.53	98.68	-	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	Charge for the year	Deductions / adju stments during the year	As at 31 Mar 2021
Goodwill	18.68	-	-	18.68	18.68	-	-	-
Software	265.80	114.44	289.73	90.51	170.77	80.41	173.85	13.18
Total	284.48	114.44	289.73	109.19	189.45	80.41	173.85	13.18

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



2 Intangible assets under development

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

Description of Assets	Gross Block			
	As at April 01, 2020	Additions	Capitalization	As at March 31, 2021
Capital WIP - Software	-	2.06	-	2.06
Total	-	2.06	-	2.06

2 (A) Intangible assets under development ageing schedule

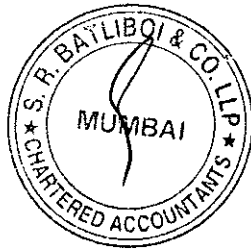
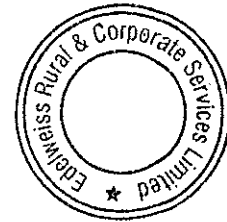
As at March 31, 2022

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

As at March 31, 2021

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	2.06	-	-	-	2.06
Projects temporarily suspended	-	-	-	-	-
Total	2.06	-	-	-	2.06

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



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

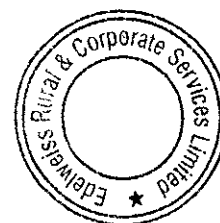
	As at 31 March 2022		As at 31 March 2021	
	Quantity	Amount	Quantity	Amount
3 Non-current investments				
Unquoted Investments				
Investments in equity instruments of subsidiaries (fully paid up)				
Edelweiss Housing Finance Limited	38,300,000	2,829.00	38,300,000	2,829.00
EC Commodity Limited	-	-	29,999,994	501.43
Comtrade Commodities Services Limited (Comtrade)	28,999,994	38.86	28,999,994	38.86
Edelweiss Investment Adviser Limited	100,549,994	1,000.10	100,000,000	1,000.10
Allium Finance Private Limited	800,000	21.18	800,000	21.18
Investments in equity instruments of other group companies (fully paid up)				
Edelweiss Asset Reconstruction Company Limited ***	5,181,837	110.35	20,964,082	446.43
Investments in equity instruments of other companies (fully paid up)				
Inditrade Business Consultants Limited	10,000	0.10	10,000	0.10
Agri Warehousing Service Providers (India) Association	90,000	0.90	90,000	0.90
Non cumulative Compulsorily convertible redeemable preference share				
Allium Finance Private Limited	4,044,412	839.75	2,986,994	627.27
Investment in share warrants				
Team Geo Resources Private Limited	-	-	15,000,000	154.47
Compulsorily convertible Debentures				
0.01 % -Edel Land Limited**	6,600,000	6,600.36	4,600,000	4,600.01
0.01 % Edelweiss Investment Advisor Limited	575,000,000	5,750.48	-	-
Investments in debentures (fully paid up)				
10.25% ECL Finance Limited Perpetual Bonds	1,950	2,126.26	1,950	2,126.26
Investment in others - AIF				
Edelweiss Private Equity Tech Fund	853	199.79	853	199.35
Edelweiss Value and Growth Fund	3,592	314.08	3,592	598.01
India Credit investment Fund II	158,897	1,598.14	158,897	1,588.97
India Credit investment Fund I	391,000	2,147.00	-	-
Less : Impairment Allowance*		(1,115.57)		(1,659.53)
		22,460.78		13,072.81

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

** Ecop Equities Limited and EC Commodities Limited was merged into Edel Land Limited with effect from April 01, 2020. 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 Land Limited and disclosed accordingly.

*** 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 60

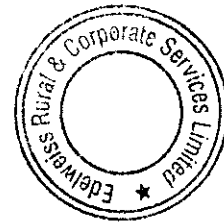
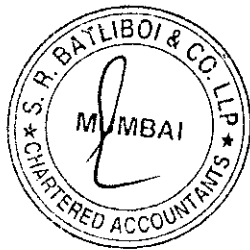


Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency, Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
4 Bank balances other than cash and cash equivalents		
Long term bank deposits with banks		
- Long term bank deposits with banks (fixed deposits)	339.13	-
- Accrued interest on fixed deposits	1.23	-
	<u>340.36</u>	<u>-</u>
(refer note 43 on Encumbrances on fixed deposits)		
5 Loans- Non Current		
<i>Secured*</i>		
Receivables from financing business	1,404.15	763.90
Provision for expected credit loss on loans	<u>(1,289.93)</u>	<u>(763.90)</u>
	114.22	-
<i>Unsecured</i>		
Loans and advances to related parties	13,669.17	16,009.89
Provision for expected credit loss on loans**	<u>(5,732.20)</u>	<u>(5,730.00)</u>
	7,936.97	10,279.89
Intercorporate deposits placed	1,055.62	1,100.00
Accrued interest on Intercorporate deposits	14.07	14.07
Impairment on intercorporate deposits placed	<u>(1,069.69)</u>	<u>(1,114.07)</u>
	-	-
	<u>8,051.19</u>	<u>10,279.89</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 63</i>		
6 Other financial assets		
Rent and other deposits	23.75	0.33
Deposits placed with/ for exchange/ depositories	8.71	1.41
	<u>32.46</u>	<u>1.74</u>

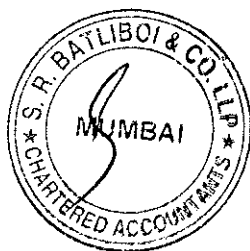
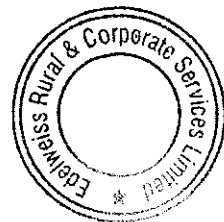


Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
7 Deferred tax assets (net)		
Deferred tax assets		
<u>Loans</u>		
Provision for standard assets - ECL provision	845.74	845.73
Provision for non-performing, restructured and doubtful advances - ECL provision	126.23	130.44
<u>Property, plant and equipment and intangibles</u>		
Leases - Ind AS 116	1.07	8.04
<u>Investments and other financial instruments</u>		
Provision for Diminution in value of current investments	1.98	1.98
<u>Unused tax credit</u>		
MAT credit entitlement	581.92	581.92
<u>Unused tax losses</u>		
Accumulated Losses	203.41	203.41
Gratuity & other Employee Benefits	2.28	20.79
Others	0.08	87.03
Deferred tax assets (A)	1,762.71	1,879.34
Deferred tax liabilities		
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	501.77	574.55
<u>Investments and other financial instruments</u>		
Fair valuation gain of investments and stock in trade	16.06	102.04
<u>Borrowings</u>		
Effective interest rate on borrowings	113.95	154.45
Others	29.77	31.33
Deferred tax liabilities (B)	661.55	862.37
Deferred tax assets (net) (A-B)	1,101.16	1,016.97

Note: Refer note 62 for disclosures on Deferred Tax.

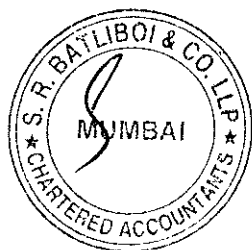
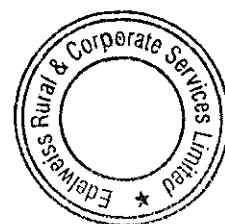


Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021
8 Income tax assets (net)		
Advance income taxes <i>(net of provision for income tax of Rs.2,073.33 million (Previous year: Rs. 2,073.33 million))</i>	1,321.42	832.77
	<u>1,321.42</u>	<u>832.77</u>
9 Other non-current assets		
Other deposits	18.83	19.45
	<u>18.83</u>	<u>19.45</u>



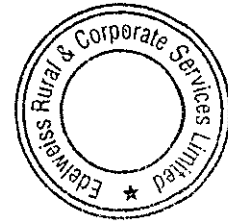
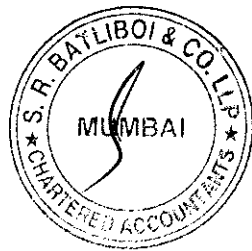
Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

10 Stock in trade

	As at March 31, 2022	As at March 31, 2021
At fair value through profit or loss		
(i) Mutual Fund	-	67.53
(ii) Debt securities	620.70	1,388.49
(iii) Equity instruments	-	0.03
(iv) Nifty-linked debentures	4.28	237.88
TOTAL	624.98	1,693.93
(i) Stock in trade held outside India	-	-
(ii) Stock in trade held in India	624.98	1,693.93
Total	624.98	1,693.93



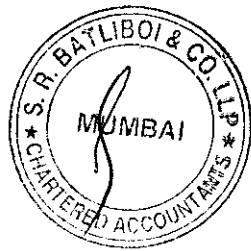
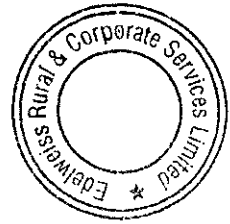
Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021
11 Current investments		
Investments in partnership firm, Capital account		
Edelweiss Multi Strategy Fund Advisors LLP	3.23	6.06
Investment in others		
Edelweiss Wealth Advisors LLP	0.42	0.70
	<u>3.65</u>	<u>6.76</u>

Note: Disclosures as required by IND AS 107 have been separately provided in Note 60



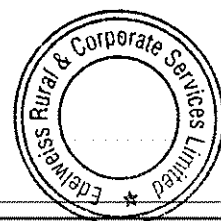
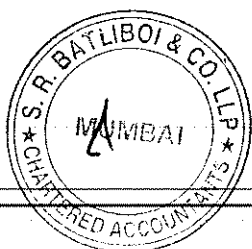
	As at 31 March 2022	As at 31 March 2021
12 Trade receivables		
Receivables considered good - Secured*	-	102.84
Receivables considered good - Unsecured	187.90	56.56
Receivables - Credit impaired	361.24	430.68
	549.14	590.08
Less : Allowance for expected credit losses	361.24	373.27
	187.90	216.81

*Secured by inventory held on behalf of principal

Trade Receivables ageing schedule

As at March 31, 2022	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good	187.90	-	-	-	-	187.90
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	4.86	12.31	25.02	319.05	361.24
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Gross receivables (A)	187.90	4.86	12.31	25.02	319.05	549.14
i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	(4.86)	(12.31)	(25.02)	(319.05)	(361.24)
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total ECL Provision on receivables (B)	-	(4.86)	(12.31)	(25.02)	(319.05)	(361.24)
Total receivables net of provision = (A)-(B)	187.90	-	-	-	-	187.90

As at March 31, 2021	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good	192.16	21.66	1.47	0.86	0.66	216.81
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	10.59	7.72	26.09	20.78	308.09	373.27
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Gross receivables (A)	202.75	29.38	27.56	21.64	308.75	590.08
i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	(10.59)	(7.72)	(26.09)	(20.78)	(308.09)	(373.27)
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total ECL Provision on receivables (B)	(10.59)	(7.72)	(26.09)	(20.78)	(308.09)	(373.27)
Total receivables net of provision = (A)-(B)	192.16	21.66	1.47	0.86	0.66	216.81



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

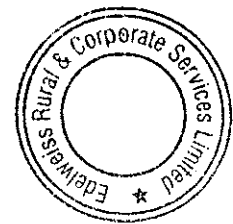
{Currency: Indian rupees in millions}

	As at 31 March 2022	As at 31 March 2021
13 Cash and cash equivalents		
Cash on hand	-	-
Balances with banks		
- in current accounts	108.24	320.83
- in fixed deposits with original maturity less than 3 months	9.55	2.77
	<u>117.79</u>	<u>323.60</u>

* Fixed deposit amounting to Rs.9.55 million (Previous year: Rs.2.77 million) held under encumbrance - refer note 43

14 Bank balances other than cash and cash equivalents		
Fixed deposits	67.49	114.91
	<u>67.49</u>	<u>114.91</u>

(refer note 43 on Encumbrances on fixed deposits)

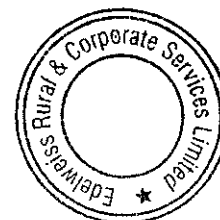
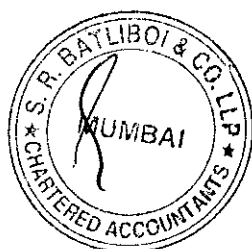


Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
15 Loans- Current		
<u>Secured</u>		
Receivables from financing business*	1,317.58	597.53
Provision for expected credit loss on loans	<u>(196.74)</u>	<u>(537.53)</u>
	1,120.84	60.00
<u>Unsecured</u>		
Loans and advances to related parties	1,523.64	11,209.30
Accrued interest on loans given	441.16	228.21
Provision for expected credit loss on loans	<u>(202.24)</u>	<u>(204.76)</u>
	1,762.56	11,232.75
Loans and advances to employees	0.92	1.30
	2,884.32	11,294.05
<i>* Secured against securities</i>		
16 Other financial assets		
Rental deposits	-	9.97
Deposits- others	-	35.67
Receivable from exchange / clearing house (net)	0.52	0.52
Margin placed with broker	2.07	1.20
Advances recoverable in cash or in kind or for value to be received	1.70	287.84
	4.29	335.20
17 Current tax assets (net)		
Advance income taxes <i>(net of provision for income tax of Rs. Nil million (Previous year: Rs Nil million))</i>	224.71	744.47
	224.71	744.47
18 Other current assets		
Input tax credit	162.08	203.82
Advance to employees	1.03	0.48
Prepaid expenses	34.45	33.91
Vendor Advance	5.10	82.57
Advances recoverable in cash or in kind or for value to be received	-	16.32
Contribution to gratuity fund	28.90	32.89
	231.56	369.99



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
19 Share capital		
Authorised:		
4,75,00,000 (Previous year: 4,25,00,000) equity shares of Rs. 10 each	475.00	425.00
6,70,00,000 (Previous year: 7,20,00,000) preference shares of Rs. 10 each	670.00	720.00
	1,145.00	1,145.00
Issued, Subscribed and Paid up:		
(a) Equity Shares		
4,65,35,367 (Previous year: 3,97,75,367) equity shares of Rs. 10 each, fully paid up	465.35	397.75
	465.35	397.75
(b) Instruments entirely equity in nature		
(i) Compulsory Convertible Preference Shares ('CCPS')		
13,59,955 CCPS (Previous year 13,59,955) - 0.01% Compulsory Convertible Preference Shares ("CCPS") of face value of Rs. 10/- along with premium of Rs. 357.66 Per Share	500.00	500.00
(ii) Compulsorily Convertible Debentures ('CCDs')		
90,00,000 CCDs (Previous year 90,00,000) of the face value of Rs. 1,000/- each	9,000.00	9,000.00
	9,500.00	9,500.00

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

	31 March 2022		31 March 2021	
	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	6,760,000	67.60	-	-
Outstanding at the end of the year	46,535,367	465.35	39,775,367	397.75

Shares held by holding Company

	31 March 2022		31 March 2021	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Equity shares				
Edel Finance company Limited	46,535,367	100.00%	39,775,367	100.00%

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

	31 March 2022		31 March 2021	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Equity shares of Rs 10 each fully paid up				
Edel Finance company Limited	46,535,367	100.00%	39,775,367	100.00%

Rights, preferences and restrictions attached to equity shares:

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

Terms of Compulsory Convertible Preference Shares ("CCPS")

Non-cumulative Dividend of 0.01% per annum on the face value of the CCPS shall be paid to the CCPS holders. The CCPS will automatically be convertible into equity shares at the end of 10 years from the date of allotment. 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")

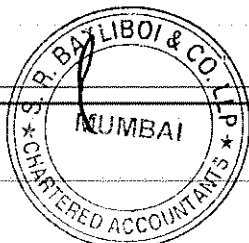
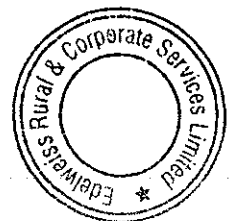
CCD carrying coupon of 0.01% on the face value of the CCDs shall be paid to the CCD holders. The CCDs will be convertible into equity shares within period not exceeding 10 years from the date of allotment. 1 CCD will be converted into 2.71 Equity Shares. i.e. 33,21,033 equity shares will get issued on 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.

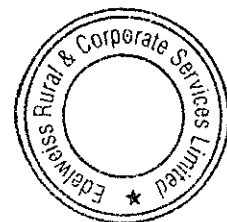
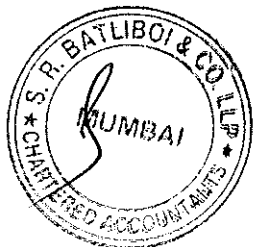


Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
20 Other Equity		
Capital Reserve	402.85	402.85
Capital Redemption Reserve	30.00	30.00
Securities Premium Account	5,078.11	2,644.51
Debenture Redemption Reserve	1,202.05	2,356.22
Revaluation Reserve through other comprehensive income	915.44	960.84
ESOP Reserve	62.41	62.41
Retained earnings	(11,363.63)	(11,816.86)
	<u>(3,672.77)</u>	<u>(5,360.03)</u>

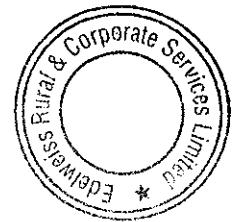
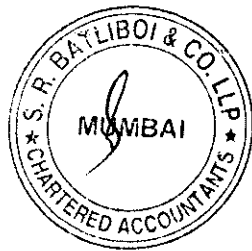


Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
21 Non-Current borrowings		
<u>Secured</u>		
Non-convertible redeemable debentures *	6,032.29	5,943.52
Interest accrued on borrowings	398.36	1,200.12
<u>Unsecured</u>		
Non-convertible redeemable debentures	-	5,500.00
Interest accrued on borrowings	-	89.87
Non-convertible redeemable debentures		
Loans and advances from related parties	9,270.00	-
Preference Shares Capital - Fellow Subsidiaries	-	2,036.39
Preference Shares Capital - Outsiders	-	11.47
	15,700.65	14,781.37
<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	142.00	825.98
	142.00	825.98
23 Non-Current provisions		
Provision for employee benefits		
Compensated leave absences	5.32	3.85
	5.32	3.85

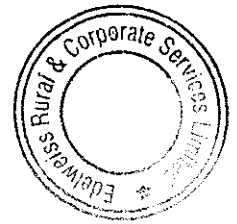
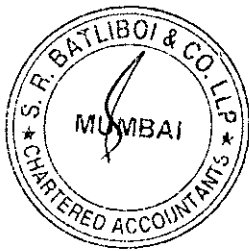


Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
24 Current borrowings		
<u>Secured</u>		
Bank overdraft [Secured by charge on Fixed deposit with bank held by one of the subsidiary company]	882.44	-
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
Sub-total (A)	882.44	16,506.92
<u>Unsecured</u>		
Loan from related parties	5,249.41	2,368.50
Non-convertible debentures	5,500.00	-
Commercial paper	5,370.00	5,120.00
Less : Unamortised discount	<u>(351.00)</u>	<u>(350.95)</u>
	5,019.00	4,769.05
Preference Shares Capital - Fellow Subsidiaries	2,214.87	-
Preference Shares Capital - Outsiders	19.64	-
Sub-total (B)	18,002.92	7,137.55
Interest accrued on borrowings (C)	501.05	64.55
Total (A+B+C)	19,386.41	23,709.02



(Currency : Indian rupees in millions)

As at
31 March 2022 As at
March 31, 2021

25 Trade Payables

Total outstanding dues of micro enterprises and small enterprises	2.07	0.23
Total outstanding dues to creditors other than micro enterprises and small enterprises	95.12	446.52
	<u>97.19</u>	<u>446.75</u>

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

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

As at March 31, 2021	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.23	-	-	-	0.23
(ii) Others	446.52	-	-	-	446.52
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
Total	446.75	-	-	-	446.75

26 Other financial liabilities

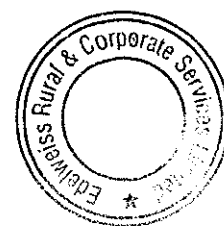
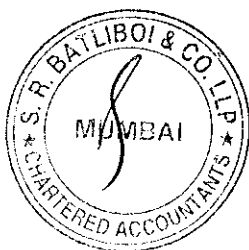
Accrued salaries and benefits	234.80	320.67
Retention money payable	1.29	1.29
Other payables	3.58	43.81
	<u>239.67</u>	<u>365.77</u>

27 Other current liabilities

Withholding taxes, Goods & service tax and other taxes payable	26.42	30.14
Others	12.07	11.12
	<u>38.49</u>	<u>41.26</u>

28 Current provisions

Provision for employee benefits :		
Compensated absences	1.20	1.32
Proposed dividend	-	7.38
Provision for capex	0.19	0.42
	<u>1.39</u>	<u>9.12</u>



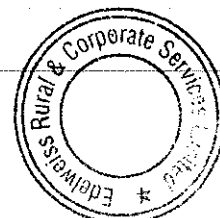
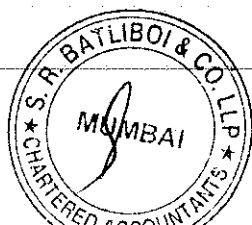
Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

	For the year ended 31 March 2022	For the year ended 31 March 2021
29 Fee and commission income		
Income from commodities services	0.78	127.42
Business support services income	740.13	889.57
Advisory income	13.32	188.84
	754.23	1,205.83
30 Net gain/(loss) on fair value changes		
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
Investments		
(Loss)/ profit on trading of securities (net)	(657.73)	(389.46)
Dividend on long term investment	-	4.83
Fair value gain / (loss) - Equity	(233.57)	1.70
Fair value gain - Debt Instruments	(1.82)	(2.84)
Derivatives		
(Loss)/ profit on trading in equity derivative instruments (net)	14.76	-
Profit /(loss) on trading in currency derivative instruments (net)	-	(91.98)
(B) Others		
Profit / (loss) on sale of long term investment	(62.60)	-
Income distribution from Fund	347.76	-
Share of profit / (loss) in partnership firm	4.15	4.96
Total Gain/(loss) from treasury (A+B)	(589.05)	(472.79)
31 Interest income		
Interest Income from group company loan	3,100.17	2,776.81
Interest Income on credit substitutes	132.32	138.68
Interest income on fixed deposits	53.06	6.44
Interest income on debt instrument	1,220.47	836.63
Interest income on margin with brokers	0.16	0.45
Interest income on delayed payments	0.01	(11.20)
Interest income preference shares group companies	-	118.66
Interest Income - others	31.48	0.11
	4,537.67	3,866.58
32 Other operating revenue		
Warehouse charges	54.68	411.42
Rental income	313.04	369.04
Gain / (loss) due to foreign exchange movement on trade	-	(0.04)
	367.72	780.42
33 Other income		
Foreign exchange (loss) / gain	-	(0.22)
Miscellaneous income	39.86	38.70
Interest on Income Tax Refund	24.37	52.94
Profit / (loss) on sale of long term investment *	1,121.74	-
	1,185.97	91.42

*During the year ended March 31,2022, the Company has sold its partial stake in one of its fellow subsidiaries based on independent valuer report to another fellow subsidiary of the Company and accordingly, other income includes a gain on sale amounting to Rs:1,115.90 million.

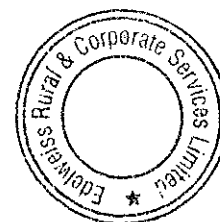
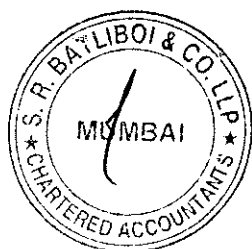


Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

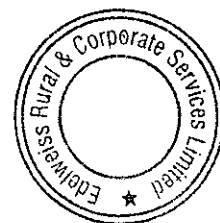
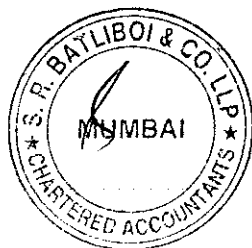
	For the year ended 31 March 2022	For the year ended 31 March 2021
34 Impairment on financial instruments		
Bad- debts and advances written off	(7.65)	32.76
Diminution in value of investments	-	1,453.87
Provision for non performing assets	140.34	5,455.13
Provision for doubtful debts	(12.04)	77.52
	<u>120.65</u>	<u>7,019.28</u>
35 Employee benefits expenses		
Salaries, wages and Bonus	480.30	1,061.23
Contribution to provident and other funds	26.36	29.61
Expense on Employee Stock Option Scheme (ESOP)	8.96	19.55
Staff welfare expenses	21.42	26.36
	<u>537.04</u>	<u>1,136.75</u>
36 Finance costs		
Interest on debentures	2,021.21	3,110.48
Interest on bank overdraft	0.17	(0.11)
Interest on loan from holding company	2,005.73	352.58
Interest on loan from group companies	689.83	331.24
Interest on loan from others	-	7.57
Interest - others	70.41	94.45
Interest on lease liabilities	0.40	9.83
Discount on commercial paper	420.01	480.77
Financial and bank charges	12.00	131.06
Interest on shortfall in payment of advance income tax	0.87	0.90
Finance charge on preference shares issued	179.27	216.09
	<u>5,399.90</u>	<u>4,734.86</u>



Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

	For the year ended 31 March 2022	For the year ended 31 March 2021
37 Other expenses		
Advertisement and business promotion	4.33	0.98
Auditor's remuneration (refer note below)	8.58	6.27
Commission and brokerage	4.10	2.26
Communication expenses	20.07	16.56
Computer expenses	96.98	114.94
Computer software	89.91	-
Clearing and custodian charges	1.42	7.98
Contribution towards corporate social responsibilities (refer note no 52)	-	3.50
Dematerialisation charges	-	0.19
Directors' sitting fees	0.76	0.34
Electricity charges (net)	2.90	36.80
Foreign exchange loss (net)	0.05	(1.90)
Insurance	9.57	27.35
Loss on sale of Investments	-	2.63
Legal and professional fees	157.74	78.12
Loss on sale of fixed assets (net)	(4.24)	138.01
Membership and subscription	0.39	3.93
Office expenses	48.62	87.29
Postage and courier	0.09	0.20
Printing and stationery	6.45	3.99
Rates and taxes	7.56	8.29
Rating support fees	4.98	12.28
Rent	30.00	86.48
Repairs and maintenance - Building	0.07	0.11
Repairs and maintenance - others	2.74	2.74
Goods and service tax (GST)	10.81	151.44
Stamp duty	0.88	4.95
Stock exchange expenses	2.70	0.62
Transportation charges	5.73	23.85
Travelling and conveyance	12.22	13.42
Warehousing charges	54.99	192.96
Outside Service Cost	14.57	19.50
Miscellaneous expenses	17.46	1.96
	612.43	1,048.04
Auditor's remuneration:		
Statutory audit	5.00	3.44
Limited Review	3.00	2.10
Certification and consultation	0.52	0.65
Reimbursement of expenses	0.06	0.08
	8.58	6.27



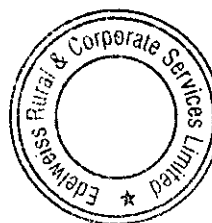
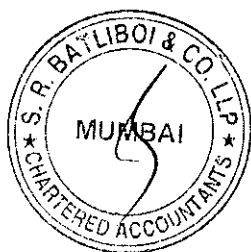
Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

38 Edelweiss Custodial Services Limited ("ECDSL"), an associate 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 and there is no further update on this matter during the year.

On behalf of ECDSL, the Company has since provided the undertaking to keep sufficient assets amounting to Rs.2,519.50 million 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 for the year ended March 31, 2022.



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
Treasury management	Interest income and trading in securities
Business Support Services	Centralized support services in the nature of administration, compliance, payroll, finance and accounts, Technical support etc. provided to group
Warehouse services	Warehouse services includes warehousing and collateral management services for Agri commodities (Refer note 42.A)
Trading in commodities	Purchase and sale of commodities

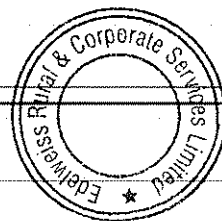
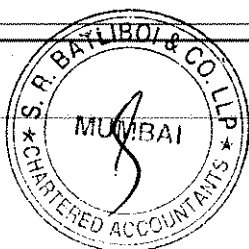
Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities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

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 2022	As at/ For the year ended 31 March 2021
I	Segment Revenue		
	a) Capital based business	4,805.00	3,778.64
	b) Treasury management	631.57	280.37
	c) Business Support Services	740.13	779.49
	d) Warehouse services	55.46	580.00
	e) Trading in commodities	4,584.77	1,717.12
	f) Unallocated	24.38	52.96
	Total Income	10,841.31	7,188.58
II	Segment Results		
	a) Capital based business	(852.21)	(8,630.62)
	b) Treasury management	(79.40)	(38.56)
	c) Business Support Services	88.78	(155.38)
	d) Warehouse services	(3.78)	(116.27)
	e) Trading in commodities	1.72	(11.72)
	f) Unallocated	24.41	52.95
	Loss before taxation	(820.48)	(8,899.60)
	Less : Provision for taxation	(74.47)	275.71
	Profit after taxation	(746.01)	(9,175.31)
III	Segment Assets		
	a) Capital based business	36,407.15	38,113.74
	b) Treasury management	2,745.64	3,814.59
	c) Business Support Services	106.69	108.86
	d) Warehouse services	-	107.94
	e) Trading in commodities	-	-
	f) Unallocated	2,647.29	2,594.12
	Total	41,906.77	44,739.25
IV	Segment Liabilities		
	a) Capital based business	33,339.87	36,847.74
	b) Treasury management	2,256.87	3,107.20
	c) Business Support Services	0.63	213.72
	d) Warehouse services	16.82	32.87
	e) Trading in commodities	-	-
	f) Unallocated	-	-
	Total	35,614.19	40,201.53
V	Capital expenditure (Including Intangibles under development)		
	a) Capital based business	409.43	120.88
	b) Treasury management	-	-
	c) Business Support Services	-	-
	d) Warehouse services	-	-
	e) Trading in commodities	-	-
	f) Unallocated	-	-
	Total	409.43	120.88
VI	Depreciation and amortisation		
	a) Capital based business	357.30	289.76
	b) Treasury management	6.33	1.86
	c) Business Support Services	45.09	100.10
	d) Warehouse services	-	28.69
	e) Trading in commodities	-	-
	f) Unallocated	-	-
	Total	408.72	420.41
VII	Significant non-cash expenses other than depreciation and amortisation		
	a) Capital based business	140.34	7,004.29
	b) Treasury management	-	-
	c) Business Support Services	-	-
	d) Warehouse services	(19.69)	14.99
	e) Trading in commodities	-	-
	f) Unallocated	-	-
	Total	120.65	7,019.28



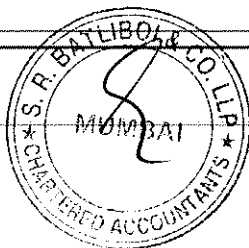
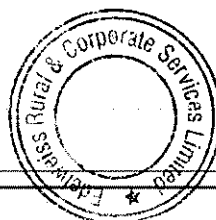
Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

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

- (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
Comtrade Commodities Services Limited (Comtrade)
Edelweiss Investment Advisers Limited
Allium Finance Private Limited
- (C) **Fellow Subsidiaries with whom the Company has transactions**
Edelweiss Gallagher Insurance Brokers Limited (upto 17th October 2021)
ECL Finance Limited
Edelcap Securities Limited
Ecap Securities and Investments Limited (Formerly known as Ecap Equities Limited)
Edelweiss Alternative Asset Advisors Limited
EC Commodity Limited (merged with ELL w.e.f 01 April 2021)
Edel Land Limited
Edel Investments Limited
Edelweiss Tokio Life Insurance Company Limited
Edelweiss Trusteeship Company Limited
Edelweiss Asset Management Limited
EC International Limited, Mauritius
Edelgive Foundation
Edelweiss Alternative Asset Advisors Pte Limited
Edelweiss International Singapore Pte Limited
Edelweiss Retail Finance Limited
EAAA, LLC
EW Special Opportunities Advisors LLC
Edelweiss General Insurance Company Limited
Edelweiss Asset Reconstruction Company Limited
Edelweiss Securities and Investments Private Limited
Edelweiss Global Wealth Management Limited
Edelweiss Multi Strategy Fund Advisors LLP
Edelweiss Wealth Advisors LLP
Edelweiss Private Equity Tech Fund
Edelweiss Value and Growth Fund
India Credit Investment Fund II
Edelweiss Securities Limited (upto 26 March 2021)
Edelweiss Finance & Investments Limited (upto 26 March 2021)
Edelweiss Broking Limited (upto 26 March 2021)
Edelweiss Custodial Services Limited (upto 26 March 2021)
Edelweiss Investment Advisers Private Limited (upto 26 March 2021)
Edelweiss Financial Services Inc. (upto 26 March 2021)
Edelweiss Financial Services (UK) Limited (upto 26 March 2021)
Edelweiss Securities (IFSC) Limited (upto 26 March 2021)
ESL Securities Limited (upto 26 March 2021)
Edelweiss Securities (Hong Kong) Private Limited (upto 26 March 2021)
- (D) **Associate of Ultimate holding company (EFSL)**
Edelweiss Securities Limited
Edelweiss Finance & Investments Limited
Edelweiss Broking Limited
Edelweiss Custodial Services Limited
Edelweiss Investment Advisers Private Limited
Edelweiss Financial Services Inc.
Edelweiss Financial Services (UK) Limited
Edelweiss Securities (IFSC) Limited
ESL Securities Limited
Edelweiss Securities (Hong Kong) Private Limited
- (E) **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)(resigned w.e.f. November 30, 2021)
Ms. Ananya Suneja (Executive Director) (resigned w.e.f. February 25, 2022)
Mr. Manoj Sharma (Chief Financial Officer) (resigned w.e.f. Mar 18, 2022)
- (F) **Non-Executive Directors**
Ms. Kalpana Maniar (Resigned w.e.f. December 28, 2020)
Mr. Nikhil Johari
Mr. Santosh Dadheech (w.e.f. December 1, 2021)
Ms. Ananya Suneja (w.e.f. February 26, 2022)
- (G) **Independent Directors**
Dr. Vinod Juneja
Mr. Kunnasagaran Chinniah



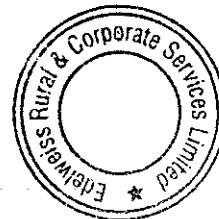
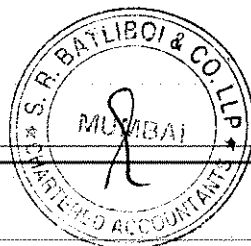
Edelweiss Rural Corporate Services Limited

Notes to financials statements (Continued)
(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021
Capital account transactions during the year			
Interim dividend Paid/proposed	Edel Land Limited	-	0.70
	ECL Finance Limited	-	0.70
Equity Issued to	Edel Finance Company Limited	2,501.20	-
Compulsory Convertible Preference Share 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
Compulsory Convertible Debenture issued to	Edel Finance Company Limited	-	9,000.00
Loans taken from (Refer note 2)	Edelweiss Financial Services Limited	36,891.63	21,430.85
	ECL Finance Limited	-	8,360.00
	Edel Finance Company Limited	45.00	5,304.52
	Lichen Metals Private Limited	-	178.69
	Edel Investments Limited	15,308.88	975.58
	Allium Finance Private Limited	376.02	44.80
	Edelweiss Securities And Investments Private Limited	-	576.70
	Edelweiss Retail Finance Limited	11,530.00	2,400.00
	Edelcap Securities Limited	4,963.72	-
	Edelweiss Housing Finance Limited	4,400.00	800.00
	Edel Land Limited	29,096.73	11,803.68
Loans repaid to (Refer note 2)	Edelweiss Financial Services Limited	29,749.48	19,233.77
	ECL Finance Limited	-	9,964.00
	Edel Finance Company Limited	50.51	5,299.52
	Lichen Metals Private Limited	-	179.19
	Edel Investments Limited	14,762.21	849.45
	Allium Finance Private Limited	322.88	23.53
	Edelweiss Securities And Investments Private Limited	0.40	576.30
	Edelweiss Retail Finance Limited	8,060.00	2,400.00
	Edelcap Securities Limited	4,019.26	-
	Edelweiss Housing Finance Limited	4,400.00	800.00
	Edel Land Limited	15,915.97	11,803.68
Loans given to (Refer note 2)	ECL Finance Limited	10,337.86	3,821.54
	Edel Finance Company Limited	7,312.11	34,312.89
	Edel Investments Limited	5,609.50	512.66
	Edelcap Securities Limited	784.48	4,882.60
	Edelweiss Global Wealth Management Limited	1,125.60	512.66
	Edelweiss Securities Limited	-	1,578.85
	Edelweiss Broking Limited	-	1,216.10
	Edelweiss Securities And Investments Private Limited	5,009.17	1,015.21
	Edelweiss Financial Services Limited	-	3,313.86
	Edelweiss Finance and Investments Limited	-	38.94
	Edelweiss Custodial Services Limited	-	916.00
	Edelweiss Alternative Asset Adviser Limited	330.00	1,740.27
	Comtrade Commodities Services Limited	5.69	50.93
	Edel Land Limited	98,431.05	110,428.34
	Edelweiss Multi Strategy Fund Advisors LLP	-	45.00
	Lichen Metals Private Limited	-	0.46
	Edelweiss Investment Adviser Limited	7,316.35	-
	Edelweiss Retail Finance Limited	1,740.00	-
	Allium Finance Private Limited	46.23	-
Loans repaid by (Refer note 2)	ECL Finance Limited	9,557.86	3,827.45
	Edel Finance Company Limited	9,679.51	29,676.52
	Edelcap Securities Limited	784.48	3,230.20
	Edel Investments Limited	5,609.50	67.67
	Edelweiss Investment Adviser Limited	9,190.96	3,230.20
	Edelweiss Global Wealth Management Limited	1,400.06	357.06
	Edelweiss Retail Finance Limited	1,740.00	-
	Edelweiss Securities Limited	-	1,587.32
	Edelweiss Broking Limited	-	1,219.62
	Edelweiss Securities And Investments Private Limited	3,489.19	4,032.94
	Edelweiss Financial Services Limited	-	3,313.86
	Edelweiss Finance and Investments Limited	-	67.89
	Edelweiss Custodial Services Limited	-	2,072.00
	Edelweiss Alternative Asset Adviser Limited	1.19	2,860.19
	Comtrade Commodities Services Limited	2.20	66.49
	Edel Land Limited	95,373.10	107,983.63
	Edelweiss Multi Strategy Fund Advisors LLP	-	76.41
	Lichen Metals Private Limited	-	265.67
	Allium Finance Private Limited	46.23	-



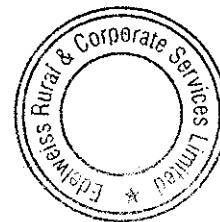
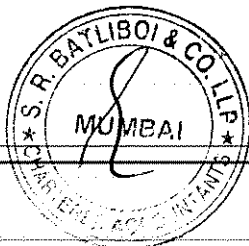
Edelweiss Rural Corporate Services Limited

Notes to financials statements (Continued)
(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021	
Purchase of equity shares from	Edelweiss Securities limited	-	1,043.33	
	Edel Finance Company Limited	-	0.10	
Purchase of Security from	ECL Finance Limited	2,147.00	-	
Sale of Share Warrant	Edelweiss Investment Adviser Limited	111.93	-	
Investments in equity shares sold to	Edel Land Limited	-	0.06	
	Edel Finance Company Limited	-	4,906.33	
	Edelweiss Financial Services Limited	0.10	-	
	Edelweiss Securities And Investments Private Limited	1,451.97	-	
Investments in Compulsory Convertible debentures of	Edel Land Limited	2,000.00	4,600.00	
	Edelweiss Investment Adviser Limited	5,750.00	-	
Withdrawal of capital from partnership firm	Edelweiss Resolution Advisors LLP	0.24	7.80	
	Edelweiss Multi Strategy Fund Advisors LLP	7.02	5.25	
Investments in Other	India Credit Investment Fund II	238.33	1,588.97	
	Edelweiss Value and Growth Fund	10.09	1.70	
	Edelweiss Private Equity Tech Fund	5.83	-	
Principal Repayment from fund	India Credit Investment Fund II	-	-	
	Edelweiss Value and Growth Fund	-	-	
Margin placed with (Total Method)	Edelweiss Custodial Services Limited	880.10	1,633.93	
	Edel Investments Limited	-	-	
Margin withdrawn from (Total Method)	Edelweiss Securities Limited	-	0.46	
	Edelweiss Custodial Services Limited	880.10	1,631.83	
	Edel Investments Limited	5.42	-	
Margin placed with (Max Method)	Edel Investments Limited	0.80	-	
Margin withdrawn from (Max Method)	Edel Investments Limited	0.80	-	
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	0.07	0.09	
	Edelweiss Global Wealth Management Limited	-	0.01	
	Edelweiss Broking Limited	0.03	0.05	
	Edelweiss Financial Services Limited	0.14	0.04	
	ECL Finance Limited	0.07	0.19	
	Gallagher Insurance Brokers Private Limited	-	0.01	
	Edelweiss Retail Finance Limited	-	0.02	
	Edelweiss Housing Finance Limited	-	0.07	
	Edel Land Limited	0.03	0.02	
	Edelweiss Asset Management Limited	-	0.01	
	Edelweiss Finance and Investments Limited	1.35	0.01	
	Edelweiss Alternative Asset Adviser Limited	-	0.01	
	Edel Investments Limited	-	0.01	
	Edelcap Securities Limited	0.03	0.05	
	EdelGive Foundation	0.04	-	
	Sale of fixed assets to	Edelweiss Securities Limited	0.02	0.92
		Edelweiss Custodial Services Limited	-	0.05
		Edelweiss Broking Limited	0.05	3.22
		Edelcap Securities Limited	0.05	0.04
Edelweiss Financial Services Limited		0.11	0.01	
ECL Finance Limited		1.12	0.38	
Edelweiss General Insurance Company Limited		1.31	0.12	
Edelweiss Asset Reconstruction Company Limited		0.02	0.09	
Edelweiss Finance and Investments Limited		0.04	0.07	
Edelweiss Investment Adviser Limited		0.01	-	
Edelweiss Housing Finance Limited		0.07	0.03	
Edel Land Limited		0.07	0.07	
Edelweiss Retail Finance Limited		0.02	0.02	
EdelGive Foundation		0.01	0.01	
Gallagher Insurance Brokers Private Limited		0.01	-	
Edelweiss Global Wealth Management Limited		-	0.02	
Edelweiss Alternative Asset Adviser Limited		-	0.02	
Edelweiss Asset Management Limited		-	0.01	
Edel Investments Limited		0.03	0.01	
Edelweiss Tokio life Insurance Company Limited		-	0.17	
Edelweiss Alternative Asset Advisors Limited		0.01	-	



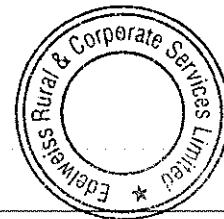
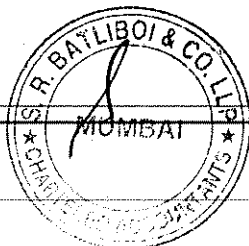
Edelweiss Rural Corporate Services Limited

Notes to financials statements (Continued)
(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021
Purchase/subscription of debentures from	ECL Finance Limited	-	212.24
	Edel Land Limited	2,750.00	1,302.78
	Edelcap Securities Limited	-	325.70
	Edelweiss Housing Finance Limited	94.78	-
Sale of Debentures to	ECL Finance Limited	-	654.55
	Edelweiss Retail Finance Limited	-	0.08
	Edelweiss Securities And Investments Private Limited	-	15.23
	Edel Investments Limited	3,890.00	-
	Edel Finance Company Limited	19.12	-
	Edelweiss Broking Limited	115.88	-
Redemption of debentures held in	ECL Finance Limited	1,200.00	-
	Edel Land Limited	5,159.28	-
Security deposit received from	Edelweiss Securities Limited	7.33	-
	Edelweiss Custodial Services Limited	84.44	-
Security deposit repaid to	Edelweiss Global Wealth Management Limited	75.00	-
	Edel Land Limited	100.00	-
	Edelweiss Housing Finance Limited	100.00	-
	ECL Finance Limited	500.00	-
Remuneration paid to	Rujan Panjwani	-	3.68
	Santosh Dadheech	9.83	9.85
	Manoj Sharma	2.97	2.06
	Ananya Suneja	20.60	2.28
Director Sitting Fees	Kunnasagan Chinniah	0.46	0.22
	Vinod Juneja	0.34	0.30
Income			
Business support service charges from	ECL Finance Limited	72.36	126.36
	Edelweiss Broking Limited	2.97	87.27
	Edelweiss Securities Limited	268.18	49.14
	Edelweiss Housing Finance Limited	48.61	44.42
	Edelweiss Retail Finance Limited	0.76	18.04
	Edelweiss Custodial Services Limited	0.26	33.27
	Edelweiss Asset Reconstruction Company Limited	28.20	58.74
	Edel Finance Company Limited	0.76	-
	Edelweiss Financial Services Limited	43.67	220.69
	Edelweiss Global Wealth Management Limited	0.24	3.73
	Edelweiss Alternative Asset Advisors Limited	3.46	20.21
	Edelweiss General Insurance Company Limited	43.98	31.14
	Edelweiss Asset Management Limited	3.81	23.62
	Edelcap Securities Limited	56.05	22.67
	Edelweiss Finance and Investments Limited	0.87	16.74
	Comtrade Commodities Services Limited	0.24	0.28
	Edel Investments Limited	1.57	2.88
	Gallagher Insurance Brokers Private Limited	10.81	7.49
	Edelweiss International (Singapore) Pte. Limited	6.29	7.10
	Edel Land Limited	17.15	49.40
	Allium Finance Private Limited	-	0.02
	Lichen Metals Private Limited	-	0.03
	Edelweiss Tokio Life Insurance Company Limited	68.00	39.42
	EdelGive Foundation	5.57	1.57
	Edelweiss Capital Services Limited	0.01	-
	Edelweiss Investment Adviser Limited	0.02	-
	Edelweiss Securities And Investments Private Limited	43.01	-
Edelweiss Trusteeship Company Limited	0.01	-	
ESL Securities Limited	0.04	-	
Collateral management fees received from	ECL Finance Limited	-	1.59
Corporate Guarantee support fee	Edelweiss Housing Finance Limited	0.02	3.50
	ECL Finance Limited	0.02	142.49
	Edel Finance Company Limited	6.93	8.58
	Edelweiss Retail Finance Limited	-	2.32
Rating Support Fees Income	Edelweiss Financial Services Limited	0.09	0.10
	Edelweiss Securities Limited	0.03	0.03
	Edelweiss Finance and Investments Limited	0.13	0.14
	Edelweiss Housing Finance Limited	0.13	0.15
	ECL Finance Limited	0.68	0.91
	Edelweiss Broking Limited	0.02	0.01
	Edelweiss Custodial Services Limited	0.03	0.04
	Edelweiss Asset Reconstruction Company Limited	0.07	0.09
	Edel Finance Company Limited	0.08	0.10
	Edelweiss Retail Finance Limited	0.06	0.08
	Edelweiss Alternative Asset Advisors Limited	-	-
Edel Land Limited	0.02	0.04	



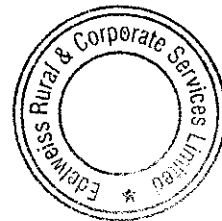
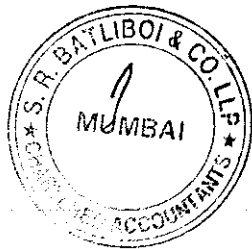
Edelweiss Rural Corporate Services Limited

Notes to financial statements (Continued)
(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021
Interest income on debentures (Including CCD)	ECL Finance Limited	239.31	217.50
	Edelweiss Investment Adviser Limited	1.55	-
	Edelweiss Retail Finance Limited	1.64	1.64
	Edel Finance Company Limited	2.64	2.64
	Edel Land Limited	25.13	0.01
Interest income on Nifty Linked Debentures	Edel Land Limited	838.39	610.88
Interest income on loan from	ECL Finance Limited	193.45	0.14
	ECap Equities Limited	228.93	234.34
	Allium Finance Private Limited	0.12	-
	Edelweiss Investment Advisors Limited	994.95	1,023.77
	Edelweiss Broking Limited	-	19.11
	Edelweiss Securities Limited	-	0.08
	Edelcap Securities Limited	1.30	-
	Edelweiss Financial Services Limited	-	30.81
	Edelweiss Alternative Asset Advisors Limited	7.35	46.20
	Edel Investments Limited	10.31	0.07
	Edelweiss Global Wealth Management Limited	54.99	11.45
	Edelweiss Retail Finance Limited	4.84	-
	Edelweiss Finance and Investments Limited	-	0.28
	Edel Land Limited	1,195.97	153.29
	Edelweiss Custodial Services Limited	-	10.59
	Comtrade Commodities Services Limited	1.61	4.17
	Edelweiss Multi Strategy Fund Advisors LLP	-	3.12
	Lichen Metals Private Limited	-	0.57
	Edelweiss Securities And Investments Private Limited - Mag	65.72	-
	Edel Finance Company Limited	340.63	60.51
Interest Income - Preference Capital (SIT)	ECap Equities Limited	-	118.66
Interest income on margin placed with	Edelweiss Custodial Services Limited	0.16	0.45
Share of Profit in LLP	Edelweiss Resolution Advisors LLP	-	4.96
	Edelweiss Multi Strategy Fund Advisors LLP	4.19	-
Share of loss from fund	Edelweiss Resolution Advisors LLP	0.04	-
Rental income from	ECL Finance Limited	11.78	42.16
	Edelweiss Financial Services Limited	26.89	48.71
	Edelweiss Securities Limited	12.93	48.70
	Edelweiss Broking Limited	0.20	39.53
	Edelweiss Alternative Asset Advisors Limited	45.18	42.00
	Edelweiss Asset Reconstruction Company Limited	44.73	34.02
	Edelweiss Custodial Services Limited	93.72	16.97
	Edelweiss Housing Finance Limited	-	14.22
	Edelweiss Global Wealth Management Limited	-	8.05
	Edelweiss Finance and Investments Limited	-	12.39
	Edelcap Securities Limited	14.01	36.60
	Edel Investments Limited	25.25	4.69
	Edelweiss Asset Management Limited	24.96	15.07
	Edelweiss General Insurance Company Limited	-	0.09
	Edelweiss Retail Finance Limited	-	1.56
	Comtrade Commodities Services Limited	-	0.09
	Edelweiss Tokio Life Insurance Company Limited	-	0.02
	Edel Land Limited	2.28	8.41
	EdelGive Foundation	1.12	1.20
	Edel Finance Company Limited	-	2.07
	Lichen Metals Private Limited	-	0.40
	Allium Finance Private Limited	-	0.12
	Gallagher Insurance Brokers Private Limited	-	0.17
	CSL Securities Limited	-	0.48
	Edelweiss Investment Adviser Limited	-	0.09
	Investment management support service from	Edelweiss International (Singapore) Pte. Limited	1.69



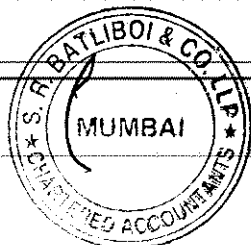
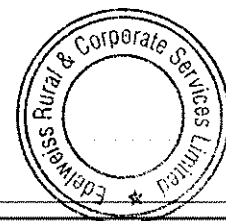
Edelweiss Rural Corporate Services Limited

Notes to financials statements (Continued)
(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021	
Cost reimbursements recovered from	ECL Finance Limited	2.79	17.28	
	Edelweiss Financial Services Limited	1.61	3.87	
	Edelweiss Securities Limited	12.56	18.69	
	Edelweiss Broking Limited	2.84	45.63	
	Edelweiss Alternative Asset Advisors Limited	1.74	3.08	
	Edelweiss Custodial Services Limited	2.83	8.53	
	Edelcap Securities Limited	4.27	12.41	
	Edelweiss Housing Finance Limited	1.00	10.18	
	Edelweiss Finance and Investments Limited	0.50	4.59	
	Edelweiss Global Wealth Management Limited	0.09	0.50	
	Comtrade Commodities Services Limited	-	0.04	
	Edel Investments Limited	1.93	0.83	
	Edelweiss General Insurance Company Limited	0.59	9.14	
	Edelweiss Tokio Life Insurance Company Limited	4.95	9.80	
	Edel Land Limited	0.57	6.34	
	EdelGive Foundation	0.08	0.59	
	Lichen Metals Private Limited	-	0.03	
	Gallagher Insurance Brokers Private Limited	0.22	3.21	
	Edel Finance Company Limited	0.01	0.28	
	Allium Finance Private Limited	-	0.02	
	Edelweiss Asset Management Limited	1.18	4.70	
	Edelweiss Asset Reconstruction Company Limited	1.91	4.55	
	Edelweiss Retail Finance Limited	0.38	1.25	
	Edelweiss Investment Advisors Limited	-	0.09	
	ESL Securities Limited	0.09	-	
	Edelweiss Trusteeship Company Limited	-	0.01	
	Edelweiss Capital Services Limited	0.15	0.01	
	Income distribution from Fund	India Credit investment Fund	64.00	-
		Edelweiss Value & Growth Fund	283.76	-
	Expenses			
	Clearing expenses to	Edelweiss Custodial Services Limited	-	8.47
	Cost reimbursement to	Edelweiss Financial Services Limited	8.16	74.00
		Edelweiss Broking Limited	-	0.74
Edelweiss Securities Limited		0.62	2.74	
Edelweiss Alternative Asset Advisors Limited		11.54	16.43	
Edel Land Limited		0.01	9.29	
Edelcap Securities Limited		0.01	3.04	
Edelweiss Finance and Investments Limited		-	0.41	
ECL Finance Limited		98.29	108.48	
Edelweiss Securities And Investments Private Limited		-	-	
Edelweiss Custodial Services Limited		0.60	-	
Edelweiss International (Singapore) Pte. Ltd.		0.01	-	
Edelweiss Housing Finance Limited		0.16	-	
Edelweiss Retail Finance Limited		0.11	-	
EdelGive Foundation	-	-		
Brokerage and commission expenses	Edelweiss Securities Limited	2.42	0.03	
	ECL Finance Limited	-	0.04	
	Edel Land Limited	-	0.09	
	Edel Investments Limited	-	0.41	
Donation expenses	EdelGive Foundation	-	3.50	
Interest expenses on loans from	Edelweiss Financial Services Limited	2,005.73	352.58	
	Edel Finance Company Limited	1.11	22.04	
	ECL Finance Limited	-	124.69	
	Lichen Metals Private Limited	-	5.02	
	Edelcap Securities Limited	47.36	-	
	Edel Investments Limited	79.29	18.16	
	Allium Finance Private Limited	10.14	1.10	
	Edel Land Limited	267.10	-	
	Edelweiss Securities And Investments Private Limited	0.02	1.51	
	Edelweiss Retail Finance Limited	191.35	134.99	
	Edelweiss Housing Finance Limited	93.46	17.21	
	Interest expenses on Security deposit	ECL Finance Limited	58.68	60.50
Edelweiss Global Wealth Management Limited		-	9.07	
Edelweiss Housing Finance Limited		11.74	12.10	
Edel Land Limited		-	12.10	
Interest expenses on debentures	Edelcap Securities Limited	74.37	235.58	
	Edel Land Limited	400.44	596.33	
	Edel Investments Limited	166.01	6.92	
	Edelweiss Housing Finance Limited	13.21	9.56	
	Edelweiss Securities And Investments Private Limited	12.40	17.33	
	Edel Finance Company Limited	-	2.63	
	Edelweiss Tokio Life Insurance Company Limited	-	18.46	
	Edelweiss Investment Adviser Limited	24.70	-	



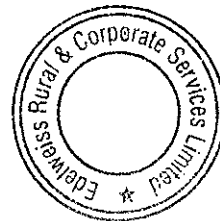
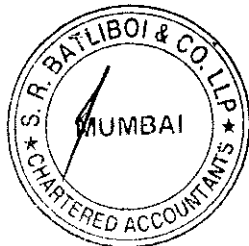
Edelweiss Rural Corporate Services Limited

Notes to financial statements (Continued)
(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021
Interest on CCD	Edel Finance Company Limited	0.90	0.01
Interest / dividend on preference shares	ECL Finance Limited	74.98	68.86
	Edel Finance Company Limited	-	52.39
	Edel Land Limited	103.50	88.12
	Edelweiss Securities Limited	-	4.53
Rating fees to and Bank guarantee commission	Edelweiss Financial Services Limited	-	0.25
Corporate Guarantee support fee	Edelweiss Financial Services Limited	-	170.18
Balances with related parties as on 31 March 2022 - (Assets)			
Accrued interest income on loans given	Edelweiss Investment Adviser Limited	96.76	85.36
	Edelweiss Global Wealth Management Limited	6.23	2.42
	Comtrade Commodities Services Limited	0.15	0.40
	ECap Equities Limited	5.50	67.16
	Edelweiss Securities And Investments Private Limited	7.38	0.08
	Edel Land Limited	130.81	58.21
	Edel Investments Limited	-	-
	Edel Finance Company Limited	41.82	11.48
	ECL Finance Limited	152.00	-
	Edelweiss Alternative Asset Advisors Limited	3.63	-
Interest receivable on debentures from	Edelweiss Retail Finance Limited	0.04	0.04
	ECL Finance Limited	-	249.96
	Edel Finance Company Limited	1.78	1.78
	Edel Land Limited	15.40	-
Investment in Partnership Firm	Edelweiss Resolution Advisors LLP	0.10	0.07
	Edelweiss Multi Strategy Fund Advisors LLP	0.05	0.05
Investments in equity shares in	Edelweiss Housing Finance Limited	2,829.00	2,829.00
	EC Commodity Limited	-	501.43
	Comtrade Commodities Services Limited	38.86	38.86
	Edelweiss Investment Advisor Limited	1,000.10	1,000.10
	Allium Finance Private Limited	21.18	21.18
	Edelweiss Asset Reconstruction Company Limited	110.35	446.43
Investments in preference shares in	Allium Finance Private Limited	839.74	627.27
Investment in others	Edelweiss Value and Growth Fund	314.09	598.02
	Edelweiss Private Equity Tech Fund	199.80	199.36
	India Credit Investment Fund II	1,507.03	1,502.16
Partner's current account - receivable from	Edelweiss Resolution Advisors LLP	0.32	0.63
	Edelweiss Multi Strategy Fund Advisors LLP	3.18	6.01
Investments in debentures(Including CCD)	ECL Finance Limited Perpetual Bonds	2,120.60	2,120.60
	Edel Land Limited	6,600.36	4,600.01
	Edelweiss Investment Advisor Limited	5,750.48	-
Margin Payable to	Edelweiss Custodial Services Limited	-	-1.57
	Edelweiss Securities Limited	-	0.37
Margin Receivable	Edelweiss Custodial Services Limited	2.04	-



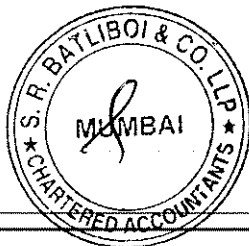
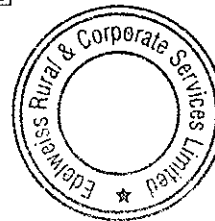
Edelweiss Rural Corporate Services Limited

Notes to financial statements (Continued)
(Currency : Rupees in millions)

Related Parties (Continued)

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021	
Trade receivables from	Edel Finance Company Limited	4.63	3.99	
	Comtrade Commodities Services Limited	-	0.17	
	Edelweiss International (Singapore) Pte. Limited	1.79	30.92	
	Edelweiss Capital (Singapore) Pte. Limited	-	0.02	
	EdelGive Foundation	0.33	-	
	Edelweiss Securities Limited	64.37	-	
	Edelweiss Broking Limited	1.17	-	
	Edel Investments Limited	1.87	-	
	Edel Land Limited	0.22	-	
	Edelcap Securities Limited	6.28	-	
	Edelweiss Alternative Asset Advisors Limited	3.78	-	
	Edelweiss Asset Management Limited	2.79	-	
	Edelweiss Asset Reconstruction Company Limited	6.73	-	
	Edelweiss Capital Services Limited	-	-	
	Edelweiss Custodial Services Limited	8.22	-	
	Edelweiss Financial Services Limited	5.60	-	
	Edelweiss General Insurance Company Limited	8.56	-	
	Edelweiss Housing Finance Limited	20.43	-	
	Edelweiss Retail Finance Limited	0.30	-	
	Edelweiss Securities And Investments Private Limited	5.32	-	
	Edelweiss Tokio Life Insurance Company Limited	7.14	-	
	Edelweiss Multi Strategy Fund Advisors LLP	0.01	-	
	ECL Finance Limited	22.30	-	
	ESL Securities Limited	0.01	-	
	Other Receivable	Edelweiss Securities Limited	-	0.09
		Edelweiss Custodial Services Limited	-	0.07
		Edelweiss General Insurance Company Limited	0.12	0.04
		Edelweiss Global Wealth Management Limited	-	0.01
		Edelcap Securities Limited	-	0.03
		Edelweiss Finance and Investments Limited	0.01	0.50
		Edelweiss Investment Adviser Limited	-	0.01
		Edel Land Limited	-	0.13
Edel Finance Company Limited		0.06	-	
Edelweiss Alternative Asset Advisors Limited		-	0.02	
ESL Securities Limited		0.01	0.01	
Edelweiss Financial Services Limited		-	0.01	
Allium Finance Private Limited		-	-	
EdelGive Foundation		0.56	-	
Edelvalue Partners		-	-	
Edelweiss Asset Management Limited		0.02	-	
Edelweiss Asset Reconstruction Company Limited		0.03	-	
Loans and advances given to	Edelweiss Investment Adviser Limited	9,492.31	11,366.92	
	Edelweiss Global Wealth Management Limited	-	274.45	
	Edelweiss Alternative Asset Adviser Limited	330.00	1.19	
	ECap Equities Limited	-	2,120.10	
	Comtrade Commodities Services Limited	14.46	10.97	
	Edel Land Limited	399.18	4,428.63	
	Edelweiss Securities And Investments Private Limited	1,544.26	23.88	
	Edel Finance Company Limited	2,632.60	5,000.00	
ECL Finance Limited	780.00	-		
Stock in trade/ Nifty Linked Debentures	Edel Land Limited	3.00	237.76	
Non convertible debentures	ECL Finance Limited	-	1,325.36	
	Edelweiss Retail Finance Limited	18.61	16.04	
	Edel Finance Company Limited	28.07	28.13	
	Edel Land Limited	555.97	-	
Balances with related parties as on 31 March 2022 - (Liabilities)				
Dividend payable to	ECL Finance Limited	-	0.70	
	Edel Land Limited	-	0.70	
Subordinated Preference Shares	ECL Finance Limited	918.36	843.38	
	Edel Land Limited	1,296.51	1,193.01	



Edelweiss Rural Corporate Services Limited

Notes to financials statements (Continued)
(Currency : Rupees in millions)

Related Parties (Continued)

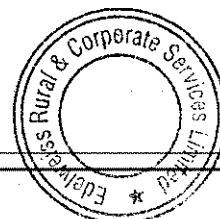
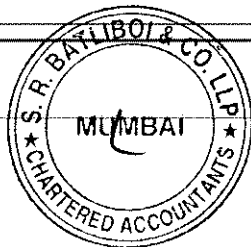
(H) Transactions and balances with related parties:

Particulars	Name of related parties	2021-2022	2020-2021
Accrued interest expense on loans taken from	ECL Finance Limited	0.24	0.87
	Allium Finance Private Limited	0.75	0.18
	Edel Investments Limited	7.29	2.41
	Edel Finance Company Limited	-	0.05
	Edelweiss Retail Finance Limited	20.88	-
	Edelweiss Financial Services Limited	244.11	51.13
	Edelweiss Housing Finance Limited	9.26	3.43
	Edelweiss Alternative Asset Advisors Limited	-	0.47
	Edelweiss Securities And Investments Private Limited	-	1.49
	Edel Land Limited	121.11	-
	Edelcap Securities Limited	7.55	-
Interest Payable-CCD	Edel Finance Company Limited	-	0.01
Non convertible debentures held by	Edel Investments Limited	300.82	10.46
	Edelweiss Housing Finance Limited	-	79.73
	Edel Land Limited	4,064.34	5,517.39
	Edelcap Securities Limited	350.53	1,469.33
	Edelweiss Tokio Life Insurance Company Limited	200.00	200.00
	Edelweiss Investment Adviser Limited	790.81	-
Interest Payable on Debenture	Edel Investments Limited	0.53	0.18
	Edel Land Limited	70.66	126.79
	Edelcap Securities Limited	4.62	44.08
	Edelweiss Tokio Life Insurance Company Limited	-	5.07
	Edelweiss Investment Adviser Limited	14.06	-
Rental deposits payable to	Edelweiss Asset Reconstruction Company Limited	50.00	50.00
	Edelweiss Housing Finance Limited	-	100.00
	Edel Land Limited	-	100.00
	ECL Finance Limited	-	500.00
	Edelweiss Global Wealth Management Limited	-	75.00
	Edelweiss Securities Limited	7.33	-
	Edelweiss Custodial Services Limited	84.44	-
Trade payables to	Edelweiss Financial Services Limited	-	128.62
	Edelweiss Global Wealth Management Limited	-	0.20
	EC Global Limited	0.02	0.02
	Edel Finance Company Limited	-	2.22
	Edel Investments Limited	-	0.19
	Edel Land Limited	-	0.05
	ECL Securities Limited	-	0.38
	ECL Finance Limited	-	82.41
	Edelweiss Finance and Investments Limited	0.40	-
	Edelweiss Investment Adviser Limited	-	-
	Comtrade Commodities Services Limited	0.07	-
	Edelweiss Alternative Asset Advisors pte Limited	0.14	-
Other Payable	Edelweiss Financial Services Limited	0.81	17.31
	Edelweiss Securities Limited	0.01	0.01
	Edelweiss Custodial Services Limited	0.03	0.03
	Edel Finance Company Limited	0.04	0.02
	Edelweiss Retail Finance Limited	-	0.03
	Allium Finance Private Limited	-	0.01
	Edelweiss Securities (IFSC) Limited	0.03	0.10
	Edelweiss Investment Adviser Limited	0.01	-
Loans taken from	Allium Finance Private Limited	80.72	27.58
	Edel Finance Company Limited	-	5.51
	Edel Investments Limited	685.00	138.33
	Edelweiss Financial Services Limited	9,339.23	2,197.08
	Edelcap Securities Limited	944.46	-
	Edelweiss Retail Finance Limited	3,470.00	-
Off balance sheet item			
Corporate guarantee given for (Refer note 5)	Edelweiss Housing Finance Limited	1,612.82	1,890.58
	ECL Finance Limited	249.09	-
	Edel Finance Company Limited	726.55	766.20
	Edelweiss Retail Finance Limited	32.49	-
Corporate guarantee taken from	Edelweiss Housing Finance Limited	950.00	-

Note:

- Previous year's figures have been restated where necessary.
- As part of fund based activities, intergroup company loans and advances activities are carried on at arm's length and in the ordinary course of business. 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.
- Loan given to subsidiaries and fellow subsidiaries are for the general corporate business.
- A business unit of Ecap Equities Limited and EC Commodities Limited was merged into Edel Land Limited with effect from April 01, 2020. 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 Land Limited and disclosed accordingly.
- The Company has given composite corporate guarantee to bank for Rs. 569.98 millions (Previous year: Rs. Nil millions) for availing fund based Banking facilities by its subsidiary/fellow Subsidiary Companies i.e. Edelweiss Housing Finance Limited, ECL Finance Limited and Edelweiss Retail Finance Limited.

With reference Deed of Guarantee agreement between the Company and the Lender, the liability of the Company is lower of value of immovable properties of the Company or outstanding respective facilities of the respective Group Companies. The charge created on immovable properties of the Company amounting to Rs. 569.98 million as at March 31, 2022.



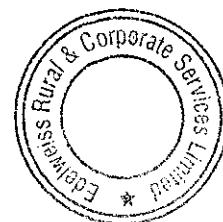
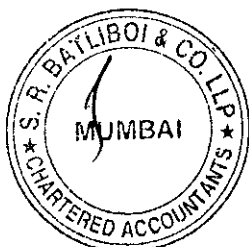
Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

41 Investments in partnership firms:

Particulars	Edelweiss Multi Strategy Fund Advisors LLP	
	As at 31st March 2022	As at 31st March 2021
Total capital of partnership firm	Rs. 0.10 million	Rs. 0.10 million
Name of partners	Share in capital and share in profit/loss	
Edel Land Limited	50.00%	50.00%
Edelweiss Rural & Corporate Services Limited	50.00%	50.00%

Particulars	Edelweiss Wealth Advisors LLP	
	As at 31st March 2022	As at 31st March 2021
Total capital of partnership firm	Rs. 0.10 million	Rs. 0.10 million
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 : Indian rupees in millions)

42 Contingent liabilities, commitments and leasing arrangements:

42.1 Contingent liabilities and commitments

- a) Taxation matters in respect of which appeal is pending Rs. 409.60 million (Previous year: Rs. 497.53 million).
- b) The Company has given composite corporate guarantee to bank for Rs. 569.98 million (Previous year: Rs. Nil million) for availing fund based Banking facilities by its subsidiary/fellow Subsidiary Companies i.e. Edelweiss Housing Finance Limited, ECL Finance Limited and Edelweiss Retail Finance Limited.
With reference Deed of Guarantee agreement between the Company and the Lender, the liability of the Company is lower of value of immovable properties of the Company or outstanding respective facilities of the respective Group Companies. The charge created on immovable properties of the Company amounting to Rs. 569.98 million as at March 31, 2022.
- c) Corporate guarantee given by the company to the bank for Rs.1,324.42 million (Previous year: Rs.1,890.58 million) for availing Fund based Banking facilities by its subsidiary Company Edelweiss Housing Finance Limited.
- d) The Company has given guarantee of Rs. 726.55 million (Previous year Rs.766.20 million) on behalf of Edel Finance Company Limited ('EFCL'), a holding company, which has sold certain financial assets to Edelweiss Asset Reconstruction Company Limited ('EARC'), another group company. The terms of sale required any Edelweiss group company to provide EARC with unconditional and irrevocable guarantee for securing the guaranteed obligation of EFCL.
- e) Undrawn Commitments for AIF funds RS. 4,743.14 million (Previous Year Rs.3,184.67 million)
- f) The company has provided bank guarantees amounting to Rs.319.23 million as on 31 March 2022.
- g) During the year ended 31 March 2022, certain assets amounting to Rs. 1,284.40 million were sold to alternative assets funds by the fellow subsidiary NBFCs. The Company has, vide a put agreement dated 31 July 2021, has guaranteed / undertaken to purchase these financial assets amounting to Rs. 1284.40 million on occurrence of certain trigger event as per the agreement.

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with Income Tax, Excise, Custom, Sales/VAT tax / GST and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

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

42.A During the Year March ended 31,2022 the Company has discontinued its agri warehousing and related business activities. The loss before tax of agri warehousing and related business activities for the year ended March 31, 2022 is Rs. 42.2 million .

42.B 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, 2022, there is no stock lying with the Company under the Supply Chain Management agreements.

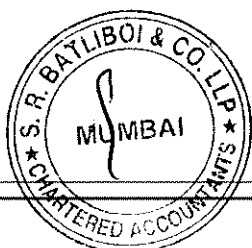
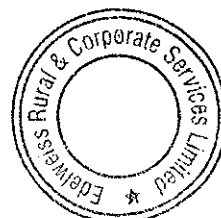
42.C Third party stock.

The Company, as a part of its discontinued 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:

- a) Pure warehousing -These stocks are held purely for warehousing purposes in the warehouse of the Company (Off books)
- b) 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-22 (Rs. millions)	31-Mar-21 (Rs. millions)
Pure warehousing stock (PWH)	-	5,380
Pledged stock	-	2,390
Total	-	7,770

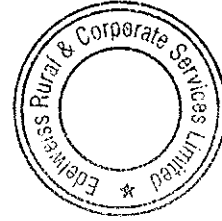
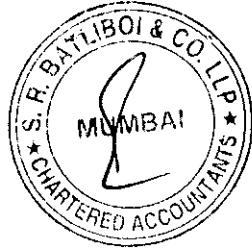


Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

43 Encumbrances on fixed deposits held by the Company:

a)	Fixed deposits aggregating to Rs. Nil million (Previous year: Rs. 0.10 million) have been pledged with sales tax authorities for meeting deposit requirements.
b)	Fixed deposits aggregating to Rs. 57.15 million (Previous year: Rs. 56.06 million) have been pledged with banks for obtaining the bank guarantee provided to VAT authorities for meeting statutory requirements.
c)	Fixed deposits aggregating to Rs. 16.50 million (Previous year: Rs.16.50 million) have been pledged with bank for obtaining the bank guarantee provided to Customs authorities for meeting statutory requirements.
d)	Fixed deposits aggregating to Rs. 14.31 million (Previous year: Rs.41.88 million) have been pledged with bank for obtaining the bank guarantee provided to various mandis for margin and license requirements.
e)	Fixed deposits aggregating to Rs.322.83 million (Previous year: Rs. Nil million) have been pledged with banks for securing bank Guarantee.



44 Earnings per share (EPS)

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

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

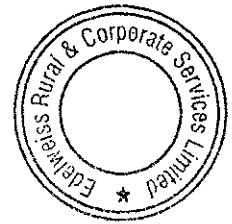
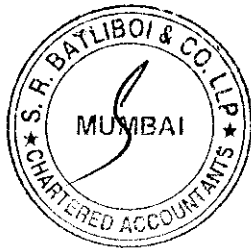
In accordance with Indian Accounting Standard 33 – "Earnings Per Share" prescribed by Companies (Accounts) Rules, 2015, the computation of earnings per share is set out below:

	2021-22	2020-21
Profit /(loss) for the year	(746.01)	(9,175.31)
Weighted average number of equity shares for calculating basic EPS		
Number of shares outstanding at the beginning of the year	39,775,367	39,775,367
Number of Shares issued during the year	6,760,000	-
Compulsory Convertible Debenture and Preference share	25,749,955	408,383
Total number of equity shares outstanding at the end of the year	72,285,322	40,183,750
Weighted average number of equity shares for calculating Basic EPS	65,562,363	40,183,750
Number of dilutive potential equity shares	-	-
Weighted average number of equity shares for calculating diluted EPS	65,562,363	40,183,750
Earnings per share (EPS) (Face value Re.1 each)		
Basic earnings share (in Rs)	(11.38)	(228.23)
Dilutive earning per share (in Rs)*	(11.38)	(228.23)

*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. 1.95 million (Previous year: Rs. 0.47 million).



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

46 Leases:-

This note provides information for Right of use assets where the company is a lessee. Company has not given any property on lease.

1)

Set out below are the carrying amounts of right-of-use assets recognised and the movements	As at March 31, 2022	As at March 31, 2021
Opening balance as at	8.37	198.58
Addition / disposal during year	(4.69)	(144.90)
Depreciation/Amortisation for the year	(1.09)	(45.31)
Closing balance as at	2.59	8.37

2) This note provides information for leases where the Company is a lessee. Company has not given any property on lease.

Set out below are the carrying amounts of lease liabilities and the movements	As at March 31, 2022	As at March 31, 2021
Opening balance as at	18.41	235.60
Addition / disposal during year	(15.74)	(227.02)
Accretion of interest	0.40	9.83
Lease payment for the year	-	-
Closing balance as at	3.07	18.41

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

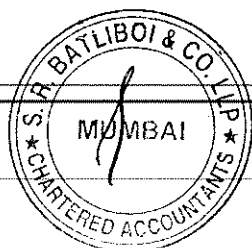
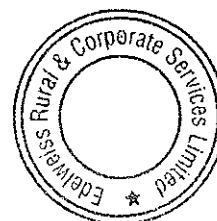
Particulars	Mar-22	Mar-21
Depreciation on ROU of assets	1.09	45.43
Reversal of lease pre-closure	-	-
Interest cost	0.40	9.83
Expenses related to short term lease	-	-
Total amount recognised in statement of profit and loss	1.49	55.26

4) This note provides information for Total cash Outflow for Leases.

Particulars	Mar-22	Mar-21
Cash outflow of long term leases	0.40	9.83
Cash outflow of short term leases	-	-

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

Particular	As at March 31, 2022	As at March 31, 2021
Less than 1 year	-	-
1-3 years	3.07	18.41
3-5 years	-	-
More than 5 years	-	-



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

47 Retirement benefit plan

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

Amount of Rs. 20.60 million (Previous year: Rs. 37.46 million) is recognised as expenses and included in "Employee benefit expense" in the statement of profit and loss

B) Defined benefit plan (Gratuity):

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

Statement of profit and loss

Expenses recognised in the Statement of Profit and Loss:

	2021-22	2020-21
Current service cost	5.14	8.35
Interest on defined benefit obligation	(2.00)	(0.44)
Total included in 'Employee benefits expense'	3.14	7.91

Movement in Other Comprehensive Income:

	2021-22	2020-21
Balance at start of year (Loss)/ Gain	7.49	(10.06)
Re-measurements on define benefit obligation (DBO)		
a. Actuarial (Loss)/ Gain from changes in financial assumptions	1.21	(2.39)
b. Actuarial (Loss)/ Gain from experience over the past year	(3.38)	6.10
c. Actuarial (Loss)/ Gain from changes in demographic assumptions	(1.62)	2.74
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	2.25	11.10
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	(26.28)	-
Balance at end of year (Loss)/ Gain	(20.33)	7.49

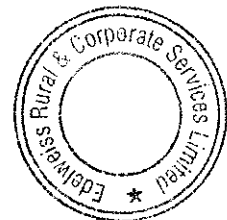
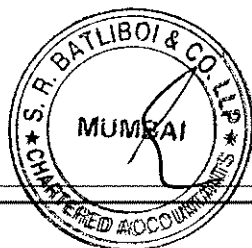
Balance sheet

Reconciliation of defined benefit obligation (DBO) :

	2021-22	2020-21
Present value of DBO at the beginning of the year	53.23	74.96
Transfer in / (Out)	(7.39)	(11.84)
Interest cost	2.29	3.72
Current service cost	5.14	8.35
Benefits paid	(19.63)	(15.52)
Actuarial (gain)/loss	3.79	(6.44)
Present value of DBO at the end of the year	37.43	53.23

Reconciliation of fair value of plan assets:

	2021-22	2020-21
Fair value of plan assets at the beginning of the year	86.07	70.80
Contributions by Employer	19.63	15.52
Benefits paid	(19.63)	(15.52)
Interest income	4.29	4.17
Acquisition/ (Divestiture)/ Curtailment	-	11.10
Return on plan asset excluding amount included in net interest on the net defined benefit liability/ (asset)	2.25	-
Fair value of plan assets at the end of the year	92.61	86.07



47 Retirement benefit plan (Continued)

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

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

	2022	2021	2020	2019	2018
Present value of Defined Benefit Obligations	37.43	53.23	74.96	68.59	4.55
Fair value of plan assets at the end of the year	92.61	86.07	70.80	63.96	14.80
Net Liability	(55.18)	(32.84)	4.16	4.63	(10.25)
Less: Effect of limiting net assets to asset ceiling	26.28				
Liability recognised in the balance sheet	(28.90)	(32.84)	4.16	4.63	(10.25)

Experience adjustments:

	2022	2021	2020	2019	2018
On plan liabilities: loss / (gain)	3.38	(6.10)	(4.76)	5.33	(0.53)
On plan assets: gain / (loss)	-	-	-	-	-
Estimated contribution for next year	-	-	4.00	4.50	-

Principal actuarial assumptions at the balance sheet date:

	2021-22	2020-21
Discount rate	5.90%	5.00%
Salary escalation	7%	7%
Employees attrition rate	16%	25%
Expected return on plan asset	5.00%	5.90%
Mortality Rate	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)

Percentage Break-down of Total Plan Assets	2021-22	2020-21
Investment Funds with Insurance Company and Cash	96%	95.70%
Cash and cash equivalents	4%	4.30%
Total	100%	100.00%

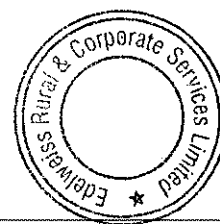
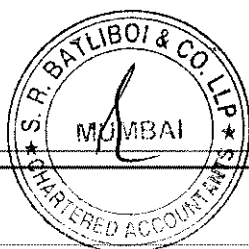
Sensitivity Analysis for 2022:

DBO increases / (decreases) by	2021-22	2020-21
Increase of 1% in Salary Growth Rate	1.90	1.91
Decrease of 1% in Salary Growth Rate	(1.75)	(1.86)
Increase of 1% in Discount Rate	(1.75)	(1.87)
Decrease of 1% in Discount Rate	1.94	1.96
Increase of 1% in Attrition Rate	(0.09)	(0.14)
Decrease of 1% in Attrition Rate	0.10	0.15
Mortality (Increase in expected lifetime by 1 year)	2.00	Negligible change
Mortality (Increase in expected lifetime by 3 years)	6.00	0.01

48

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. 8.96 million (previous year release of Rs. 19.55 million).



49 Cost sharing and other recoveries

Edelweiss Financial Services Limited, being the Holding Company along with fellow subsidiaries incurs expenditure like common senior management compensation cost, Group 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.

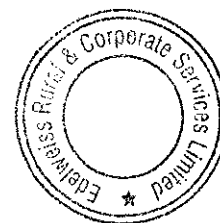
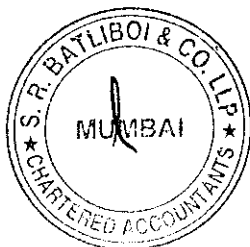
Other recoveries:

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.

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

	March 31, 2022		March 31, 2021	
	Amount outstanding	Maximum Amount o/s during the year	Amount outstanding	Maximum Amount o/s during the year
Loan to Holding Company & Subsidiary				
a) Edelweiss Financial Services Limited	-	-	-	767.37
b) Edel Finance Company Limited	2,632.60	6,585.00	5,000.00	5,366.65
c) EC Commodity Limited	-	4,198.82	1,269.02	1,536.68
d) Edelweiss Comtrade Limited	14.46	14.51	10.97	44.97
e) Edelweiss Investment Adviser Limited*	9,492.31	12,961.22	11,366.92	11,366.92
f) Allium Finance Private Limited	-	46.23	-	-
Loan from Holding Company & Subsidiary				
a) Edelweiss Financial Services Limited	9,339.23	22,885.95	2,197.08	7,876.58
b) Edel Finance Company Limited	-	50.51	-	3,131.00
c) Allium Finance Private Limited	80.72	227.48	27.58	15.00
d) Edelweiss Housing Finance Limited	-	2,100.00	-	-

*Refer note no 63 Credit Quality of loans.



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

51 Details of dues to micro enterprise and small enterprise:

Trade Payables includes Rs. 2.07 million (Previous year: Rs. 0.23 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.

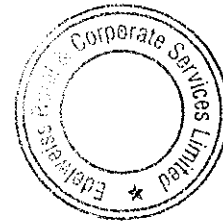
52 Corporate social responsibility (CSR):

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

- i) Gross amount required to be spent by the Company during the year was Rs. Nil million (Financial Year 20-21 Rs. 5.10 million)
- ii) Amount spent during the year on:

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

- iii) Shortfall at the end of the year was Rs. Nil million (Financial Year 20-21 Rs. Nil million)
- iv) Total of previous years shortfall was Rs. Nil million (Financial Year 20-21 Rs. Nil million)



53 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 maintain an optimal capital structure to reduce the cost of capital.

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

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

Particular	As at 31st March 2022	As at 31st March 2021
Total Debt	35,087.06	38,490.39
Equity	6,292.58	4,537.72
Net Debt to Equity	5.58	8.48

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. As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

Probability of Default

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

Loss Given Default (LGD)

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

Exposure at Default (EAD)

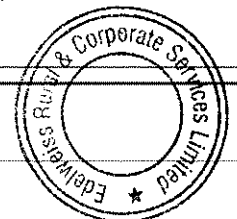
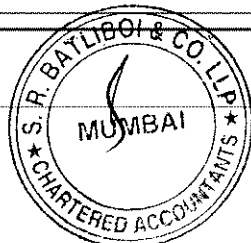
The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Company, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Company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

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

Where,

$$\text{Drawn Credit Line} = \text{Current outstanding amount}$$

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.



D) Liquidity risk and funding management

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

I) Possibility that the Company could be required to pay its trade payables earlier than expected.

II) Mismatch in maturity profile of assets and liabilities

III) Delay in receipt of receivables including agency receivables

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

I) Withdrawal of cash deposits

II) Disposal of highly liquid assets (i.e. short-term, low-risk debt investments, inventory)

III) Either disposal of other assets or increase of leverage

The Company also has undrawn borrowing facilities amounting to Rs. 70 million as on 31 March 2022 (as on 31 March 2021: Rs. Nil million)

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

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

Analysis of non-derivative financial liabilities by remaining contractual maturities

As at 31-Mar-22

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

Analysis of non-derivative financial assets by remaining contractual maturities

Non-derivative financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	119.02	30.97	36.53	335.06	4.06	525.64
Stock-in-trade	-	4.29	7.86	556.23	56.60	624.98
Trade receivables	-	106.69	81.21	-	-	187.90
Loans	441.16	0.92	1120.09	9373.34	-	10,935.51
Investments at fair value through profit or loss	-	-	-	4,173.20	-	4,173.20
Investments at amortised cost	-	-	-	16,170.64	2,120.59	18,291.23
Other financial assets	4.29	-	8.71	23.75	-	36.75
Total undiscounted non-derivative financial assets	564.47	142.87	1,254.40	30,632.22	2,181.25	34,775.21

53.2. Analysis of non-derivative financial liabilities by remaining contractual maturities

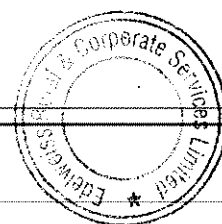
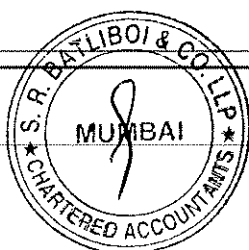
As at 31-Mar-21

Non-derivative financial liabilities	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	-	446.75	-	-	-	446.75
Borrowings (other than debt securities)	-	2,433.04	-	-	-	2,433.04
Debt securities	2,867.42	5,087.37	13,180.50	5,182.10	8,328.48	34,645.87
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

Analysis of non-derivative financial assets by remaining contractual maturities

Non-derivative financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	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 undiscounted non-derivative financial assets	435.57	1,992.06	11,502.19	12,672.79	2,190.59	28,793.20

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, scheduled recovery from group company receivables, expected borrowing and future cash flows that will be generated from operations. Basis this expected cumulative assets maturing in the next one year are Rs. 11,468.49 million and cumulative liabilities maturing in the next one year are Rs. 11,322.66 million. Further, during the year, Edel Finance Company Limited, the holding company has infused equity capital amounting to Rs. 2,500 million 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 : Indian rupees in millions)

54 There have been no events or transactions which have occurred since the date of balance sheet or pending that would have material effect on the financial statement and requires adjusting to accounting estimates and disclosures included in financial statements at that date or for the period then ended, other than those reflected or fully disclosed in the financial statements.
No events have occurred that are of such significance in relation to the company's affairs to require mention in a note to the financial statements in order to make them not misleading regarding the financial position, results of operations, or cash flow or changes in equity of the company.

55 Collateral held and other credit enhancements

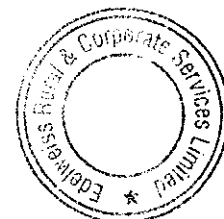
i The tables on the following pages show the maximum exposure to credit risk by class of financial asset.

Maximum exposure to credit risk (carrying amount before ECL) as at	Thursday, March 31, 2022	*****	Principal type of collateral
Financial assets			
Cash collateral on securities borrowed and reverse repurchase agreement			
Loans:			
Retail Loans	0.92	1.30	No Collateral
Wholesale loans- Credit Substitutes	2,721.73	1,361.43	Listed Equity shares & immovable Properties
ICD External	1,069.69	1,114.07	No Collateral
Group Loans	15,633.97	27,447.40	No Collateral
Distressed assets			
Trade receivables-Secured	-	102.84	Agri Stock
Trade receivables-Others	549.14	487.24	Unsecured
Debt instruments at amortised cost	2,126.26	2,126.26	No Collateral
Other Financial Assets	36.75	336.94	No Collateral
Total financial assets at amortised cost	22,138.46	32,977.48	
Financial assets at FVTPL Stock in trade- except MF	624.98	1,626.40	No Collateral
Total financial instruments at fair value through profit or loss	624.98	1,626.40	
Total Financial assets	22,763.44	34,603.88	
Financial guarantee contracts	2,620.95	2,656.50	No Collateral
Other commitments (max exposure)	2,620.95	2,656.50	
Total	25,384.39	37,260.38	

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

3/31/2022	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans:				
Wholesale loans	1,404.15	1,289.93	114.22	114.22
ICD	1,069.69	1,069.69	-	-
Total financial assets at amortised cost	2,473.84	2,359.62	114.22	114.22
Loan commitments	-	-	-	-
Financial guarantee contracts	2,620.95	0.09	2,620.87	2,620.87
Total	5,094.79	2,359.71	2,735.09	2,735.09

3/31/2021	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
ICD	1,114.07	1,114.07	-	-
Total financial assets at amortised cost	2,475.50	2,415.50	60.00	765.43
Financial guarantee contracts	2,656.50	-	2,656.50	2,656.50
Total	5,132.00	2,415.50	2,716.50	3,421.93



Market risk

Market risk is the risk which can affect the Company's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to interest rates, equity prices, foreign exchange rates and credit spreads. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters. The Company separates its exposure to market risks between trading and non-trading portfolios.

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

i) Interest rate risk

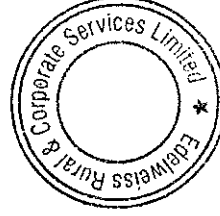
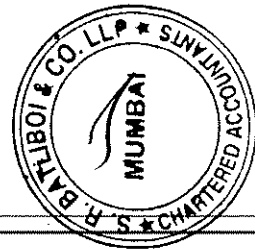
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company is not exposed to interest rate risk as it does not trade in Interest Rate Derivatives and does not have any loans having variable interest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

ii) Currency risk

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

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	2021-22			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		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 financial statements (Continued)

(Currency) Indian rupees in millions

(ii) 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	2021-22				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	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Mutual Funds	5	-	-	5	-	-	5	-	-

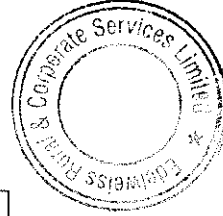
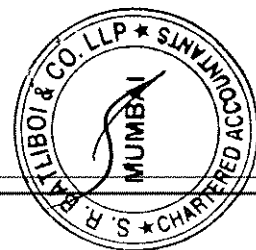
Impact on	2021-22				2020-21				
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Mutual Funds	5	3.38	-	5	(3.38)	-	5	(3.38)	-

(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	2021-22				2020-21				
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease 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	-	-	0.25	-	-	0.25	-	-

Impact on	2021-22				2020-21				
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease 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)	-	0.25	(0.30)	-



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (Continued)
(Currency: Indian rupee; in millions)

57 Fair Value Measurement

a) Valuation Principles:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

b) Assets and liabilities by fair value hierarchy

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

Particulars	31-Mar-22			Total
	Level 1	Level 2	Level 3	
Assets measured at fair value on a recurring basis				
Stock-in-trade				
Debt Securities	620.70	-	-	620.70
Nifty Linked Debentures	-	-	4.28	4.28
Stock-in-trade	620.70	-	4.28	624.98
Investments				
Equity instruments	-	-	1.00	1.00
Investments in Funds	-	-	314.08	314.08
Investment in Tech Fund	-	-	199.79	199.79
India Credit Investment Fund II	-	-	1,511.33	1,511.33
India Credit Investment Fund I	-	-	2,147.00	2,147.00
Total Investments measured at fair value	-	-	4,173.20	4,173.20
Land and Building	-	-	2,205.58	2,205.58
Total financial assets measured at fair value on a recurring basis	620.70	-	6,383.06	7,003.76

Particulars	31-Mar-21			Total
	Level 1	Level 2	Level 3	
Assets measured at fair value on a recurring basis				
Stock-in-trade				
Debt Securities	1,383.45	5.04	-	1,388.49
Mutual Fund	67.53	-	-	67.53
Nifty linked debentures	-	-	237.88	237.88
Equity Instruments	0.03	-	-	0.03
Stock-in-trade	1,451.01	5.04	237.88	1,693.93
Investments				
Warrants	-	-	111.93	111.93
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
Total Investments measured at fair value	-	-	2,412.47	2,412.47
Land and Building	-	-	2,249.18	2,249.18
Total financial assets measured at fair value on a recurring basis	1,451.01	5.04	4,899.53	6,355.58

Fair valuation techniques:

Debt securities

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

Equity instruments

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

Units of Alternative Investment Funds and Mutual Fund.

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

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

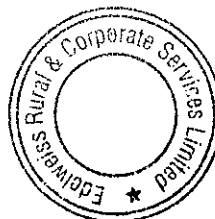
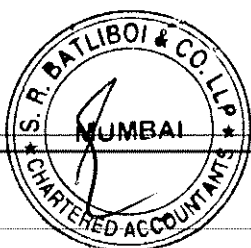
Derivatives

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

Embedded derivatives

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

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 derivative as level 3 instruments



Edelweiss Rural & Corporate Services Limited

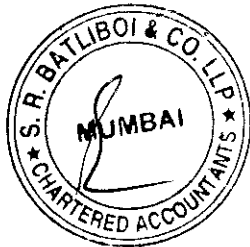
Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

c) **Financial instruments not measured at fair value**

The following table sets out the fair values of financial instruments not measured at fair value and analysing them by the level in the fair value hierarchy into which each fair value measurement is categorised. The information given below is with respect to financial assets and financial liabilities measured at amortised cost for which the fair value is different than the carrying amount. Carrying amounts of cash and cash equivalents, trade receivables, trade and other payables as on 31 March 2022 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets and other financial liabilities is not significant in each of the years presented.

Particulars	31 March 2022				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	10,935.51	10,935.51	-	-	10,935.51
Investments at amortised cost	2,120.60	2,120.60	-	-	2,120.60
Total	13,056.11	13,056.11	-	-	13,056.11
Financial liabilities					
Debt securities	17,039.51	17,039.51	-	-	17,039.51
Total	17,039.51	17,039.51	-	-	17,039.51

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	2,007.46	-	-	2,007.46
Total	12,400.49	12,287.35	-	-	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



Edelweiss Rural & Corporate Services Limited

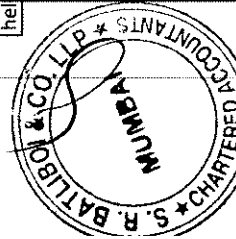
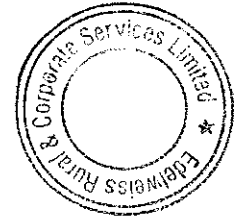
Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

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

The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

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

Particulars	Financial assets					Total
	Investments in units of AIF	Investments in unquoted equity shares categorised as Level 3	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	427.62
At 31 March 2021	2,299.54	112.94	-	-	237.89	2,650.37
Unrealised gains / (losses) related to balances held at the end of the period	266.06	(75.15)	-	-	3.10	194.01



e) Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data.

Following tables set out information about significant unobservable inputs used at respective balance sheet dates in measuring financial instruments categorised

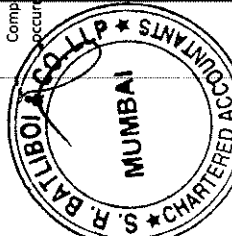
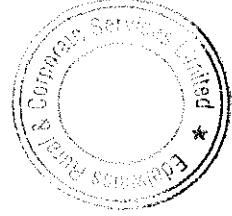
Type of Financial Instruments	Fair value of asset as on 31 March 2022	Valuation Techniques	Significant Unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Nifty linked debentures	4.28	Fair value using Black Scholes Model or Monte Carlo approach based on the embedded derivative	Market index curve	5%	0.21	5%	(0.21)
			Risk - adjusted discounted rate 4.5% - 6%	1%	0.04	1%	(0.04)
Investments in units of AIF	4,172.22	Net Assets Approach	Fair value of underlying investments	5%	212.95	5%	(212.95)
Investments in unquoted equity shares categorised at Level 3	1.00	Comparable transaction and P/E and discounted cash flow	Fair value per share	5%	0.05	5%	(0.05)
Total	4,177.50				213.25		(213.25)

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	237.89	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%	118.52	5%	(118.52)
Investments in unquoted equity shares (including share warrants)	112.94	Comparable transaction and P/E and discounted cash flow	Fair value per share	5%	5.64	5%	(5.64)
Total	2,650.37				131.76		(131.76)

58 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and any of the previous financial years.

59 During the year ended 31 March 2022, certain assets amounting to Rs. 1,284.40 million were sold to alternative assets funds by the fellow subsidiary NBFCs. The Company has, vide a put agreement dated 31 July 2021, has guaranteed / undertaken to purchase these financial assets amounting to Rs. 1,284.40 million on occurrence of certain trigger event as per the agreement.



60 Investments

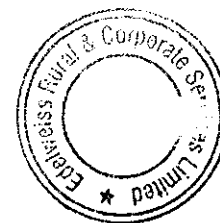
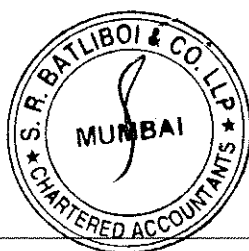
As at 31 March 2022

Particulars	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
(i) Debt securities	2,126.26	-	-	-	-	-	2,126.26
(ii) Equity instruments	-	-	1.00	-	1.00	-	1.00
(iii) Subsidiaries	-	-	-	-	-	3,889.14	3,889.14
a) Equity	-	-	-	-	-	-	-
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	839.75	839.75
(iv) Other group companies	-	-	-	-	-	110.35	110.35
a) Equity	-	-	-	-	-	-	-
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	-	-
(v) Preference shares	-	-	-	-	-	-	-
(vi) Warrant	-	-	-	-	-	-	-
(vii) Others - Investments In Partnership firm Group	-	-	-	-	-	3.65	3.65
(viii) Share warrants	-	-	-	-	-	-	-
(ix) Others - Investments in Funds	-	-	4,259.01	-	4,259.01	-	4,259.01
(x) investment in compulsory convertible instruments and put CCPS CCDS	-	-	-	-	-	12,350.84	12,350.84
TOTAL - Gross (A)	2,126.26	-	4,260.01	-	4,260.01	17,193.73	23,580.00
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	2,126.26	-	4,260.01	-	4,260.01	17,193.73	23,580.00
Total (B)	2,126.26	-	4,260.01	-	4,260.01	17,193.73	23,580.00
Less: Allowance for impairment (C)	5.67	-	86.81	-	86.81	1,023.09	1,115.57
Total Net (A-C)	2,120.59	-	4,173.20	-	4,173.20	16,170.64	22,464.43

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	-	-	-	-	-	4,390.57	4,390.57
a) Equity	-	-	-	-	-	-	-
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	-	-
(iv) Other group companies	-	-	-	-	-	446.43	446.43
a) Equity	-	-	-	-	-	-	-
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	627.27	627.27
(v) Preference shares	-	-	-	-	-	-	-
(vi) Warrant	-	-	-	-	-	-	-
(vii) Others - Investments In Partnership firm Group	-	-	-	-	-	6.76	6.76
(viii) Share warrants	-	-	154.47	-	154.47	-	154.47
(ix) Others - Investments in Funds	-	-	2,386.33	-	2,386.33	-	2,386.33
(x) investment in compulsory convertible instruments and put 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

As at year end, the Company had an equity investment of Rs. 1,000.10 million 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 million on investment in EIAL during the year ended March 31, 2021. The Board of Directors of the Company have approved the impairment loss and amount recoverable as at March 31, 2021.



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

61 Income tax

The components of income tax expense recognised in profit or loss for the years ended 31 March 2022 and 31 March 2021 are:

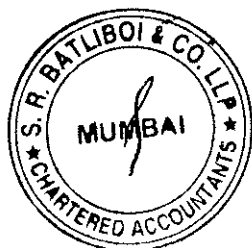
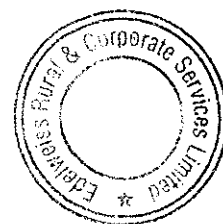
Particulars	2021-22	2020-21
Current tax	-	-
Adjustment in respect of current income tax of prior years	-	(24.15)
Deferred tax relating to origination and reversal of temporary differences	(74.47)	299.86
Total tax expense	(74.47)	275.71
Total current tax	-	(24.15)
Total deferred tax	(74.47)	299.86

Reconciliation of the total tax expense

The tax expense shown in the statement of profit and loss differs from the tax expense that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2022 and 31 March 2021 are follows:

Particulars	2021-22	2020-21
Profit / (Loss) before tax	(820.48)	(8,899.60)
Tax rate	34.94%	34.94%
Income tax expense calculated based on above tax rate	(286.71)	(3,109.87)
Adjustment in respect of income tax of prior years	-	(24.15)
Others -share of partnership firm / Dividend Income	-	(1.73)
Preference shares cost	-	32.74
Standard Deduction and Property Tax on HP Income	-	(3.39)
Effect of utilisation of tax losses or deferred tax assets on losses earlier recognised now considered not recoverable	-	3,380.88
Write-down / reversal of write down of deferred tax assets on unused tax credits and unused tax losses (net)	(74.47)	-
Effect of non-recognition of deferred tax asset on current-period losses	286.71	-
Others	-	1.23
Tax expense recognised in profit or loss	(74.47)	275.71

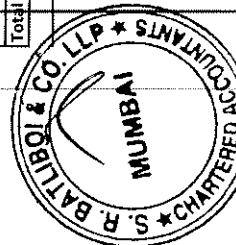
The Government of India, on 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019 (the Ordinance), inserted a new Section 115BAA in the Income tax Act, 1961, which provides an option to the Company for paying income tax at reduced rates. The Company is continuing status quo and in due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



62.A Components of 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)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total Movement	Closing deferred tax asset/(liability)
31-Mar-22							
Deferred taxes in relation to:							
Property, Plant and Equipment - revaluation	(566.64)	64.87	-	-	-	64.87	(501.77)
Stock-in-trade & Investments	(100.06)	85.98	-	-	-	85.98	(14.08)
Employee benefits obligations	20.78	(28.23)	9.72	-	-	(18.51)	2.27
Loans Given	976.17	(4.21)	-	-	-	(4.21)	971.96
Borrowings	(154.44)	40.50	-	-	-	40.50	(113.94)
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	203.41	-	-	-	-	0.00	203.41
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	581.92	-	-	-	-	0.00	581.92
Reversal of fee income	86.80	(86.80)	-	-	-	(86.80)	-
Capitalised borrowing costs on building	(30.87)	1.57	-	-	-	1.57	(29.30)
Other	(0.10)	0.79	-	-	-	0.79	0.69
Total	1,016.97	74.47	9.72	-	-	84.19	1,101.16
31-Mar-21							
Property, Plant and Equipment and Intangible assets	(605.05)	38.55	0.00	(0.14)	-	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	-
Loans Given	1,136.07	(159.90)	-	-	-	(159.90)	976.17
Borrowings	(124.52)	(29.92)	-	-	-	(29.92)	(154.44)
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	-	-	-	-	0.00	86.80
Capitalised borrowing costs on building	(34.72)	3.85	-	-	-	3.85	(30.87)
Other	1.72	(1.82)	-	-	-	(1.82)	(0.10)
Total	1,323.10	(299.86)	(6.13)	(0.14)	-	(306.13)	1,016.97



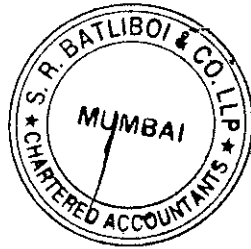
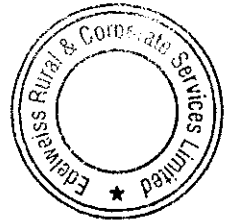
62.B Deductible temporary differences, unused tax losses and unused tax credits on which deferred tax asset is not recognised in balance sheet

March 31, 2022

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

March 31, 2021

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



Edelweiss Rural & Corporate Services Limited

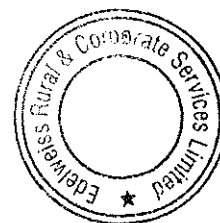
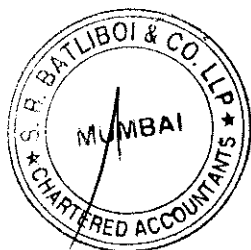
Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

63 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 53 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 53.

Loans	31-Mar-22			31-Mar-21		
	at amortised cost	at FVTPL	Total	at amortised cost	at FVTPL	Total
Loans						
Corporate and Retail Loans	19,426.31	-	19,426.31	29,924.20	-	29,924.20
Total Gross (A)	19,426.31	-	19,426.31	29,924.20	-	29,924.20
Less: Impairment loss allowance*	8,490.80	-	8,490.80	8,350.26	-	8,350.26
Total (Net) (A)	10,935.51	-	10,935.51	21,573.94	-	21,573.94

*Included in loans and advances an amount of Rs.9,492.31 million (Previous Year: Rs.11,366.91 million) receivable as at March 31, 2022 from Edelweiss Investments Adviser Limited ("EIAL"). EIAL had invested in and had exposure to real estate sector. Over the few years, real estate sector is facing operational challenges and due to which the risk for certain counterparties has increased leading to increased provisioning in the books of EIAL under the expected credit loss models. Such challenges have been further accentuated by factors caused by ongoing COVID pandemic. EIAL has performed detailed assessments of its current and future business plans and on that basis has continued on the expected credit loss amounting to Rs. 4,730.0 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, 2022.



63 Credit Quality (Continued)

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

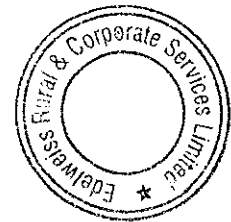
Gross carrying amount of loan assets allocated to Stage 1, Stage 2, Stage 3

Loans at amortised cost

Particulars	31-Mar-22				31-Mar-21			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing								
High grade	15,634.89	-	-	15,634.89	27,448.70	-	-	27,448.70
Standard grade	-	1,317.58	-	1,317.58	-	-	-	-
Substandard grade	-	-	-	-	-	-	-	-
Non-performing impaired								
impaired	-	-	2,473.84	2,473.84	-	-	2,475.50	2,475.50
Total	15,634.89	1,317.58	2,473.84	19,426.31	27,448.70	-	2,475.50	29,924.20

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

Particulars	Non-credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III		Gross carrying amount	Allowance for ECL
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL		
Balance at 1 April 2021	27,448.70	5,934.75	-	-	2,475.50	2,415.51	29,924.20	8,350.26
Transfers:								
Transfers to 12 Month ECL (Stage 1)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL (Stage 2)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	-	-	-	-	-	-	-	-
Net re-measurement of ECL arising from transfer of stage	-	-	-	-	-	-	-	-
Net new and further lending/(repayments) (including write-off)	(11,813.81)	(0.31)	1,317.58	196.74	(1.66)	(55.88)	(10,497.89)	140.55
Balance at 31 March 2022	15,634.89	5,934.44	1,317.58	196.74	2,473.84	2,359.63	19,426.31	8,490.81
Particulars	Non-credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III		Gross carrying amount	Allowance for ECL
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL		
Balance at 1 April 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 re-measurement of ECL arising from transfer of stage	-	-	-	-	-	-	-	-
Net new and further lending/(repayments) (including write-off)	4,636.02	4,314.83	-	-	86.62	1,140.04	4,722.64	5,454.87
Balance 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 : Indian rupees in millions)

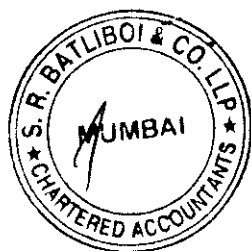
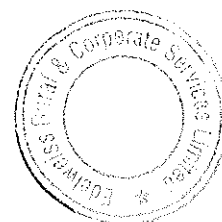
64 Other Disclosures:

a) Changes in liabilities arising from financing activities

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

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

Particulars	1-Apr-20	Cash flows	Finance costs during the year	31-Mar-21
Debt securities	38,492.59	(8,074.35)	3,591.25	34,009.49
Borrowings other than debt securities	3,793.34	(2,051.58)	691.28	2,433.04
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	38,490.39



Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

64 Other Disclosures (Continued)

b) Revenue from contract with customers

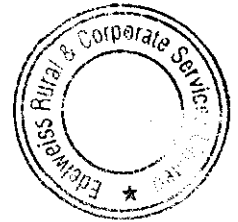
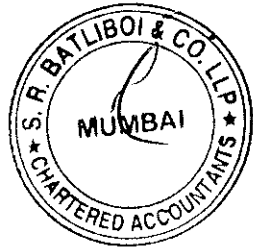
Below is the disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in statement of profit and loss:

For the year ended 31 March 2022

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

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

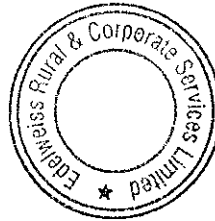
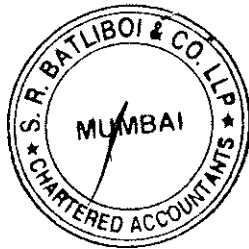


Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

65 Details of Ratio:

Particular	March 31, 2022	March 31, 2021	Variance	Reason for Variance
Debt-equity Ratio (Refer note 1)	5.58	8.48	(34.26)%	Decrease in Borrowings
Debt Service Coverage Ratio (Refer note 2)	0.28	(0.17)	(256.71)%	Profit before interest and tax
Interest Service Coverage Ratio (Refer note 2)	0.85	(0.88)	(196.42)%	Profit before interest and tax
Earnings Per Share - Basic (Face Value of Rs10/- each)	(11.38)	(228.23)	(95.01)%	Reduction in loss
Earnings Per Share - Dilutive(Face Value of Rs10/- each)	(11.38)	(228.23)	(95.01)%	Reduction in loss
Total Debts/ Total Assets (Refer note 3)	0.84	0.86	(2.68)%	Decrease in Borrowings
Notes:				
1 Debt-equity Ratio = Total Borrowing (Non Current Borrowing + Current Borrowings) / Net worth				
2 Debt Service Coverage Ratio = Profits before interest and tax / (Interest expenses + Principal Repayment in next six months)				
Interest Service Coverage Ratio = Profits before interest and tax / Interest Expenses				
3 Total debt to Total assets = Total Borrowing (Non Current Borrowing + Current Borrowings) / Total assets.				
4 Current ratio, Long Term Debts to Working capital, Bad Debts to Accounts Receivables Ratio, Current Liability Ratio, Debtors turnover, Inventory turnover and Operating Margin (%), Net Profit Margin (%) are not applicable owing to the business model of the company.				



66 Impact of Covid

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, intangibles, investments and other assets and repayment ability of its borrowers. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external sources of information. The Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various financial support from banks and other fundraising opportunities in determining the Company's liquidity position over the next 12 months. The Company has reviewed the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

67 The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

68 Title deeds of Immovable Properties not held in name of the Company

There is no immovable property (other than properties where the Company is lessee and the lease agreements are duly executed in favour of the lessee), held by the company, where title deeds are not held in name of company.

69 Details of Benami Property held

The Company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

70 Willful Defaulter

The Company has not been declared as willful defaulter by any bank or financial Institution or other lender.

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

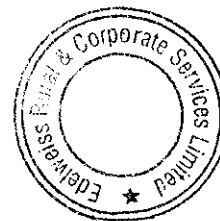
The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

72 Relationship with Struck off Companies

Transaction with companies struck off under section 248 of the companies Act, 2013 or Section 560 of Companies Act, 1956

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

For March 31, 2021			
Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding	Relationship with the struck off Company
Vector Projects (I) Pvt Ltd	Office Expenses	Nil	Vendor



Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

73 Undisclosed Income

The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year.

74 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and any of the previous financial years.

75 The Company has granted loans or advances in the nature of loans, without specifying period of repayment of principal to companies. However, during the year the Company has executed supplementary agreement with such companies to stipulate the schedule for repayment of principal. Of these following are the details of the aggregate amount of loans or advances in the nature of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

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

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

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries

(B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall, Other than as disclosed in note (1) below

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries

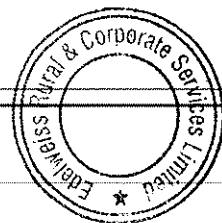
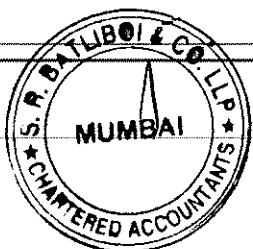
Note (1)

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

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

Note (2)

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



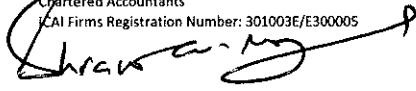
Edelweiss Rural & Corporate Services Limited

Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

- 77 The Company is in compliance with number of layers of companies, as prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 78 The Company has already responded to authorities on show cause notice in respect of import of pulses in earlier years. There are no further updates subsequent to Company's responses. Based on the management assessments, there is no impact on the financial statements for the year ended March 31, 2022.
- 79 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.
- 80 Previous year's numbers have been regrouped and rearranged whenever necessary to confirm to current year presentation/classification.

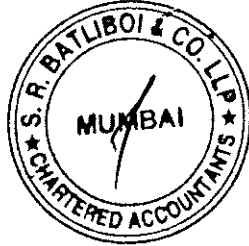
As per our report of even date attached.

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

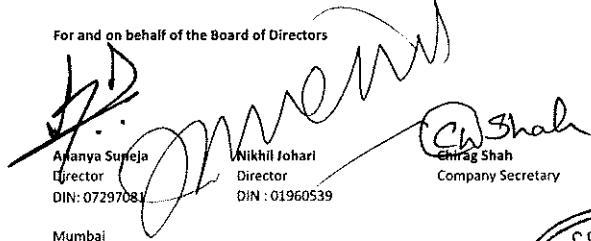


per Shrawan Jalan
Partner
Membership No: 102102

Mumbai
May 27, 2022



For and on behalf of the Board of Directors

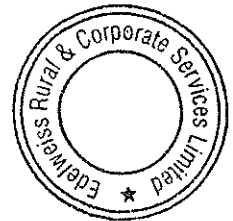


Ananya Suneja
Director
DIN: 07297081

Nikhil Johari
Director
DIN : 01960539

Chirag Shah
Company Secretary

Mumbai
May 27, 2022



NOTICE OF THE 16TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 16TH ANNUAL GENERAL MEETING OF THE MEMBERS OF EDELWEISS RURAL & CORPORATE SERVICES LIMITED WILL BE HELD ON FRIDAY, SEPTEMBER 30, 2022 AT 3.30 P.M. AT THE CORPORATE OFFICE OF THE COMPANY AT 4-A, 4TH FLOOR, EMGEEN CHAMBERS, CST ROAD, KALINA, SANTACRUZ (EAST), MUMBAI – 400098 TO TRANSACT THE FOLLOWING BUSINESS:

1. To consider and adopt:-
 - a. the audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Board and the Auditors thereon; and
 - b. the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Nikhil Johari (DIN: 01960539), who retires by rotation and, being eligible, offered himself for re-appointment.
3. To appoint a Director in place of Ms. Ananya Suneja (DIN: 07297081), who retires by rotation and, being eligible, offered herself for re-appointment.

**For and on behalf of the Board of Directors
EDELWEISS RURAL & CORPORATE SERVICES LIMITED**

**Chirag Shah
Company Secretary
(Membership No. A32465)**

Mumbai, September 26, 2022

**Registered Office:
2nd Floor, MB Towers, Plot No. 5,
Road No. 2, Banjara Hills,
Hyderabad – 500 034
CIN : U45201TG2006PLC078157**

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: 4-A, 4th Floor, Emgeen Chambers, CST Road, Kalina, Santacruz (East), Mumbai – 400098 Tel. No.: +91 22 4009 4400

Email: cs@edelweissfin.com Website: <https://ercsl.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 Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, information in respect of the Directors seeking re-appointment at the AGM is given in the Annexure to the Notice.**
- 4. A Route Map along with prominent landmark for easy location to reach the venue of Annual General Meeting is annexed with the notice of Annual General Meeting.**

Edelweiss Rural & Corporate Services Limited

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

Particulars	Mr. Nikhil Johari	Ms. Ananya Suneja
Age	44 years	49 years
Date of first Appointment	November 14, 2020	December 1, 2020
Qualifications and experience	<p>Mr. Nikhil Johari has wide experience in the financial sector. He has been associated with Edelweiss group for last two decades. Mr. Johari has expertise in operations, compliance, governance, risk management, regulatory risk, internal audit, treasury and asset allocation.</p> <p>Mr. Johari has played a pivotal role in Managing key regulatory interface, litigations, arbitrations pertaining to the Commodities business. He has handled various roles in treasury, institutional securities businesses. In the year 2008, he handled the role of Chief Risk Officer and in the year 2011, Chief Operating Officer of the Commodities Business in Edelweiss group entities.</p> <p>Mr. Johari holds MBA degree in Finance from SP Jain Institute of Management and Research, Mumbai.</p>	<p>Ms. Suneja is an accomplished professional with over 24 years of experience in Financial Strategy, Risk Management, Cost Efficiency, Finance Transformation, Financial Planning & Reporting across various segments like Banking, Financial Services and Manufacturing. In her previous stints, she has worked with various global firms like Deutsche Bank, GE and JP Morgan Chase. Ms. Suneja is associated with Edelweiss since 2018 and had worked on various important corporate projects.</p> <p>Ms. Suneja is Chief Financial Officer of Edelweiss Financial Services Limited and Edel Finance Company Limited, holding companies of the Company.</p>
Terms and Conditions of Appointment/ Re-appointment	Appointed as a Non-executive Director, liable to retire by rotation.	Appointed as a Non-executive Director, liable to retire by rotation.
Remuneration to be paid	Mr. Johari is holding office/place of profit and is paid remuneration as approved by the Shareholders	None
Remuneration last drawn	Refer Corporate Governance Report forming a part of the Annual Report	Refer Corporate Governance Report forming a part of the Annual Report
No. of Board Meetings attended during the year	7	6
Directorship in other Companies (Public Limited Companies)	Edelweiss Custodial Services Limited	Edelweiss Securities and Investments Private Limited Nuvama Capital Services (IFSC) Limited

Edelweiss Rural & Corporate Services Limited

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		Edelweiss Global Wealth Management Limited Nuvama Asset Management Limited Edelweiss Capital Services Limited ECap Securities and Investments Limited
Membership/ Chairmanship of Committees of other public limited companies (Audit Committee and Shareholders Relationship/ Investors Grievance Committee only)	Nil	Nil
Relationship with other Directors inter-se and with Key Managerial Personnel of the Company	None	None
No. of shares held In the Company	Nil	Nil

*Only Audit Committee and Stakeholders' Relationship Committee, in other public limited companies, have been considered for the Committee position.

**For and on behalf of the Board of Directors
EDELWEISS RURAL & CORPORATE SERVICES LIMITED**

**Chirag Shah
Company Secretary
(Membership No. A32465)**

Mumbai, September 26, 2022

Registered Office:

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Road No. 2, Banjara Hills, Hyderabad 500 034
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Edelweiss Rural & Corporate Services Limited

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PROXY FORM

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

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 abovenamed 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, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th Annual General Meeting of the Company, to be held on Friday, September 30, 2022 at 3.30 p.m. at the Corporate Office of the Company at 4-A, 4th Floor, Emgeen Chambers, CST Road, Kalina, Santacruz (East), Mumbai – 400 098 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
1.	To consider and adopt:- a. the audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Board and the Auditors thereon; b. the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon.		
2.	To appoint a Director in place of Mr. Nikhil Johari (DIN: 01960539) who retires by rotation and, being eligible, offers himself for re-appointment.		

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: 4-A, 4th Floor, Emgeen Chambers, CST Road, Kalina, Santacruz (East), Mumbai – 400098 Tel. No.: +91 22 4009 4400

Email: cs@edelweissfin.com Website: <https://ercsl.edelweissfin.com>

3.	To appoint a Director in place of Ms. Ananya Suneja (DIN: 07297081) who retires by rotation and, being eligible, offers herself for re-appointment.		
----	---	--	--

Signed this..... day of..... 2022.

Signature of shareholder:_____

Signature of Proxy holder(s):_____

Affix Revenue Stamp

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

16th Annual General Meeting – Friday, September 30, 2022 at 3.30 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 16th Annual General Meeting of the Company to be held on Friday, September 30, 2022 at 3.30 p.m. at the Corporate Office of the Company at 4-A, 4th Floor, Emgeen Chambers, CST Road, Kalina, Santacruz (East), 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

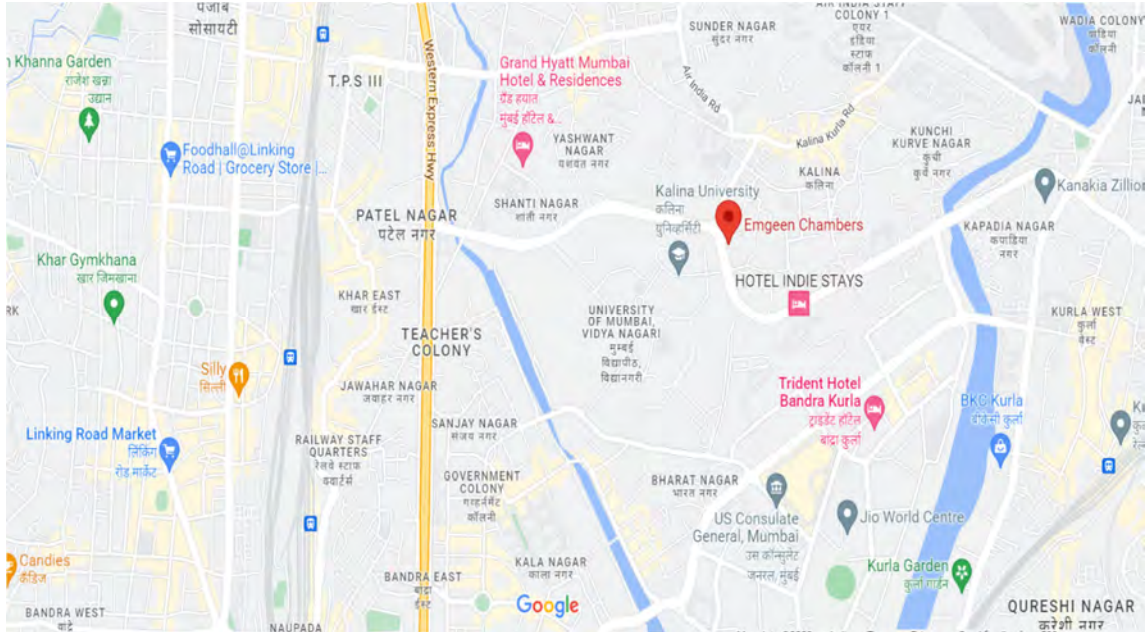
Note: Please fill in this attendance slip and hand it over at the venue of the meeting.

* Please strike off whichever is not applicable

Route Map of the 16th Annual General Meeting of Edelweiss Rural & Corporate Services Limited

AGM Venue: 4-A, 4th Floor, Emgeen Chambers, CST Road, Kalina, Santacruz (East), Mumbai – 400 098

Landmark – University of Mumbai, Kalina



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: 4-A, 4th Floor, Emgeen Chambers, CST Road, Kalina, Santacruz (East), Mumbai – 400098 Tel. No.: +91 22 4009 4400

Email: cs@edelweissfin.com Website: <https://ercsl.edelweissfin.com>