

EW/Sec/2022/149

August 10, 2022

BSE Limited P J Towers, Dalal Street, Fort, Mumbai - 400 001. Scrip Code: 532922	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. Symbol: EDELWEISS
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Dear Sir/Madam,

Sub.: Annual Report for the financial year 2021-22

In accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year ended March 31, 2022 including the Notice convening the 27th Annual General Meeting of the Members to be held on Friday, September 2, 2022.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Edelweiss Financial Services Limited

Tarun Khurana
Company Secretary

Encl: as above



Simple is Rare

Annual Report 2021-22





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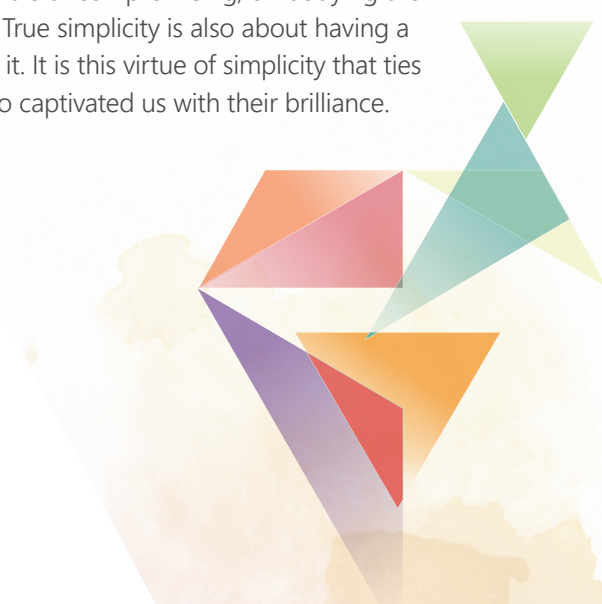
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Simple is rare. Simple is genius.

Simplicity is a wonderful virtue yet very rare. Reduced to its very essence, it is the purest form, one that is both clarifying and beautiful. Simplicity is elegant yet powerful enough to unlock the inner Genius. It is uncompromising, embodying the highest standards of integrity and excellence. True simplicity is also about having a purpose and then arranging our lives around it. It is this virtue of simplicity that ties some of the geniuses the world has seen, who captivated us with their brilliance.

At Edelweiss, we embrace simplicity in its true essence, focussing on the true purpose of our business. Taking inspiration from the geniuses who exemplified simplicity, we are resolutely strengthening the foundation of our businesses, digitising our processes, embedding transparency, and reducing complexities to deliver on our commitment to create greater long-term value and enable a more fulfilling experience for our customers, employees and stakeholders. Setting the course for a future that thrives on simplicity and pursues excellence!

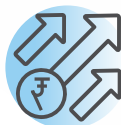
In a world that is besieged with complexities, the prodigies who embraced simplicity are indeed rare gems. Through this Annual Report, we seek inspiration from those who wowed us with their talent!



"The obvious is that which is never seen until someone expresses it simply".

- Kahlil Gibran

FY22 Highlights



Stable Financial Performance



Revenue
₹73.05 billion



Consolidated
PAT
₹1.89 billion



Ex-Insurance
PAT **₹4.05 billion**
~29% increase YoY



Robust Balance Sheet & Liquidity



Net Worth
₹84.57 billion



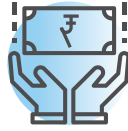
Reduced Borrowings
₹240.5 billion
declined by ~30% over FY20



Debt Equity Ratio Declined to
2.0x from **3.5x** in FY20



Comfortable Liquidity
₹55 billion



Value unlocking in Edelweiss Wealth Management (EWM)



Order of National Company Law Tribunal (NCLT) made effective for Phase 2 demerger scheme



Edelweiss holds ~**44%** stake in EWM



Completion of demerger by Jan 23 and listing of the business by Mar 23



Well Capitalised Businesses

High Capital Adequacy



CAPAD of **28%+** across Credit and ARC business



Solvency ratio of more than **210%** in Life Insurance and over **165%** in General Insurance



Robust Customer Franchisee

Growing Customer Assets



Customer Assets at **₹3,577** billion grew **~30%** YoY demonstrating the continued trust reposed by customers



Credit – Focus on Asset-Light Business through Partnerships with Banks



Significant improvement in Asset Quality – GNPA at **2.5%** in Mar 22 from **6.7%** in Mar 21



Reduction in wholesale book by **30%** over two years through focused workouts



Received inflows of **~₹16** billion in quarter ended Mar 22, Expect momentum to be maintained in FY23



Healthy collection efficiency at **101%** in Housing Finance, **96%** in NBFC



Asset Management: Alternatives & Mutual Fund

Alternatives – Leading Alternative Asset Manager



AuM **~₹305** billion, **15x** growth since FY15



PAT for the year grew by **2.4x** YoY to **₹470** million



Deployed **~₹49** billion and realised **~₹36** billion during the year



Fee Paying AuM - **₹176** billion

Mutual Fund – Among the Fastest Growing AMCs



AuM grew **55%** YoY to **₹850** billion



Inflows of **₹290** billion (market share of **~12%**)



Retail folios grew by **76%** in FY22 to **~1** million



Industry rank improved from **15** to **13**



Leadership in debt passives with **₹520** billion AuM



Asset Reconstruction – Leading ARC in the Country



Robust Recoveries -
~**₹69** billion of
which **11%** were from
retail portfolio

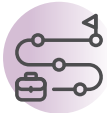


Share of retail assets in
capital employed grew
4x to ~14%



Insurance: Life & General Insurance

Life Insurance – among Fastest Growing in the Industry



Individual APE crossed
the **₹4** billion milestone,
having grown by a **21%**
5-year CAGR against **10%**
recorded by industry



Gross Premium
growth of
20% YoY

General Insurance – Fastest Growing on the back of a Digital Platform



49% YoY growth in
Gross Direct Premium
Income (GDPI)



2.2x growth in no.
of policies issued
~297,000



Wealth Management – Among Top 3 Players in India



Assets under Advice
₹2.02 trillion,
30% growth YoY



Customer reach
increased by **~22%** to
~857,000 clients



Strong **63%** YoY
growth in distribution
income, Revenue growth
of **24%** YoY



Strong Customer
Franchise
UHNI **~2,700**;
Affluent Clients
~854,000

Our Response to COVID-19

The COVID-19 pandemic and its lockdowns put immense pressure on the economies and businesses globally. It also deepened the strain on the economy in India. At Edelweiss, we enabled a swift and seamless transition to work from home without any significant loss in productivity. While we worked towards slowly returning to normalcy, we maintained a strict focus on safety and hygiene. We were also cognisant that staying connected and remaining available for all our stakeholders, especially customers, was critical, despite the physical distance.



A Responsible Corporate Citizen



Responsibility to our People



Responsibility to Customers and Partners



A Responsible Corporate Citizen

The last year saw two more waves of the pandemic. The second phase – worse than the first – saw communities struggling to access hospital services, oxygen facilities and having to cope with deeper vulnerabilities of lost livelihoods and physical and mental well-being. The recurring cycles of the pandemic also threatened the breakdown of the country’s grassroots organisations that on one hand were continuing to meet the needs of their communities, while battling for their own survival on the other.

Our COVID-relief initiatives in the past year were aimed at enabling grassroots communities to survive and recover from the various impacts of the pandemic. We continued to support critical work by providing humanitarian assistance through the provision of rations to affected communities, support for the revival of livelihoods through the provision of seed kits, financial assistance to set up small businesses, etc.



To combat the larger challenge facing India’s grassroots organisations, we launched the GROW Fund with an aim to scope, support and strengthen 100 small and medium-sized organisations through non-programmatic grants supplemented with capacity building to enable their institutional resilience and future readiness.



- ▶ For FY22, we funded and raised close to ₹270 million towards COVID-related work for over 20 organisations to ensure direct relief, address the migrant crisis, and rebuild lives and livelihoods, especially for rural communities
- ▶ Within a year, the GROW Fund actualised from germinating as an empathetic response to the devastation we witnessed, to a programme concept deeply rooted in our collaborative philanthropy approach, into an execution stage initiative successfully bringing together a cohort of funders that pledged intent and funds to support a community of 100 NGOs across India



EdelGive's approach is to provide need-based timely support and commitment for revival, rehabilitation, and resilience building.

- ▶ Support to grassroots organisations across India working with COVID-affected communities
- ▶ Advise and provide linkages and management to Indian, international and diaspora funders intent to support COVID-19 relief work
- ▶ Promulgating within the funder ecosystem, the concept of institutional resilience as core to organisational effectiveness and programme impact, by manifesting the GROW Fund





Responsibility to our People



At Edelweiss, we were proactive in managing the crisis and encouraged employees to work from home.

We were focused on the safety and well-being of our employees even as we ensured business continuity and operated at the same levels of efficiency as earlier.



Our Approach

- ▶ Employees continued to work from home. Some businesses categorised roles and accordingly adapted a hybrid working model to bring in efficiencies into the system
- ▶ Frequent communication on COVID appropriate behaviour (CAB) to increase awareness amongst employees as a precautionary measure
- ▶ Implemented safe practices for office premises, travel, visitors, external meetings and events, health status reporting and quarantine guidelines
- ▶ An employee support group conducted one-on-one well-being checks in, by creating a group of volunteers who reached out to every single employee
- ▶ Social distancing mandated in all common areas as a precaution to avoid spread of infection
- ▶ Activated 'Incident Room', an Edelweiss emergency response hub, to respond to employee queries and track travel history
- ▶ Revised medical insurance coverage against COVID-19 for employees and their dependent family members
- ▶ A strong communication strategy to align all employees together and provide a safe channel for sharing of information, feedback and address concerns

Focus Areas during Transition

A three-tier people strategy was crafted after detailed deliberation and overview of external and internal factors. As an organisation, the primary pillars of our people strategy are:



Employee safety and well-being



Communication



Productivity

One of our guiding principle is 'We will take care of our people' and in unprecedented times like these, the primary element of our people strategy is employee safety and well-being.

- 90% of our employees have adopted a hybrid working model
- We have implemented measures as needed, to keep the office premises safe for our critical resources who are required to come to work
- COVID-19 helpline: An exclusive helpline was set up to connect employees with a qualified doctor to provide WHO/GOI verified information, quell myths and address queries about COVID-19
- COVID-19 counselling helpline services: Another exclusive helpline was set up for employees to reach out to trained counsellors for any support as needed to get through this sensitive phase in case they experienced fatigue, stress, and anxiety
- Our Group medical insurance policy covers employees and their insured family members for hospitalisation, quarantine and treatment
- Incident Room: 24x7 COVID helpline with on-ground response team, tie-ups for tests, plasma, oxygen, and hospital admissions
- Onsite-vaccination drives and reimbursements for all employees and their families
- Special leaves (up to 14 days) if an employee or a family member tests positive
- Salary advance policy to provide financial assistance
- Support to the family of employees who succumbed to COVID
 - Life insurance payments up to 3x of CTC and ex-gratia
 - Medical insurance, education assistance and offer of employment extended to bereaved family members on a case-to-case basis
- Employee development
 - Focus on online learning content relevant to an individual
 - Reimbursing course expenses from online learning sites like Coursera, Udemy, LinkedIn Learning
 - Librarywala: To get our teams into a habit of reading regularly, we collaborated with a well-known library vendor and ensured our people had easy access to a wide range of literature, including books and magazines

Employee Wellness Sessions



- Webinars for positive mental wellbeing, holistic health, vaccination for children, and session on Omicron precautions by expert doctors
- Virtual events included talent shows, CEO coffee breaks, festival celebrations, family connects fitness challenges, and townhalls

- Regular health webinars and sessions by medical experts
- Online consultation with a general physician
- Counselling sessions with psychologists
- Consultations for employee's spouse, children, parents, and any other family member who is part of medical insurance policy
- COVID Taskforce to provide aid to affected employees and their families
- COVID care hampers provided to employees being treated for COVID

Communication

We have engaged with our employees via a 4-pronged communication strategy to ensure the following:

Information on health and business is communicated from the right sources to beat rumour mills



Our channels of communication

Townhall/Edelogue

Across the organisation, we have held multiple townhalls including Edelweiss One Connect, a townhall by senior leaders and members of the Board to ensure a formal communication channel between business leaders and employees for organisational updates and to address concerns and listen to feedback. Edelogue facilitated a dialogue with our leaders, who connect with their teams regularly and guide them as required.

Employee Connect

- Regular and detailed communication from CHRO provided essential updates and clear direction on the road ahead
- Activities to engage employees through formal and informal connects were conducted periodically like book reviews, movie/TV series reviews or sharing of experiences and best practices during the lockdown
- Samvaad – a forum for retail division for communication and appreciation

Productivity



Technology Support

With focus on productivity, we provided enhanced support for digital connectivity while working remotely, along with implementation of a host of cybersecurity initiatives to ensure uninterrupted operations during COVID lockdown.



Guidelines and Sessions

Special workshops were conducted for employees on how to manage a team, work from home, be productive during the lockdown, and collaborate in the virtual world.

Learning and Development

All our learning activities were successfully transitioned to a digital format during the pandemic. All sessions, discussion forums and activities were conducted online. We also designed and conducted a learning campaign named MindLift comprising curated content and courses on topics relevant to the new normal, such as leading and managing digital teams, resilience,

empathetic communication, managing stakeholders, working digitally, etc.

There were also frequent online connects with senior leaders as they shared their perspective and experiences, both at a personal and professional level, during the pandemic. Key business insights were also discussed.

Resumption

COVID-19 has been a great eye opener and has brought forth our vulnerabilities as a society. The experience has redefined the way we lead our lives, the way we work and indeed the way we connect with others. In such challenging times, with increased incidence of infectious and lifestyle diseases, it is even more important that we create a safe environment and lifestyle for ourselves and our communities.

Given the magnitude of the crisis, there was no ready or laid-out strategy to follow in these difficult times. Our resumption strategy focussed on the following:

- Re-evaluation and identification of critical resources and a detailed risk assessment for each employee
- Phase-wise resumption plan for each business and corporate functions
- Widespread adoption of the hybrid working model
- SOPs and guidelines for
 - Ensuring business continuity
 - Ensuring health and safety of all employees and customers
 - Facilitating a uniform set of standards amongst all Edelweiss offices on safety and operating procedures



Responsibility to Customers and Partners

We knew that in such unprecedented times, our customers would be anxious and would need all the handholding we could provide. We went the extra mile to ensure authentic experiences. Our motto was simple – demystify the ambiguity and educate them on the best way forward.

Edelweiss General Insurance waived off the 30-day waiting period

- Waived off the 30-day wait period to ease claim settlement
- Covered everything from normal hospitalisation to ICU treatment
- Covered domiciliary hospitalisation benefit as well as alternative treatments under AYUSH

Edelweiss General Insurance gave vehicle owners the option to SWITCH off/on their motor insurance

- Permitted vehicle owners to switch their motor insurance on and off, based on usage
- A driver-based motor insurance policy (under IRDAI's Regulatory Sandbox)
- Brought cost savings to customers who have been sparingly using their vehicles in recent times
- BOLT, the self survey app, enabled remote inspections and offered instant settlements

Edelweiss General Insurance leveraged on technological edge

- Open API gateway, data lake, enhanced partner portals and new product customization modules. This enables us to connect and integrate with our partners seamlessly
- First within the industry to rollout open API gateway for the ecosystem of business partners & developers enabling Plug & Play integration

Edelweiss Mutual Fund Goes Digital

- Leveraging digital platforms like Edelweissmf.com, Galaxy, Bharatbond.in, Edelweiss Mutual Fund enabled seamless digital investments and advisories
- Conducted numerous investment and advisory sessions to dispel uncertainty and share expert advice



Edelweiss MSME participated in ECLGS (Emergency Credit Line Guarantee Scheme)

- Launched by Ministry of Finance to support the MSME sector with growth capital for their business
- Additional funding under the scheme to support the existing borrowers in MSME sector
- Quick and timely support to overcome financial crisis

Edelweiss Tokio Life Insurance Reimagines Customer Experience

- Leveraging technology, introduced 'dial for success', a digital tool that helped convert face-to-face advisory to digital advisory, making it easier for customers to stay safe
- Enhanced non-medical limits; used credit bureau scores and income in lieu of financial documents for underwriting and leveraged the scores to waive medicals for term and savings plans
- Introduced a WhatsApp hotline number to facilitate seamless online claim intimation and tracking
- Introduced a dedicated medical helpline for customers to access GOI/WHO verified COVID-19 information

Edelweiss Tokio Life Insurance Launches COVID Shield+

- India's first individual COVID life insurance policy helps policyholders to secure their savings in the ongoing pandemic

Edelweiss Wealth Management Uses Technology to Connect with Clients

- Relationship managers facilitated Edelweiss Mobile Trader (EMT) adoption amongst clients, helping them to stay connected with markets remotely as per their convenience
- Customers and partners were provided advice and consultation on their physical and financial health via webinars with industry experts

Edelweiss Institutional Equities Enables Virtual Corporate Access

- Continued to provide global investors access to corporates and industry experts in India via virtual delivery platforms
- Topics included economic impact of policy choices during COVID-19, ESG investments in a post COVID-19 world, among others

Images are stock images for illustrative purposes



"I have just three things to teach - simplicity, patience, compassion. These three are your greatest treasures."

- Lao Tzu

Lao Tzu was an ancient Chinese philosopher and poet. His teachings guide people on how to return to the ways of nature to maintain the balance of the 'Tao' or 'the universe'. Simplicity, patience and compassion, he believed, were the greatest treasures of life.

OUR GUIDING PRINCIPLES

A PHILOSOPHY THAT STEERS OUR PERFORMANCE

Simplicity in action and thoughts and discipline to remain unwavering on the chosen path, while being compassionate to all, has been our philosophy at Edelweiss. Over the last 25 years, our guiding principles continue to lead and steer our balanced decision-making. A blend of our ideals, culture and values, these principles bring purpose to our business and into our lives.

Tenets of our Corporate Governance Philosophy

- 1 We are a Thinking Organisation.** We constantly bring thought to everything we do. Our clients' and our own success depend on our ability to use greater ideation and more imagination in our approach.
- 2 We are Fair** to our clients, our employees, and all stakeholders.
- 3 We operate as a Partnership, internally and externally.** We believe teamwork and collaboration always ensure a better and more balanced organisation. We also treat our clients as partners and extend them the same respect and consideration as our internal team members.
- 4 We focus on the Long-Term.** As the world is poised on the threshold of change and may not hold up our assumptions for the future in the coming years, we reflect on the long-term implications of our actions. Even short-term decisions are made with an awareness of long-term implications.
- 5 We focus on Growth** for our clients, employees, and shareholders.
- 6 Our Reputation and Image is more important than any financial reward.** Reputation is hard to build and even harder to rebuild. It is impacted by our ability to think for our clients, maintain confidentiality and by adherence to our ethical value system.
- 7 We Obey and Comply with the rules of the land.** We maintain the highest standards of integrity and honesty. When we are unclear, we seek clarifications from experts.
- 8 We take care of our People.** Our policies – in letter and in spirit – ensure transparency and equal opportunity for all. We go beyond the normal goals of attracting, recruiting, retaining, and rewarding fine talent. We ensure that every individual in Edelweiss has an opportunity to achieve their fullest potential.
- 9 We Respect Risk.** Our business presents a constant challenge of balancing risk and reward. Our ability to continually keep an eye on risk guides us through this fine balance.
- 10 Our Financial Capital is a critical resource for growth.** We endeavour to grow, protect, and use our financial capital wisely.
- 11 Our Customer Experience defines us.** We strive to make it outstanding every time.
- 12 We Listen and Fulfil the customer's needs.** Listening is the start of the relationship with our customers wherein we understand their needs and fulfil these with the most appropriate products and solutions.
- 13 We satisfy the needs of all stakeholders.** Shareholders who entrust us with their capital, employees who build the organisation, customers who are the reason we exist and society which gives us the resources and opportunity to create value.



*"The music is not in the notes,
but in the silence between."*

- Mozart

Among the greatest musical composers of all times, Mozart knew that silence has eloquence, silence has power. His brilliant compositions embraced the simple fact that the silence in between the notes – the breaths, the pauses – were as important in defining the work as the notes. He was a genius who recognised which spaces in between sounds need to be mastered.










DIVERSIFIED BUSINESSES

A BALANCE THAT CREATES BETTER VALUE

At Edelweiss, we have reinvented ourselves at the turn of every economic and business cycle, taking measured steps when needed and striking the right balance between accelerated growth and building resilient foundations. Our continual focus on building resilience and strength shields us against short-term disruptions while creating long-term value through gradually scaling our businesses. These 'notes' of strong business verticals and our measured 'silence' in others, together create the 'music' of long-term sustainable value.

Our businesses saw a steady performance in FY22. Our asset management cluster has been growing from strength to strength, doubling its AuM in two years. While Mutual Funds have steadily been moving up in the industry rankings with a 2.2x growth in its customer base, our Alternatives platform continued to see robust deployment with an onset of operating leverage leading to improving margins. Our Life Insurance and General Insurance franchisees are amongst the fastest growing players in the industry. Recoveries in the Asset Reconstruction business continue to be healthy with share of retail portfolio in capital employed has scaled up by 4x YoY. In our Credit cluster, we continue our pivot to an asset-light, partnership driven co-lending model. A substantial improvement in asset quality, strong wholesale recoveries and high collection efficiencies along with focused workouts have helped accelerate reduction in our wholesale credit book, which has also been a key priority for the year. Enabled by digital platforms and synergistic partnerships, customer reach at ~5 million has almost doubled over two years while customer assets have steadily grown at ~27% YoY to ₹3.57 trillion demonstrating the continued trust reposed in us by our customers. Digital platforms, innovative products, and synergistic partnerships across trusted legacy institutions and new-age internet economy players have fuelled this growth.

Structured under five clusters, our businesses are well-capitalised with operationally independent and robust platforms and poised for growth. The economic tailwinds provide headroom for growth for each of our businesses and we will continue investing in and supporting these businesses in their journey of value creation. Robust equity, comfortable liquidity and agile operating platforms provide a solid foundation, and we confidently look forward to FY23 with optimism.

	 Credit		 Asset Management		 Asset Reconstruction	 Insurance		 Wealth Management
	NBFC	Housing Finance	Mutual Fund	Alternatives		Life Insurance	General Insurance	
 Strengths	Capital-light model Focussed on co-lending, on-lending, and securitisation	Tech and analytics led Asset-light lending model	One of the fastest growing AMCs	Largest Alternative Assets platform	Largest Asset Reconstruction Company (ARC) in the country	Among the fastest growing Life Insurers	Fast growing digital insurance	One of India's largest Wealth Management Platforms
 Key Entities	ECL Finance Ltd (ECLF), Edelweiss Retail Finance Ltd (ERFL)	Edelweiss Housing Finance Company Ltd (EHFL)	Edelweiss Asset Management Ltd (EAML)	Edelweiss Alternate Asset Advisors Ltd (EAAA)	Edelweiss Asset Reconstruction Company Ltd (EARC)	Edelweiss Tokio Life Insurance Company Ltd (ETLI)	Edelweiss General Insurance Company Ltd (EGICL)	Edelweiss Securities Ltd (ESL)
 Equity	₹39.3 billion	₹7.8 billion	₹1.8 billion	₹2.1 billion	₹24.8 billion	₹6.2 billion	₹1.3 billion	₹18.3 billion
 EFSL Stake	100%	100%	100%	100%	60%	66%	100%	44%



Credit

Our credit business is focused on a capital-light model through bank collaborations. While we are scaling down our wholesale book, we remain focused on building a digital-led asset-light, credit portfolio, through partnerships with banks. With significant improvement in asset quality despite the third COVID wave, we have a smaller mid-corporate credit book and are looking at scaling up retail credit going forward. Being conservative and consistently providing higher than IRAC norms for our credit assets, has resulted in a strong balance sheet and adequately capitalised businesses, which will be foundational for future growth.

MSME & Business Loans (ECLF & ERFL)

Net Worth
₹39.33 billion

AuM
₹73.57 billion

Capital Adequacy
31.7%



Asset-Light Business Model

- Initiated disbursements under CLM partnership
- Focus on growing CLM portfolio through broader partner base



Successful Workouts & Strong Recoveries

- Strong wholesale recoveries of ₹16 billion in the quarter ended Mar 22, momentum expected to continue
- Retail collection efficiency at 96% for the quarter ended Mar 22



Improved Asset Quality

- NNPA improved to 1.96% as on Mar 22 from 2.31% on Dec 21, and 6.83% on Mar 21

Housing Finance (EHFL)

Net Worth
₹7.77 billion

AuM
₹39.24 billion

Capital Adequacy
28.3%



Significant growth in PAT;
grew 2.5x YoY to
~₹140 million



**Focus on asset-light
growth**



**Strategic use of direct
assignment and securitisation,
securitised book of
~₹7.8 billion in FY22**



**Leverage on technology
and analytics for speed,
agility, and resiliency**



Strong Collections

- Collections of ~₹16 billion in FY22; Maintained collection efficiency of ~101% for quarter ended Mar 22
- Adopted conservative stance on disbursements disbursed ~₹9.84 billion in FY22



Improved Asset Quality

- Significant improvement in asset quality
- NNPA improved to 1.46% as on Mar 22 from 2.98% and 3.14% as on Dec 21 and Mar 21 respectively



Strategic Partnerships

- Co-origination tie-up with State Bank of India, Standard Chartered Bank, and Indian Bank for priority sector lending



Asset Management

(Mutual Fund and Alternative Asset Management)

Asset Management has grown significantly over the last couple of years. Our AuM has doubled in two years and tripled in three years to ~₹1,155 billion. Our Mutual Fund continued to make rapid strides, with improvement in both market share and industry ranking. We continue to be a leading Alternative Asset manager in the country offering a dominant yield focused alternatives platform. As the only Indian alternative manager to feature in the top 100 global fund raisers in private debt by Private Debt Investor (Prequin), the business has seen an AuM growth of ~15x over the past 7 years.

Mutual Funds

Our Mutual Fund business has had a profitable year and seen a four times growth in profit along with improved market share. Our overall AuM grew at 55% YoY to ₹850 billion in FY22, considerably exceeding industry growth. We not only continued to strengthen our bond fund portfolio and reinforced our leadership in passives but also saw growth in equity inflows with Equity AuM growing by 85% YoY with its share in the Total AuM increasing to 23% as on Mar 22. The business has improved its ranking to 13th in FY22 from 15th in FY21 and caters to 730,000 unique investors, compared to 420,000 at the end of FY21.

Net Worth
₹1.82 billion

Gross Revenue
₹1.67 billion

Profit After Tax
₹0.20 billion



Expanding Customer Assets

- The business manages an AuM of ₹850 billion under 41 schemes across Equity, Debt and Liquid categories
- Retail folios increased by 76% in FY22 to ~1 million
- Total net inflows increased 24% YoY to ~₹290 billion in the year
- Total net equity inflows doubled YoY to ~₹80 billion
- In fixed income, we are among the top 10 AMC's in India with our total debt AuM crossing ~₹ 616 billion



Earned Investor Trust

- Crossed ₹196 billion of equity assets with a market share of 1.08%
- Unique active investor base grew by ~74% from 420,000 in FY21 to 730,000 in FY22
- Our systematic transactions# increased by ~85% from 179,000 in FY21 to 334,000 in FY22



Business Leadership

- Market share improved ~50 bps to 2.16% with rank improving from 15th to 13th in the year
- Best-in-class performance in Balanced advantage strategy which is the 5th largest in the segment with 2.3x growth in FY22
- Continued leadership in the debt passives category with AuM crossing ~₹520 billion as of Mar 22 with a ladder of products from 2023 to 2032

(SIP+STP count – EoP)

Alternatives

The year saw a reinforcement of our dominance in the Alternatives business which has a robust annuity income and strong growth in profitability resulting from commencement of operating leverage. With over 1,000+ offshore and onshore investors, we manage assets of ₹305 billion and continue to be the leading asset managers offering yield-focused alternatives strategies. The only Indian alternative manager to feature in the top 100 global fund raisers in private debt by Private Debt Investor [Source: Prequin], the third series of our flagship special situation fund strategy and second series of our infrastructure yield fund strategy launched this year, are seeing an encouraging response from offshore as well as domestic investors.

AuM
₹305 billion

Gross Revenue
₹2.82 billion

Profit After Tax
₹0.47 billion



Validating Investor Trust

- AuM ₹305 billion, CAGR of ~50% since FY15
- Fee paying AUM grew ~25% YoY
- Average annual fund raise of over ₹42 billion over last 5 years



Operating Leverage leading to increased profitability

- Profitability grew from ₹0.14 billion in FY21 to ₹0.47 billion in FY22
- Margins set to further improve as operating leverage kicks in



Leveraging Opportunities

- Steady increase in deployment across funds
- Total deployment of ₹49 billion in FY22, with an average annual deployment of over ₹35 billion over last five years
- Total realisation of ₹36 billion in FY22, an average annual realisation of over ₹32 billion over last five years
- Actively looking at deployment opportunities – current dry powder at ₹80 billion



Robust Global Footprint

- 1,000+ Unique LP relationships across 5 Geographies
- 350+ repeat LP who have invested across strategies



Encouraging Response to ongoing Fund Raises, adding to dry powder and growth

- Launched series III fund under the Special Situations strategy, focusing on investments in asset heavy, positive EBITDA businesses
- Launched series II fund under the Infrastructure Yield strategy which focuses on acquiring quality infrastructure assets in energy and transportation



Asset Reconstruction

As India's largest asset reconstruction platform, with a market share of ~45%, Edelweiss ARC plays an important role in the reconstruction and redeployment of productive assets into the economy. With a focus on optimal resolution and turnaround of portfolio assets, we have recovered ₹69 billion and deployed ₹13.08 billion. With a key focus on recoveries, we have recovered ~₹300 billion over the last four years despite the pandemic. With a thrust on building analytics and technology-driven retail capabilities, acquisition and resolution of retail assets has grown by almost 4x YoY.

Revenues
₹8.99 billion

Profit After Tax (pre-MI)
₹2.53 billion

Net Worth
₹24.76 billion

Assets under Management
₹402 billion



Robust Recoveries

- Specialist team focused on facilitating turnaround of portfolio assets
- Robust recoveries of ₹69 billion of which 11% was from retail portfolio during the year
- Over ₹300 billion recovered over last four years
- Acquired assets worth ₹52 billion during the year



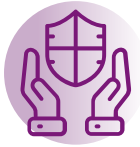
Thrust on Retail Assets

- Strong pipeline with focus on acquiring large, viable, operating and EBITDA earning assets
- Focus on building scale in retail. Share of retail assets in capital employed grew 4x YoY to 14% as of Mar 22
- Deployment of ₹4.45 billion towards retail assets, which is more than 50% of the deployment by the industry in retail NPAs
- Diverse retail assets with deployment across various asset classes like mortgages, auto, commercial vehicles, microfinance, educational loans, and other unsecured loans



Robust Balance Sheet, Steady Income & Profitability

- Strong, well-capitalised balance sheet with well-matched ALM across all durations
- Steady fee income anchoring profitability, Profit (PAT): 3.2% of the AuM since FY18
- 4.3% Return on Assets (RoA)
- 10.8% Return on Equity (RoE)



Insurance

Our Insurance businesses have shown strong performance and continue to be amongst the fastest growing in the industry. With a focus on digitalising the entire insurance value chain, enabling higher efficiencies, superior customer experience. Innovative product bouquet and strong partnerships, our insurance franchisees have outperformed industry benchmarks. With a customer reach of ~3 million, the insurance businesses continue to build a quality proposition, focused on customer needs. Leveraging on digital prowess, these businesses are looking to scale up sustainably and profitably over the years. We have sold the entire stake in our insurance broking business to US-based Arthur Gallagher.

Life Insurance

Edelweiss Tokio Life Insurance (ETLI) is the youngest and one of the fastest growing life insurance companies in India. With a commitment to safeguarding people's dreams and aspirations, we have stood firm by our customers as the pandemic raged. An individual claim settlement ratio of 98.09%, despite the surge in claims due to the second COVID wave, demonstrates our steadfast commitment to championing the moment of truth. With an Individual APE 5-year CAGR of 21%, the business continues to grow faster than the industry and create long-term value. Certified as a Great Place to Work for the second year in a row, making it to the Top 30 workplaces in BFSI, Top 100 workplaces in the country, and among the best life insurance workplaces, is a testament to the strong work culture and shared vision across the organisation.

Customers
~**348,000**

Agents
~**63,000**

Branches
109

No. of Policies
~**65,500**



Long-Term Value Creation

- Among the fastest growing life insurance companies, Individual Annualised Premium Equivalent (APE) CAGR of 21% since FY17, compared with 10% recorded by the Industry
- Individual Annualised Premium Equivalent (APE) increased by 4% to ₹4.20 billion in FY22 (₹4.04 billion FY21)
- Gross Premium at ₹14.64 billion in FY22, compared with ₹12.48 billion in FY21, marking a 20% growth
- Active clients grew by 5% YoY while the advisor base grew by 11% YoY



High Quality Franchise

- 13th month overall persistency at 72%
- Indian Embedded Value (IEV) as on Mar 22, at ₹15.74 billion
- Solvency ratio at 211%
- Individual claims settlement ratio at 98% in FY22 compared with 97% in FY21



Innovative Products

- Launched Premier Guaranteed Income (PGI), and Guaranteed Income Star (GIS) plan – income products which help create a financial back-up for contingencies, a need and behavioural shift seen amongst consumers due to the uncertainties faced during COVID-19

General Insurance

Edelweiss General Insurance (EGIL) our youngest business, continued to grow strongly by clocking a YoY growth of ~60% – third highest among general insurers, making it amongst the Top 3 fastest growing general insurance companies for two years in a row. Enabled by a robust digital business model, we focused on building innovative products, providing a great customer experience, and enhancing operating efficiencies. With a rapidly growing multi-channel partnership-led distribution network, our active customer base has doubled in less than a year.

Gross Written Premium

₹3.60 billion

Solvency Ratio

167%

Number of Policies

297,000

Robust Growth



Sturdy growth despite COVID-19 headwinds

- GDP growth of ~60% YoY; industry growth at ~11%
- Issued ~300,000 policies during the year; ~60% growth YoY
- Health insurance growth at 42%; Industry average at 25%
- Motor insurance growth at 77% YoY; Industry average at 4% (24% FY16)



Technological Edge

- Scaled up tech infrastructure. Open API gateway, end-to-end digital journeys offer seamless integration for partners
- Launched AI Bot for motor claims and automated claims registration module to further improve efficiency
- Adoption of video-based remote survey app (BOLT) for motor claims stands at 44% in FY22



Product Innovations

- Modular product suite for hyper personalised, moment-based insurance cover
- Edelweiss SWITCH India's first on-demand motor insurance, enabled by innovative mobile telematics technology
- Launched Health 241, an industry first product with second year premium waiver
- Insurance cover for newborn babies from day 1



Partnerships

Expanded distribution partnerships with marquee internet economy players and OEMs across motor and health segments.



Accolades

Continued to win multiple awards for customer-centricity and product innovations at prominent industry forums.



Wealth Management

The wealth management business is an associate business where we entered into a partnership with PAG (Pacific Alliance Group), the leading Asia-focused investment group, through a majority stake sale in FY21. During the year, we exercised our option to increase our stake in the business to ~44%, with PAG holding the balance. The business has consistently outpaced market growth and is the second largest non-bank wealth management company in India. Customer assets under advice have grown with a ~38% CAGR from ~₹295 billion in FY16 to ~₹2.02 trillion in FY22, which is a strong testament to the trust our customers repose in us. Leveraging digitisation, the business is building scale with a 30% growth in AuA YoY.

Net Worth
₹18.33 billion



Expanding Customer Assets

- Assets under Advice – grew from 155,000 Cr (FY21) to 202,000 cr (FY22)- 30% growth
- Customers grew to 857,700 in FY22 from 703,000 in FY21 - 32% increase
- Number of customers – UHNI: 2,700; ~854,000 Affluent clients (22% YoY growth)

Gross Revenue
₹16.00 billion



Strong Fee-based Revenue

- Revenue grew by 24% YoY
- Loan book grew by 95% YoY to ₹30 billion in FY22
- Strong 63% YoY growth in distribution income

Profit After Tax
₹2.41 billion



Value Unlocking in Edelweiss Wealth Management (EWM)

- EFSL exercised the option to increase stake to ~44%
- Completed Phase 2 of the demerger of the business; NCLT order received
- Phase 3 of the demerger and listing of EWM is on track; listing expected by Mar 23



Innovative Products

- Launched innovative funds from the Investment Management platform, successfully garnering ~₹36 billion from ~2,300 investors. These funds have shown consistent performance, exceeding benchmark returns
- Market leaders in structured products. Investment performance of existing funds - Peer Rank # 1 in Pre-IPO fund
- Customised offerings, digitised platforms have helped enhance value to customers, resulting in NPS scores going up for the affluent segment, they went to 84 in FY22 vs 64 in FY21



Business Leadership

- Investment Banking business had record 8 closures of large IPOs (₹10 billion+) while maintaining a 25% market share
- Ranked second in India for QIPs in the range of ₹1 billion to ₹15 billion with a market share of 21% in terms of the number of issues handled*
- Ranked second in M&A advisory for venture intelligence in engineering & construction and travel & transport segments and third in the private equity advisory for the education segment**
- Debt Capital Markets business maintained its top position for public issuance of bonds for the 8th successive year and were lead arrangers to 70% of the amount mobilised via this route*
- Ranked third in CP issuances with a market share of 14%*

* Source: Prime Database

**Source: Venture Intelligence



"Luxury and lies have huge maintenance costs. But truth and simplicity are self-maintained without any cost."

- Dr. A.P.J. Abdul Kalam

Dr. A.P.J. Abdul Kalam had always let his actions speak. His greatness was his simplicity and humility. He avoided all the luxuries even after becoming the President of India. When his presidential days ended, he walked out with his two suitcases, saying that his true asset was the goodwill of the people. An epitome of value, ethics and integrity, he had a moral compass that pointed True North.

CORPORATE GOVERNANCE

DISCIPLINE THAT EARNS TRUST AND RESPECT

At Edelweiss, our corporate governance credo is inspired by the values of this unassuming yet distinguished personality. Discipline internally to ensure discipline externally has been our approach to governance and adoption of responsible and ethical business practices is integral to the way we operate. The principles of simplicity, humility, truth and integrity are enshrined in our governance framework and adopting voluntary practices that demonstrate the highest level of transparency and propriety, we strive hard to earn the trust and respect of our stakeholders.

The tenets of our Corporate Governance Philosophy go beyond a set of policies and practices and are an integral element of the Edelweiss Culture, guiding our efforts to conduct business in an ethical, responsible and transparent manner.

Tenets of our Corporate Governance Philosophy



TRUST

No compromise on ethics and integrity



LEGITIMACY

Transparent, authenticity and fairness



ACCOUNTABILITY

Responsible decision-making and responsiveness



COMPETENCE

Simplification for enhanced effectiveness



RESPECT

Uphold the laws of the land in letter and spirit

Key Highlights

- 11-member Board of Directors comprising 6 Independent Directors, 2 women Directors - collectively represent over 350 years of rich and diverse experience
- The Environmental, Social and Governance (ESG) strategy is overseen by the ESG Council, spearheaded by women leaders and aims to embed sustainability across the Group
- "Eleven-risk framework" is institutionalised to assess, avoid, manage, and mitigate risks across businesses in a continuous manner, along with Board-level oversight
- Use of analytics helps in early detection and derailment of potential risks
- Our subsidiaries are decentralised, with independent compliance officers, following a strong culture of compliance, regulatory standards, and remediation of escalations
- Major subsidiaries have independent directors who ensure keen external oversight and transparency
- Regulatory compliance is automated through technology-based applications
- Senior Management and Directors governed by Conflict of Interest policy, in addition to the Employees' Code of Conduct, outlining an ethical roadmap for conduct of business
- Regular Policy refresher workshops and e-learning modules are conducted for employees to ensure awareness, assimilation and adherence
- Represent the voice of the industry through active engagement with regulators and government
- Prioritised Cloud security framework and implemented state-of-the-art security solutions for data classification, data protection, data loss prevention, advanced threat protection, zero-day protection etc.



*"Simplicity is the
ultimate sophistication."*

- Steve Jobs

Steve Jobs is instrumental in building the design philosophy of stark, minimalistic aesthetics which centred around the customer. He simplified complex technology, designing products that were intuitive and easy to use, which meant that customers could not only do more, but do it with style. Bringing his vision to life, he redefined key consumer industries worldwide.

CUSTOMER EXPERIENCE

DELIGHTFUL EXPERIENCES THAT BUILD ENDURING BONDS

At Edelweiss, simplicity guides us as we continue to create wow experiences for our customers. We believe customer experience is not restricted to service delivery, but extends to all moments of truth, including product design, pricing and more. Led by customer insights, we develop offerings that are simple, easily understood, meeting consumer needs in a nimble, intuitive manner. With an unwavering commitment to helping them achieve their aspirations, we are concertedly combining winning technologies with personalised touch to build a business that resonates with our ~5 million customers.

A simple promise to our Customers aligns the entire organization towards providing an ASSURED Customer Experience



Accessible to customers



Upfront and Transparent



Easy to Deal with



Same Side as our customers



Remove Limitations

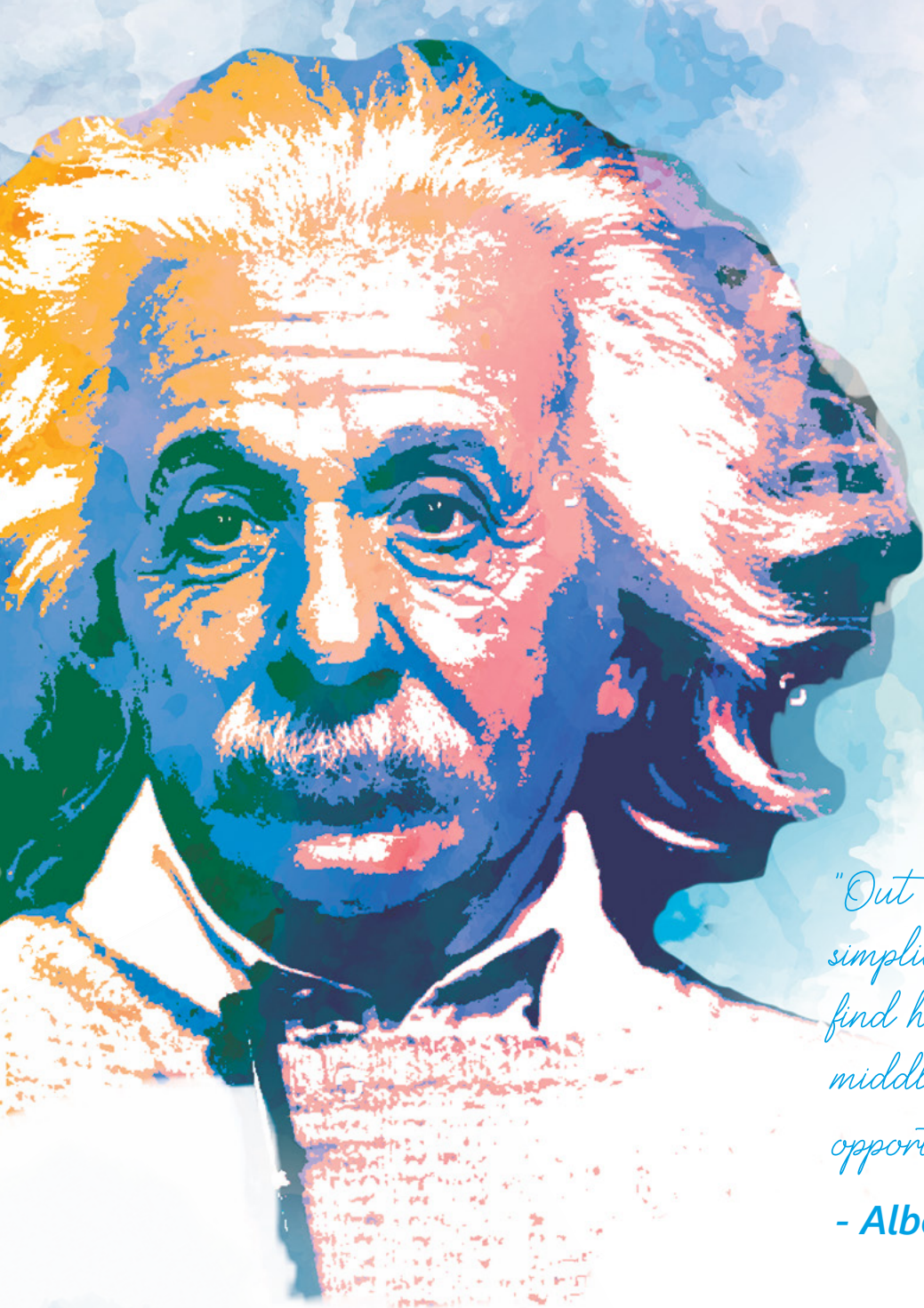


Dependable and take Ownership

Key Highlights:

- Simplified the onboarding platform for Alternative Investment Funds through SWIFT, going completely paperless and integrating it with Aadhaar-based e-sign, e-stamp paper, smart document checklist, etc.
- End-to-end services from onboarding to portfolio monitoring, payment and other services for our mutual fund customers through Einvest
- Enabled faster transaction processing for our Mutual Fund clients through Virat, our renewed transaction processing with re-engineered backend processes for Non-Commercial Transaction (NCT) resulting into faster updates of bank details, address changes, e-mandates, etc.
- Launched HEALTH 241 – an industry-first product with second year premium waiver for claim free first year in the policy, in addition to coverage for newborn babies from day 1
- SWITCH – India's first on-demand app-based motor insurance where customers pay only for the days they drive their vehicle and save on premium when they don't
- Seamless Motor claims experience with BOLT, which offers digital motor claim survey remotely
- End-to-end automation of the payment process for ARC clients through multiple digital payment options including payment using virtual account number
- Digital claim processing for our Life Insurance customers, ensuring a smooth, hassle-free experience, enabling a claim settlement ratio of 98.09% and amongst lowest grievance ratio, despite being the youngest life insurance company in the country
- Digital Lending Platform (DLP) which leveraged analytics and accelerated the decision-making and disbursement process for our MSME customers through our via smart eligibility checks, paperless functioning and instant validation of applicant's creditworthiness thereby providing a frictionless user experience
- Launched API Connect in our wealth business which provides platform to our customers for trading using APIs
- Use of analytics, algorithms to improve the customer journey and increase engagement levels
- Introduced several initiatives to ease customer interactions in light of the pandemic

To know more, please refer to Our Response to COVID-19



*"Out of clutter, find
simplicity. From discord,
find harmony. In the
middle of difficulty, lies
opportunity."*

- Albert Einstein

Renowned physicist Albert Einstein's greatest skill was the ability to sift the essential from the inessential. Focussing on what was truly essential helped him see the simple point that others missed. With a capacity for concentration that awed contemporaries, at the core of Einstein's genius was his commitment to see the possibilities of tomorrow as opposed to the limitations of today.

OUR PEOPLE

A CULTURE OF EXCELLENCE AND COLLABORATION

At Edelweiss, our people see great value in these wise words. In a world overloaded with inessential clutter, knowing what to ignore and zeroing in on what really matters enables our people to pursue excellence. A cross-cultural mosaic of over 8,000 people, collaborating together, embracing our diversity, encouraging and nurturing innovation, we foster a truly collaborative culture. With an empowered workforce, who seize opportunities and tackle challenges proactively, we are committed to building an agile and responsive, thriving organisation.

Key Highlights

Employee Well-being and Safety remain our topmost priority

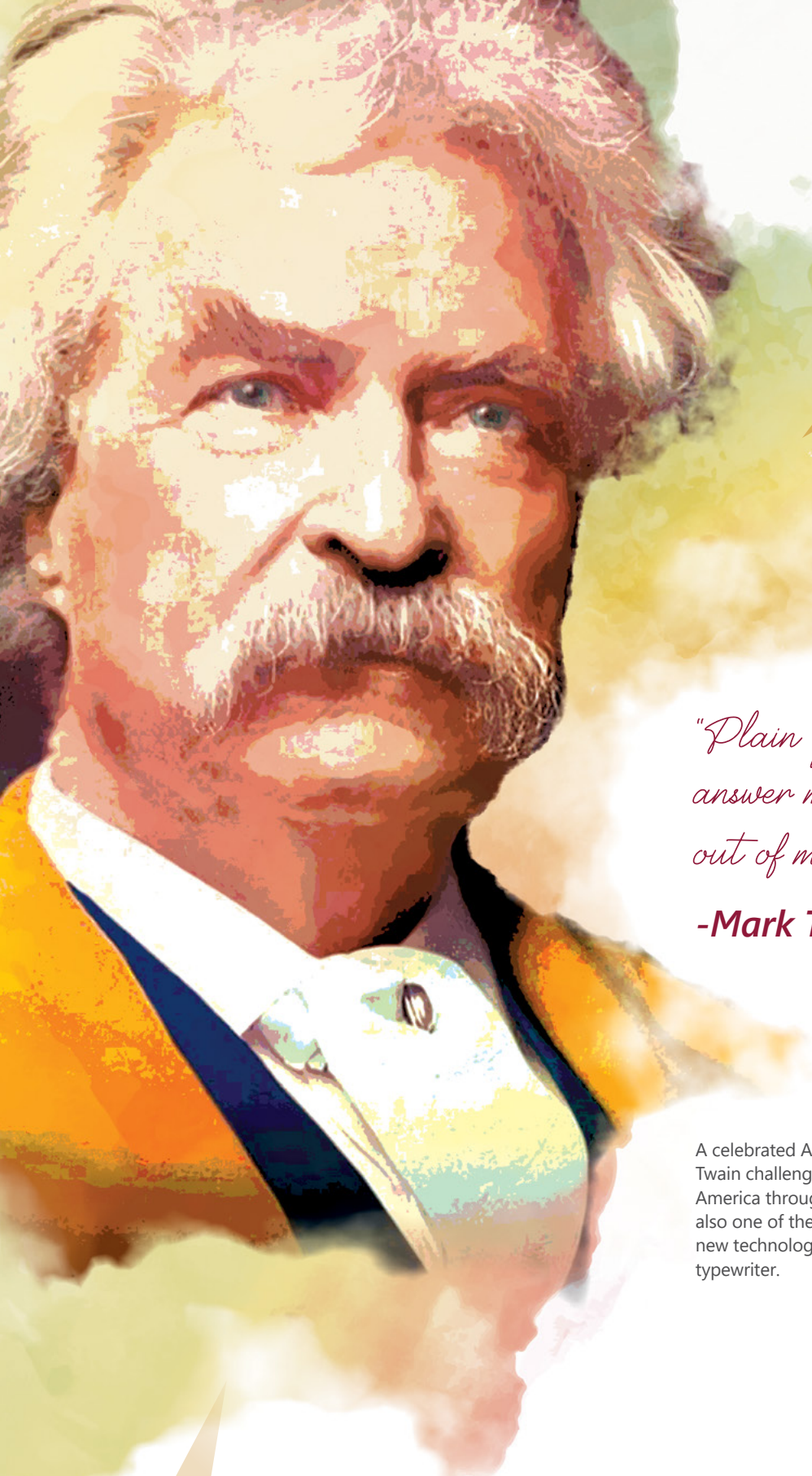
- Offices have been reimagined for hybrid working. 90% of our employees have adopted hybrid working
- An exclusive 24x7 COVID helpline, on-ground response team was set up to provide medical assistance, medical insurance support for home isolation, special leaves, monitoring employee health etc.
- Onsite-Vaccination Drives and reimbursements for all employees and their families
- Group Medical insurance policy cover for employees and their insured family members for hospitalisation for quarantine and treatment
- COVID Care Hampers shared with employees who were being treated for COVID
- Ensuring mental and emotional well-being support through wellness sessions and precaution sessions
- Financial assistance for loss of life - Life insurance payments up to 3x of CTC and ex-gratia, education assistance, including offering employment to the next of kin
- Continued focus by the business COVID Taskforce teams to provide assistance to affected employees and their families

Employee Engagement

- Followed a 2-P concept (Fostering Positivity through our People) for engaging with our employees through a virtual model
- Sustained connection, trust and engagement through frequent check-ins and townhalls by leaders and reach-outs by employee support groups
- Virtual engagement activities and informal connects were conducted periodically. Employee sharing of experiences and best practices was a key forum/source of inspiration for all
- Focussed digital learning through the MindLift campaign on topics relevant to the new normal
- Employees encouraged to volunteer their time and expertise in delivering high quality solutions to issues faced by NGOs supported by EdelGive Foundation

Rewards & Recognition

- Our value-based culture is committed to acknowledge and appreciate efforts of employees through extensive recognition programs. Our businesses have established robust reward and recognition programs like 'Shubharambh, Vijayi, Tycoons to constantly celebrate excellence



"Plain question and plain answer make the shortest road out of most perplexities."

-Mark Twain

A celebrated American humourist and novelist, Mark Twain challenged the fundamental issues prevalent in America through his literary works. Interestingly, he was also one of the first major figures of the time to embrace new technology – being one of the first authors to use a typewriter.

TECHNOLOGY

ADVANCED SOLUTIONS THAT POWER AGILITY

Technology was a standout for Edelweiss during a year when companies needed to swiftly reimagine businesses. Not only did having a strong tech backbone ensure business continuity and provide a seamless experience to our customers, but it also helped accelerate adoption of collaborative tools. Our platform-thinking approach and migration to cloud native platforms empowered us with the ability to tackle a never-seen-before work scenario. While we took bold steps towards reinforcing our digital-first orientation, initiatives such as 'Work from Anywhere', 'Branch in a Box' and 'Zero Trust Network Security Model' demonstrated the efficiency, agility, and resiliency of our entire IT infrastructure.

The key pillars of our technology resiliency have been:



Public Cloud adoption



Unified collaboration suite



Artificial Intelligence



Enterprise API gateway



Intelligent Automation



Information Security & Data Privacy

Key Business initiatives

- **Retail Trading Platform:** We overhauled our retail trading platform to ensure quick scale-up of our ability to push transactions into the exchange and have also started migrating our client-side platform offering to the cloud
- **Project SWIFT:** SWIFT is India's first, entirely paperless onboarding platform for Alternative Investment Funds (AIFs), integrated with Aadhaar-based e-sign, e-stamp paper, with a dynamic account for each investor
- **Virat:** Virat is our renewed mutual fund transaction processing system which is amongst the fastest in the industry. We have also revamped our mutual funds website to bring out maximum transparency in our mutual fund schemes for the investor community
- **Zoho CRM** – A single view of mutual fund customers across business lines with reduced customer service TATs, increased communication via SMS, emails and WhatsApp
- **Cloud-based Retail Collection System:** We have developed an end-to-end integrated collection system with mobile capabilities for our assets reconstruction business to improve efficiency
- **Paperless Onboarding:** Onboarding journey for new life insurance customers is paperless, contactless, providing a seamless end-to-end experience
- **Bolt:** Bolt is a mobile application that enables self-inspection by workshops and customers alike through live streaming in our general insurance business. Bolt's adoption remains high at 40% to 50% indicating changed preferences of users for tech-enabled solutions
- **SWITCH Mobile App:** With the SWITCH app, we enabled driver-based insurance where customers pay only for the days they drive their vehicle and save on premiums when they do not need Insurance
- **Core:** Built a generic product framework which helps shorten product roll-out timelines by 50%
- **Digital Lending Platform (DLP):** DLP has accelerated decision-making and disbursement via smart eligibility checks, paperless functioning, and instant validation of applicants' creditworthiness for the loan origination
- **Enhanced Security Architecture:** With Zero Trust principles, it comprises preventive, detective and corrective controls to protect the enterprise infrastructure and applications
- **Digitised LOS:** Revamped automated and decentralised loan origination and management systems across branches of our mortgage business
- **BRICS:** Single login platform for collection accounts for our mutual fund business

Chairman's Letter

The last twelve months have seen a myriad of emotions, starting with a heart-wrenching COVID second wave and ending with the promise of a better and brighter future with the vaccination drives and the less virulent strains. Something similar is also being witnessed in the kind of extremes seen in the economy and financial markets, which have also been unparalleled, deserving a discussion of their own. Most of you are aware of these extremes but just as an example, only 24 months ago, oil prices moved into negative territory and today we are around USD 100 per barrel mark! The same holds true for many other commodities. But there is good news as well! [more on that later!]

THE YEAR THAT WAS

FY22 was a promising year, interspersed with challenging phases impacting not just the organisation, but the wider economy as well. The first quarter was marred by the second COVID wave which had an impact on all of us personally. However, things have eased out since then with a strong economic revival coming through in the form of higher tax collections and record toll revenues amongst other metrics. The last quarter again saw some volatility driven by geopolitical tensions and subsequent escalations on the European peninsula putting inflationary pressures across the world and leading to increased volatility in the capital markets. However, after the trials and tribulations of the last two years, FY22 seemed like that proverbial rainbow peeking out from behind the storm.

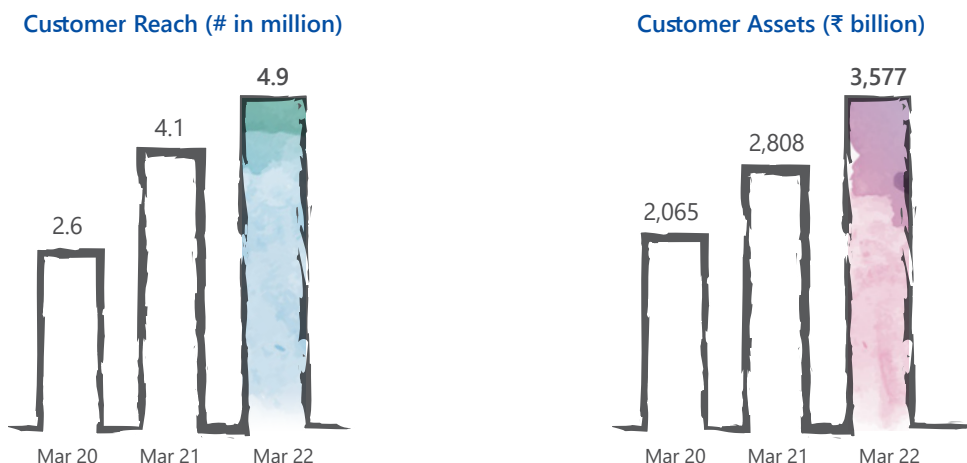
*"If you want to enjoy the rainbow,
be prepared to endure the storm!"*

-Mahatma Gandhi

Our journey at Edelweiss, to some extent, has mirrored these developments in the year ended Mar 22. It was a good year overall as we continued our focus on building resilience and strength to shield against short-term disruptions while creating long-term value through gradually scaling our businesses, in addition to a value unlock which benefits our shareholders. Performance was steady with ex-insurance PAT of ₹4,050 million for the year. Adjusted for wealth management, this is a healthy 29% YoY growth with improvement across all clusters.

We focussed on a set of key priorities for the year which has largely been on track.

Firstly, we continued our endeavour towards retailisation. We added almost a million customers in the year and doubled our Customer Reach over the past two years. This also led to our Customer Assets to grow by ~₹1.5 trillion over the same period to ~₹3.6 trillion as on Mar 22.

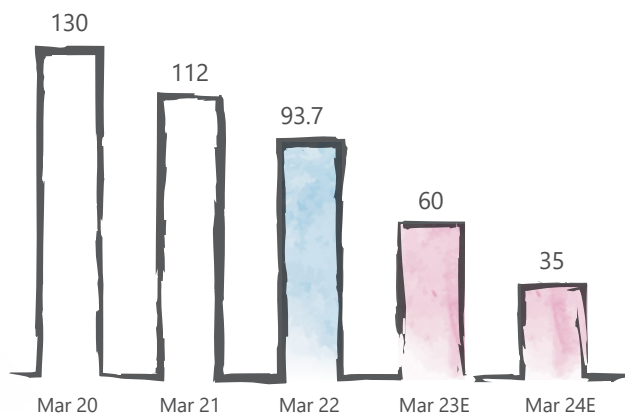


Secondly, we focussed on strengthening our balance sheet through deleveraging and focussing on asset quality improvement. We have made significant progress on these two counts, especially with asset quality seeing substantial improvement in the last 12 months (more details in Credit section).

Our third focus area has been on unlocking value for our shareholders. We have made good progress on the demerger and listing plans for our wealth management business. Phase II is now complete, and Phase III is well underway with expectations of demerger by Dec 23 and listing by Mar 23. As we look ahead, unlocking shareholder value will be an important tenet of our future strategic and capital allocation decisions.

Lastly, we worked towards reducing our wholesale credit portfolio. Despite a slow start, we have seen very encouraging signs towards the end of the year with inflows of ₹16 billion in quarter ended Mar 22. As a result, we have managed a net book reduction of more than ₹36 billion in challenging COVID conditions. As we build on the momentum in Q4 of year ended Mar 22, aided by revival of economic activity and free from disruptions, we expect to reduce our wholesale book to ₹35 billion by Mar 24.

ECLF Wholesale Loan Assets (₹ billion)



BUSINESS OVERVIEW



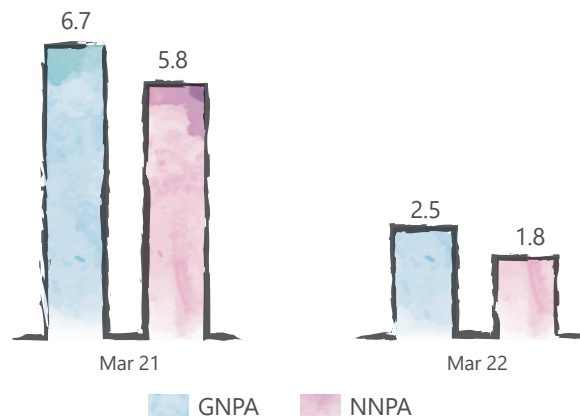
Credit

Credit cluster was focused on three main fronts -

1. Reduction in Wholesale Credit (which we have talked about and shown good progress in)
2. Improvement in asset quality – significant movement!
3. Establish co-lending platform and start scaling up retail credit portfolio
 - a. Multiple partnerships signed with leading banks across both MSME and Mortgages
 - b. Disbursements initiated, but we continue to remain cautious

Overall, the business did well after two difficult years, and we expect green shoots of recovery to continue in this business going forward.

Asset Quality (%)

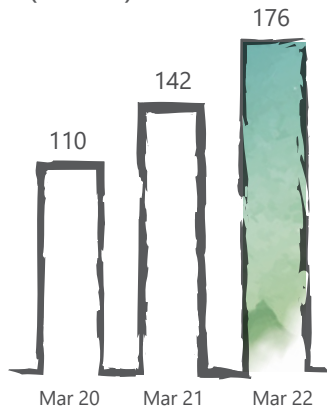


Asset Management

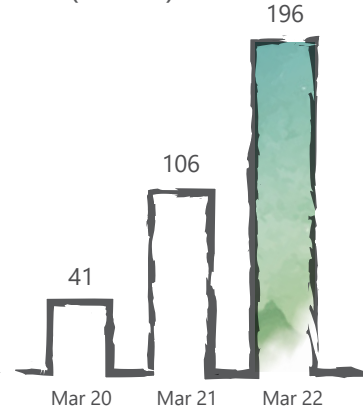
It was a great year for our asset management cluster as the growth endured and scale created over last few years is now translating into improving profitability; a sustainable trend which will continue in the years ahead.

Both AMC and Alternatives are great annuity businesses with recurring and well-established income streams; established on the back of strong inflows (especially equity inflows) in AMC and accelerated deployment in Alternatives.

Alts Fee Paying AUM (₹ billion)



MF Equity AUM (₹ billion)





Asset Reconstruction

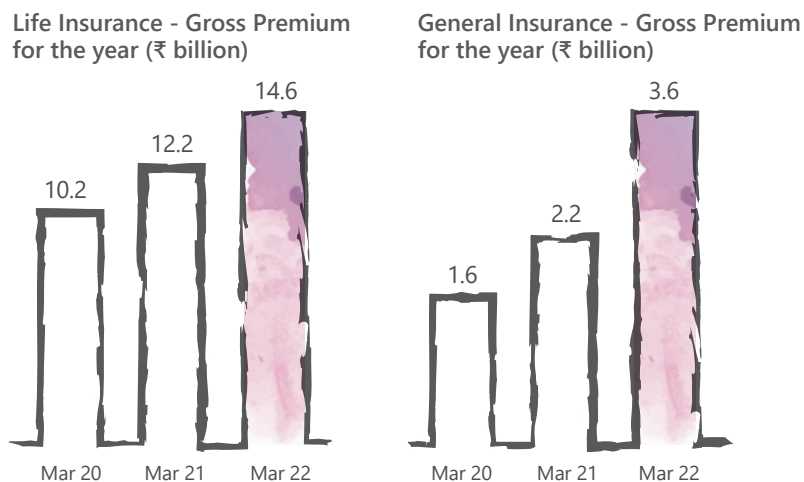
The Asset Reconstruction business has been a consistent performer in the Edelweiss Group. Some years will have one-off spikes, mostly on the upside, but on an ongoing basis, years like FY22 will be the normal. Our confidence stems from the fact that a large portion of our top-line is from fee income which gets collected by way of actual inflows (and not just accruals!). In fact, with the retail portfolio scaling up, we expect profitability to improve further given its granular cash flows and lower tenure. Share of retail assets in capital employed grew ~4x YoY to ~14% as on Mar 22.

FY22 continued to be a year of robust recoveries aided by the improving economic environment. We expect this to continue in FY23 as well.



Insurance

Our insurance businesses continued to see swift growth with YoY premium growth of 20% for Life Insurance and 60% for General Insurance.



In both our insurance businesses, we have focused on delivering a world-class customer experience through a mix of product innovation and technology, further amplified by synergistic partnerships. This is exemplified in our claim settlement ratio of 98% for the year ended Mar 22 in Life Insurance, as also in the introduction of industry-leading products in General Insurance like SWITCH and AI Bot for Claims.



Wealth Management

Wealth Management had a solid year, even as the business continued working towards executing the demerger and listing process in parallel. AuA grew ~30% YoY with net new money of ₹105 billion for the year. AuA today stands at more than ₹2 trillion, one of the largest in the industry.

The long vintage in the business, built on the back of continued customer trust and world-class service standards has enabled the business to gain significant industry recognition in the form of –



Top rankings at AsiaMoney Brokers Poll

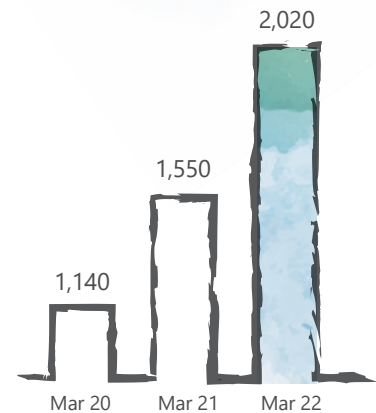


Top Global Custodian Agent Bank in Emerging Markets Survey



Best Wealth Manager, India at Asset Triple A Private Capital Awards

Wealth Management AUA (₹ billion)



EDELWEISS TURNS 27! – A journey sprinkled with opportunities, compulsions, learnings and luck!

Even before we started Edelweiss, we were keen market participants and firm believers in the India growth story (as we continue to be even today!). One of the first things you learn as an investor is the role that factors outside your influence play. Not all successful investments are a function of a well-thought-out investment thesis nor are all unsuccessful investments a result of poor decisions. The role played by external factors and fortuity is as important as that of sound decision-making and learning from experiences. A book that well explains our tendency to attribute our successes to our own skills and our losses to our luck is "Thinking in Bets" by Annie Duke, which I highly recommend for everyone, not just for making better market decisions but better decisions in life!

In the same way, our **Edelweiss odyssey has been a union of sound decisions based on strategic intent, experiential learning, external constraints, and fortuity - all in good measure!** There are instances from our journey we have talked about earlier as well, but they bear repeating, especially in a world where outcomes increasingly look volatile and random. However, it is important to understand that one doesn't preclude the other. Luck will only take you so far without making the right decisions. Thus, neither luck nor thoughtful decision make the sole pre-requisite for success.

"Luck is a matter of preparation meeting opportunity"

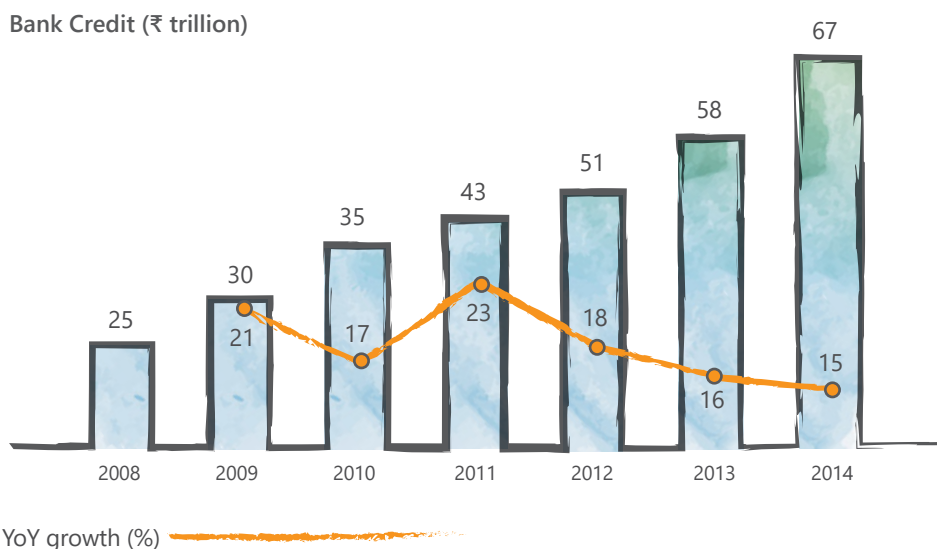
- Seneca

Our business evolution has primarily been a function of identifying right opportunities at the right time interspersed with implementing our learnings from our journey.

We started off with Capital Markets in 1996, which continued to be our backbone all the way till 2008. The massive opportunity in capital markets was reflective in the data as well - Capital Market volumes grew 31% from 2002 to 2008 – a strong growth opportunity for both legacy and new players which we were best placed to leverage!

However, the trend changed post the Global Financial Crisis (GFC) in 2008. In the last 14 years, while it may seem surprising, volumes have largely remained flat! However, capital markets remain an important business line and a key funnel for our wealth management business. GFC was also an important learning experience for us. Till then, capital markets formed the lion’s share of our earnings and as a result, profits were significantly impacted. The advantage of a diversified business model over a mono-line business model quickly became apparent to us; something that has held us in good stead in subsequent downcycles.

It was also a time when domestic credit offtake had started picking up as recovery improved up post GFC; aligning with our opportune entry in the business, backed by strong data and industry tailwinds!



Even within capital markets, wealth management and asset management were emerging as the new growth vectors – businesses which we set up after 2008



MF AuMs have seen an **~18%** CAGR from 2009 to 2022



Savings in Financial Assets have grown **~36%** CAGR from 2010 to 2022

In a way, we have done well to identify emerging growth areas and to pivot at the right points of time during our journey! However, we've also had our shares of constraints in our odyssey, which luckily or unluckily, have influenced some of our decision-making.

While we had a small credit book at the time of GFC, our full-fledged entry into the business was constrained by capital. It was only once we were able to do an IPO in 2008 that we were ready to scale up. However, GFC happened soon after and luckily for us (serendipity strikes!), delayed our credit scale-up plans. Our genesis itself was partly an outcome of luck (or ill-luck as we called it then!).

We had started with a capital of ₹10 million, which was enough for us to obtain what was then a merchant banking category III licence. However, the amount was changed to ₹50 million just before we were to register Edelweiss! We made peace with getting a Category II licence, instead which allowed us to help start-up companies raise funding via non-IPO route. That became our initial calling card and helped us build a name and niche in the industry.

"A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty."

- Winston S Churchill

POWER OF SIMPLICITY - Amongst many of our most important learning!

In our recent letters, we have touched upon the various learnings we've had in our 25-year journey. Perhaps the most important of them is the power of simplicity! And the true strength that imbibes simplicity only comes in experiencing it. At Edelweiss, we have learnt it the hard way!

Our evolution journey has seen us move from a monoline business till mid-2000s to a diversified financial services organisation today, spanning across all financial services segments. This has been an important phase of our journey, helping us manage the downside in specific business lines through improving performance in others; a key tenet to what Edelweiss is today.

However, this diversification journey has come with its own set of challenges, the biggest one being the growth in the number of Group entities. By the end of our business diversification journey, we were at peak entity count of 79 in 2016! There were several downsides to this – expending more resources on managing so many entities, higher associated compliance costs, more inter-entity transactions, amongst many others. These made us embark on a path towards moving away from complexity and appreciating simplicity, which among other things, in structural terms meant reducing our entity count over the next few years.

A snapshot of our journey shows the significant distance we have already covered.



Today, we are at an entity count of only 29 – something we are consciously working towards reducing even further, targeting an entity count of around 20 in the next two years. These 15-20 entities will then form the core of Edelweiss Group, a far cry from the ~80 entities we had only about six years ago. Even today, we distinctly feel the difference from managing only a limited set of entities. Truly, the only scalable way to grow is to do it with simplicity!

Another significant example of our reducing complexity is the process of decentralisation we have undertaken in the last 2-3 years. A centrally controlled, common enterprise unit is now de-centralised into dedicated enterprise functions for each business. While this has led to some increased costs, it has also helped strengthen business enterprise functions', enhanced ability to take focussed action specific to each business and build capabilities and specialisation as per the need of the business. As a result, our Corporate Enterprise function's strength is now just ~5% of what it was five years back, with most of the employees joining business enterprise functions. This has greatly reduced the complexity of the individual enterprise functions at the Central level.

"Simplicity is a great virtue, but it requires hard work to achieve it and education to appreciate it, and to make matters worse: complexity sells better."
- Dijkstra

There have been many such examples in our journey where we have realised that the power of scale comes only with simplicity. Growth without simplicity could be a recipe for disaster. Our focus on systems and processes especially in the last few years, has been a direct learning outcome of this realisation. Like we mentioned in last year's letter, building Resilience and Quality is now the cornerstone of all our thinking as we look ahead at the next 25 years. And simplicity will be a key vector when we think about this Resilience and Quality.

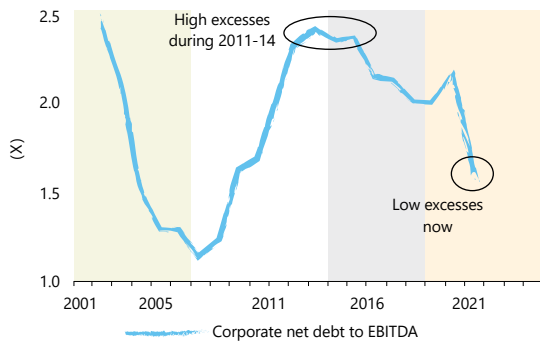
Simplifying the macro-micro conflict

Earlier in the letter, we talked about the promise that the future holds, despite the somewhat challenging macroeconomic environment we are facing. There are, of course, some issues to worry about. We are now seeing some slowdown in GDP growth recovery in recent quarters along with some downward revision in future projections. Higher crude prices are always a cause for concern in India and the current price trend is indicating a lot of pain that will continue to be at similar levels. Inflation is another huge bugbear - WPI is touching 15% and even CPI is at one of the highest levels in last few years. Geopolitical concerns, with the Ukraine-Russia conflict as also the economic issues in Sri Lanka are genuine signs of concern. Clearly, the macroeconomic environment has a lot of scope for improvement!

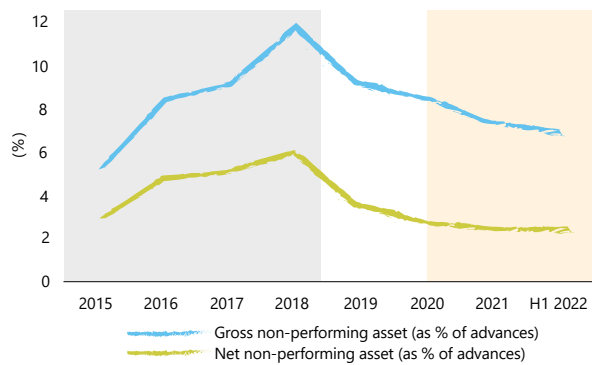
Amidst all the noise, it is very important to isolate clear, important and relevant trends to simplify the prevailing ground realities of today, especially in India. And the data there speaks to a different world altogether! Looking at key micro and macro economic data in 3 major timeframes of 2004-07, 2014-18 and finally 2022 and beyond, we understand that currently -

Micro

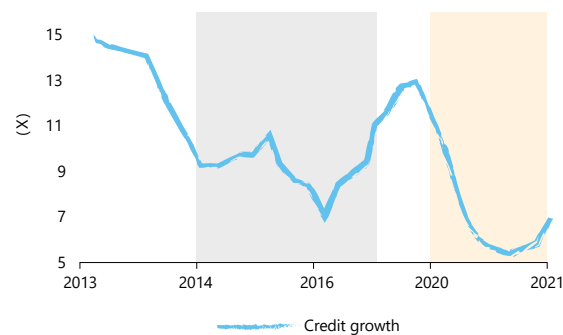
Corporate balance sheets have de-levered significantly in the last few years



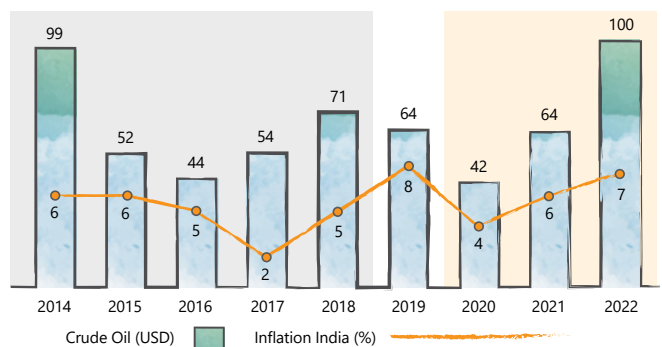
Banking Sector asset quality is at the best level it has been in years and continues to improve



As a result of bank balance sheets getting cleaned up, credit growth is now starting to turn the corner



Overlying the macroeconomic indicators



2004-07

2014-18

2022 and beyond

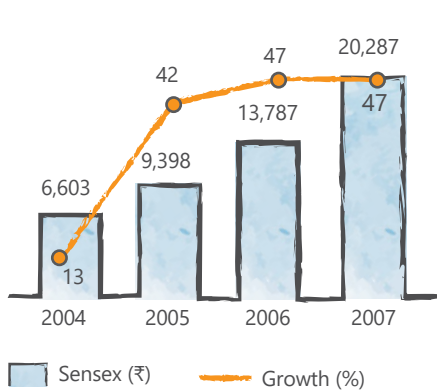
Contrast this current situation of positive macro with weak micro with the timeframe of 2014-18 in the same charts above where we saw corporate balance sheets reaching peak leverage, asset quality worsening, and credit growth on the decline. However, we saw great macro conditions in the same period with low inflation, very low oil prices and largely peaceful global environment.

Now to contrast this with the situation in 2004-07

Microeconomic indicators from 2004-07

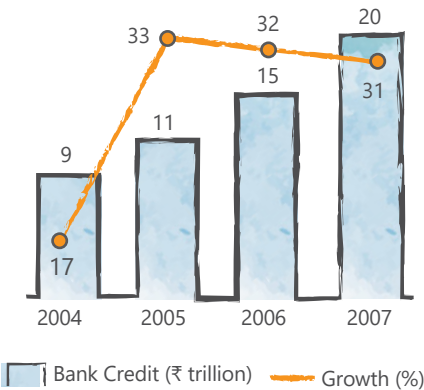
Sensex growing at 32% CAGR

Sensex



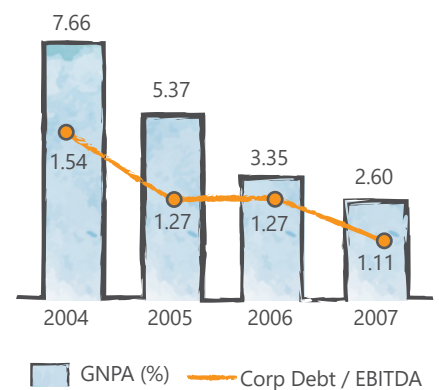
Bank Credit growing at 23% CAGR

Bank Credit



Asset Quality improving significantly with Corporate balance sheets deleveraging

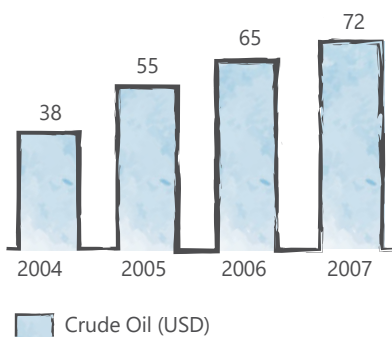
GNPA and Corp Debt / EBITDA



Overlaying the macroeconomic indicators for 2004-07

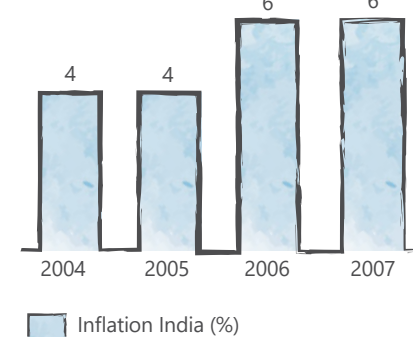
Crude averaged ~USD 57 / barrel

Crude Oil (USD)



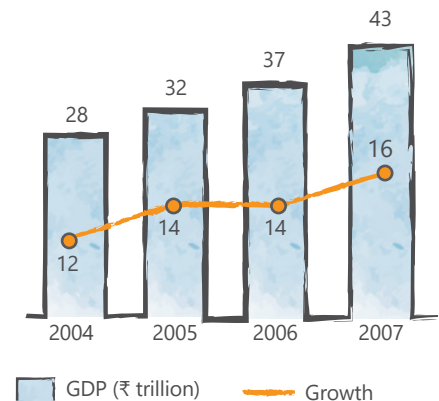
Inflation was ~5%

Inflation India (%)



GDP CAGR 11%

GDP



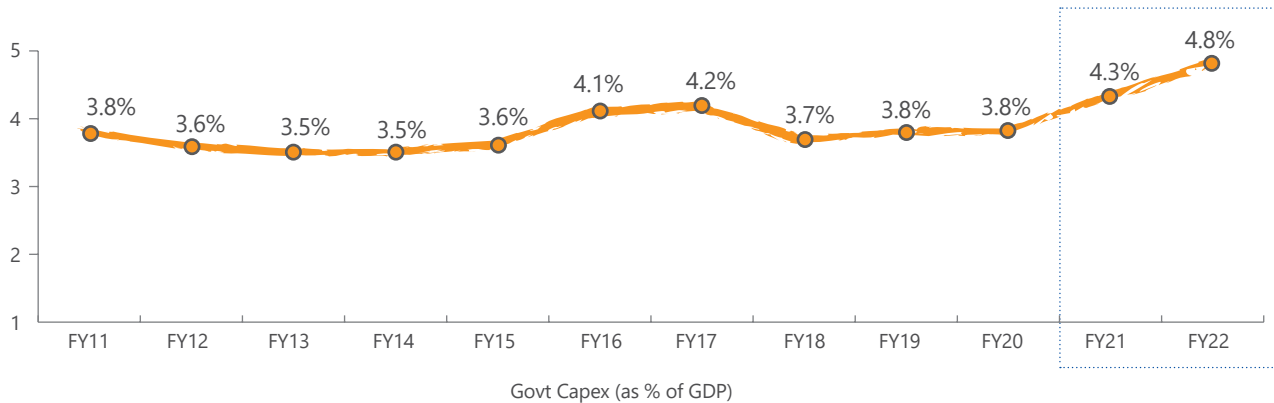
Clearly, only great macro counts for nothing without a strong base on ground as seen in 2014-18. On the contrary, great improvement in ground realities can translate into fabulous, structural economic growth, as we have already seen from 2004-07! **We are, as it stands, on the brink of a long-term growth trajectory, a journey which will translate into a 10 by 35!**

India – 10 by 35

India has been in a long-term growth downturn for some time now. If we look at a long-enough timeframe, this downturn has been through multiple phases in the short-term, medium-term and long-term.



However, the post-COVID era has seen a reversal of this three-phase downturn (with improving micro as we saw in the data in the previous section). Equally importantly, India has had a prudent response to the pandemic. Unlike other knee-jerk reactions, both the central bank and the government have taken a measured approach to post-pandemic measures. Coupled with the improving government revenues across tax collections, after a long time, we are seeing a strong trifecta of corporate balance sheet, government balance sheet and central bank balance sheet. This has also helped plan for an increasing government capex.



In the interest of simplicity, we can summarise in the following manner – even though we see strong global macro headwinds, in India, we are seeing 4 of 5 micro balance sheets (B/S) coming together –



Corporate Balance Sheet – amidst a deleveraging cycle, preparing for next growth phase



Bank Balance Sheet – asset quality at the best level it has been in years, continues to improve



Government Balance Sheet – increased capex spending on the back of increased revenue



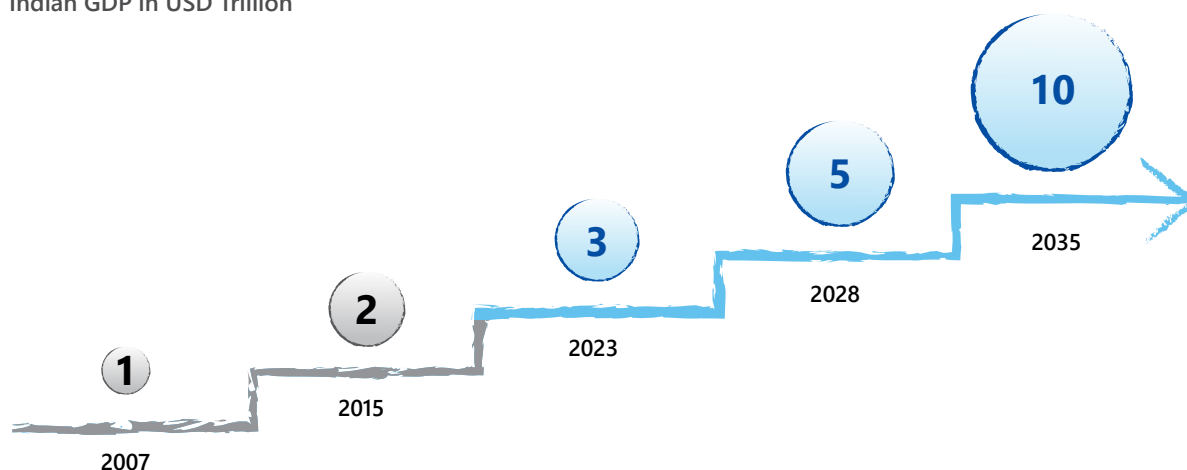
Central Bank Balance Sheet – strong forex reserve, controlled balance of payment



Household Balance Sheet – still recovering, economic growth will aid revival

Strong corporate recovery and healthy government balance sheets with clear focus on expansionary capex make for a great mix for future growth and is not something that too many economies globally will have access to. India's GDP growth in the last decade has been commendable, despite the slowdown we talked about. With stars aligning in place, we are now poised to move towards a GDP of USD 10 trillion by 2035!

Indian GDP in USD Trillion



Leveraging 10 by 35 at Edelweiss

As India scales up to a GDP of USD 10 trillion by 2035, financial services will play a key role in this journey. As I mentioned in my last letter, we are looking at multiples of growth in all financial services segments in the years to come. Be it retail credit (especially mortgages and MSME), asset management (both mutual funds and alternatives), insurance (life and general) or wealth management, the secular growth trends in these industries will far outweigh the GDP growth.

The decade will also bring newer opportunities, which, brings with them tougher capital allocation decisions. To better prepare ourselves, we have embarked on an exercise to create a framework which will help us estimate the value creation potential of our businesses and the Edelweiss Group. This will also aid future capital allocation decisions to maximise value of capital and ultimately shareholders. The framework needs to consider both quantitative (like profitability and cashflows) and qualitative factors (like governance and management) of businesses to assign a business value. Going ahead, our value creation journey will be evidenced by data!

To summarise Edelweiss' journey to 2035, we are well-placed to leverage the multitude of opportunities through our wide spectrum of businesses. All our businesses are well-capitalised, with reasonable scale (except GI which is growing aggressively) and have established a repeatable, profitable business model or are in the process of pivoting to one (asset-light in credit). Some are leaders (like Alternatives and Wealth Management), while some are well-placed to capture incremental market share which they have already been doing for a few years now (like Insurance and AMC). Yet others are small but trying to establish disruptive business models which could be gamechangers in the industry (like Retail Credit). All in all, we are poised to ride on the tailwinds of India's growth and be key participants in the 10 by 35 journey.

Yours sincerely,

Rashesh Shah
Chairman and MD

Sustainability Overview

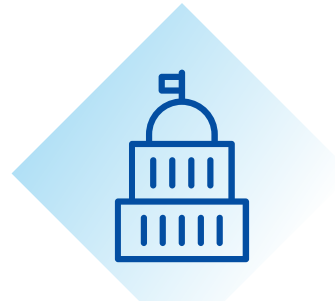
As one of India's leading diversified financial services company, Edelweiss has always been on the forefront of sustainable growth, both for its diverse stakeholders and for society at large.

Our **13 guiding principles**, upheld by our management and employees, have determined the values with which we operate and conduct ourselves. Employees are frequently trained on the adoption of these principles in their day-to-day operations. This report elaborates on these values and our commitment to look beyond our own growth, towards addressing larger societal, environmental and governance challenges.

ALIGNING WITH THE SDG FRAMEWORK

We are early adopters of SDGs and have voluntarily committed to uphold these objectives across our operations.

We align with 10 of the 17 SDGs and we continue to monitor our progress and the impact we create for our multiple stakeholders across different focus areas.



**Responsible
Governance**



**Contribution
to Society**



**Protecting the
Environment**

Sustainable Development Goals

Stakeholders impacted/
Operating environment

Key Areas of Focus

Responsible Governance



PEACE, JUSTICE
AND STRONG
INSTITUTIONS

- Regulators
- Investors
- Customers
- Employees

- Developing effective, accountable, and transparent institutions
- Responsive, inclusive, participatory, and representative decision-making
- Promote a culture of compliance with the highest standards of integrity

Contribution to Society



GENDER
EQUALITY

- Society

- Ending discrimination and violence against women
- Promoting women's empowerment
- Equal access to economic resources and equal opportunities for leadership



DECENT WORK
AND ECONOMIC
GROWTH

- Employees
- Society
- Economy

- Creating a safe and healthy working environment and enhancing efficiency and productivity
- Supporting job creation
- Promoting entrepreneurship, and encouraging growth of SMEs
- Contribution to economy by financing real estate infrastructure and affordable housing



GOOD HEALTH
AND WELL-
BEING

- Employees

- Providing health-care facilities to employees
- Encouraging healthy lifestyles
- Supporting reproductive rights



QUALITY
EDUCATION

- Society

- Ensuring access to quality early-childhood and primary education
- Supporting development of education infrastructure and teaching capabilities



REDUCED
INEQUALITIES

- Society

- Supporting women to get access to rights and entitlements
- Ensure equal opportunities and reduce inequalities



INDUSTRY,
INNOVATION
AND
INFRASTRUCTURE

- Society
- Investors

- Improve access to financial services, including affordable credit for small-scale industrial and other MSMEs
- Facilitating investments in quality, reliable, sustainable, and resilient infrastructure to support economic growth and increase quality of life

Protecting the Environment



CLIMATE
ACTION

- Environment
- Society

- Aiding the development of resilience and adaptability to climate-related changes
- Enhancing awareness, education and capacity of climate change mitigation and adaptation



AFFORDABLE AND
CLEAN ENERGY

- Environment

- Increasing the share of renewable energy in power consumption
- Improving energy efficiency



RESPONSIBLE
CONSUMPTION
AND PRODUCTION








- Environment

- Using natural resources efficiently
- Environmentally sound management of waste and limiting waste generation
- Reducing release of emissions and GHGs

Our Stakeholders and Operating Environment

At Edelweiss, we view sustainability as an extension of our operating structures to ensure that sustainable practices are adopted across business functions.

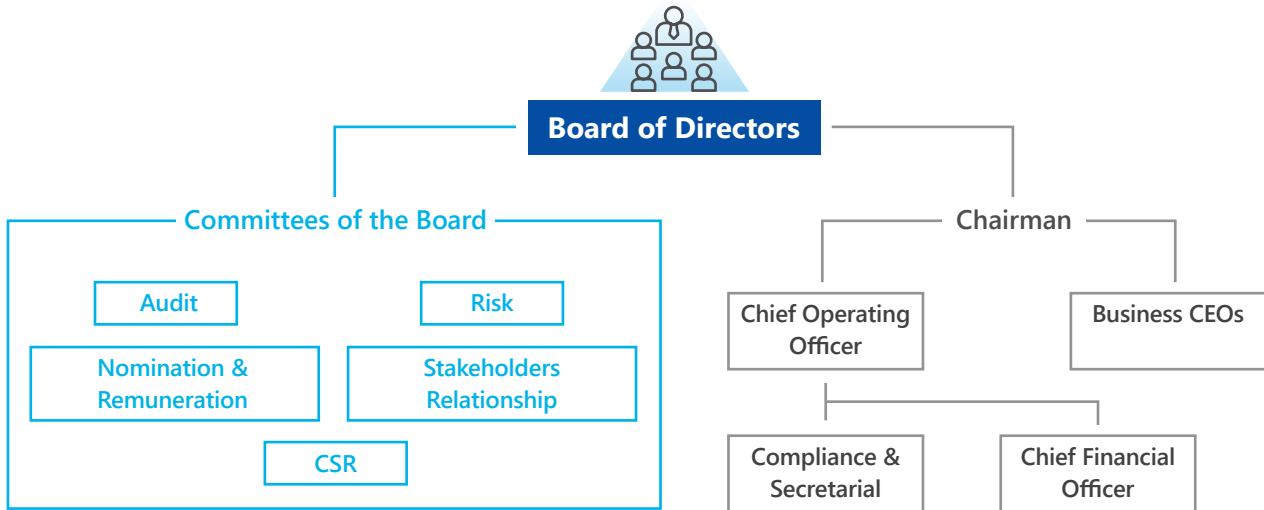
We engage with diverse stakeholders to understand their key requirements and concerns. Our aim is to address their needs by instituting appropriate systems, processes, and strategies across the group, to deliver high value.

Key Stakeholder / Areas of Impact	Material topics	Objective	SDG Mapping	Link to the detailed report
 Regulators	<ul style="list-style-type: none"> • Corporate governance • Compliance • Ethical and transparent practices 	Adhere to the highest standards of corporate governance practices and ethical behaviour; Create a safe and reliable financial services ecosystem through policy advocacy		Read More... Responsible Governance
 Customers	<ul style="list-style-type: none"> • Satisfactory services • Multiple channels • Responsiveness • Data privacy & security 	Ensure consistent, high-quality customer experience by creating a customer-centric culture focused on their needs		Read More... Customer Experience
 Investors	<ul style="list-style-type: none"> • Shareholder value • Financial performance • Corporate governance • Compliance • Risk management • Disclosures & transparency 	Protect and increase shareholder value and focus on sustainable growth and profitability		Read More... Catering Shareholders
 Employees	<ul style="list-style-type: none"> • Enriching career • Learning, development & training • Health & wellness • Benefits 	Enable employees to thrive, be respected, and valued, and thereby achieve their full potential; Provide a safe and enabling environment with a focus on employee well-being		Read More... Our People
 Society	<ul style="list-style-type: none"> • Women's empowerment • Gender equality • Education • Livelihoods • Rural development 	Enable sustainable and equitable development		Read More... Contribution to Society
 Economy	<ul style="list-style-type: none"> • Promotion of SMEs • Civic infrastructure and housing 	Contribute to the national agenda by supporting small businesses, financially empower enterprises, and individuals and develop housing infrastructure		Read More... Contributing to the Economy
 Environment	<ul style="list-style-type: none"> • Responsible consumption • Waste and emissions • Efficient use of natural resources 	Minimise adverse environmental impacts		Read More... Protecting the Environment



Edelweiss is committed to adhering to the highest standards of corporate governance practices and ethical behaviour. Our policies and procedures consider the applicable national and global laws and regulations, to provide clear guidelines on expected professionalism and behaviour.

BOARD COMMITTEES AND ORGANISATION



GOVERNANCE STRUCTURE

- ▶ 12-member Board with **majority independent** directors and **one woman** director
All major committees **headed and chaired by independent directors**
 - Balanced and rich Board composition with over **390 man-years of experience**
 - Board members strive for **100% attendance and active participation** in all Board and committee meetings

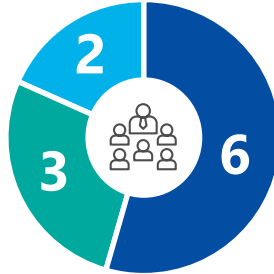
Board Composition (As on March 31, 2022)

Executive Directors	Non-Executive Directors	Independent Directors
Mr. Rashesh Shah (Chairman & MD)	Ms. Vidya Shah (Non-Independent Director & Chairperson, Edelweiss ESG Council)	Mr. P.N. Venkatachalam
Mr. Venkatchalam Ramaswamy (Vice Chairman & Executive Director)		Mr. Navtej S. Nandra
Mr. Himanshu Kaji (Executive Director)		Mr. Kunnasagaran Chinniah
Mr. Rujan Panjwani (Executive Director)		Mr. Biswamohan Mahapatra
		Mr. Ashok Kini
		Dr. Ashima Goyal



- ▶ Six board members in the age group of 55 to 60 years, three board members in the age group of 61-70 and two board members in the age group of 71 and above

- 55-60 Yrs
- 61-70 Yrs
- 71 yrs and above



Detailed [profile of our directors](#) and details of the [composition of the Board Committees and their terms of reference](#) are available on our website.

ESG GOVERNANCE AT EDELWEISS

We have an **ESG Council** in place since FY20 to provide effective governance on ESG parameters



As a **women-led majority body**, the ESG Council comprises heads of various enterprise units including HR, admin, compliance and governance, marketing and investor relations



Brings together **rich and varied experience** of managing key stakeholder relationships



Supported by a team of **sustainability champions from various enterprise units** who monitor and track performance on various identified ESG parameters

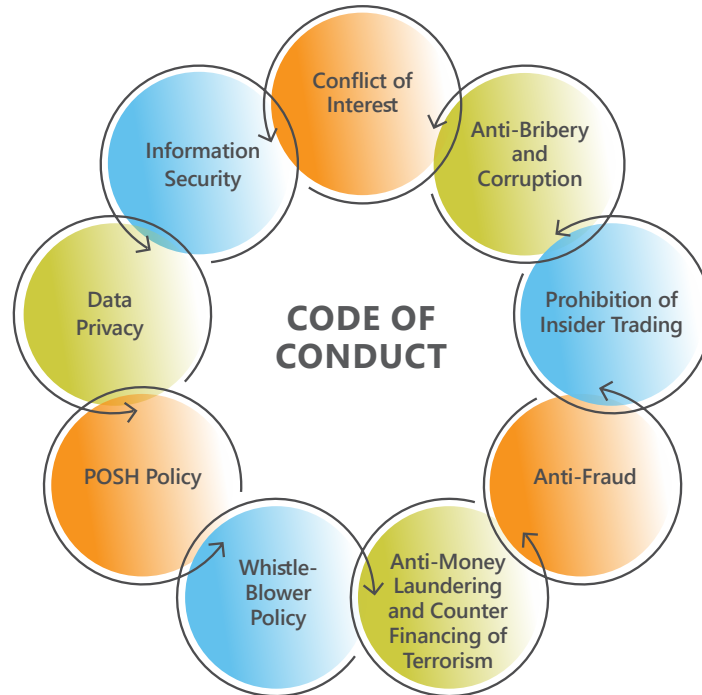
- ▶ Edelweiss's ESG agenda is further augmented by a CSR Committee and [EdelGive Foundation](#)

Operate with a **strong culture of compliance**, regulatory standards, and remediation of escalations

- ▶ **Independent compliance officers** and decentralisation of ownership
- ▶ **Automation of regulatory compliance** through technology-based applications
- ▶ **Periodic review** of regulatory compliances, directives of sectoral regulators, and the SEBI LODR by the Audit and the Board Committees

FRAMEWORKS AND POLICIES

Code of conduct adopted at an organisational level for employees, senior management, and Directors covers critical areas such as professional integrity, honesty, and ethical conduct



These policies are available for reference at [Edelweiss investor relations web page](#). Additionally, our detailed report on responsible governance summarises the key highlights and details on implementation of these policies.

► **Periodic communication on awareness and training** for all relevant stakeholders provided



Over 99 members of the Internal Complaints Committee (IC) trained on Prevention of Sexual Harassment (POSH) policy, investing **over 1,036 training hours**



All employees at the time of joining Edelweiss and thereafter on an annual basis, are required to complete trainings on anti-money laundering and counter financing of terrorism (AML/CFT), POSH, prohibition of insider trading, whistle-blower policy through the SHIELD module

► **No POSH cases** in FY22.

► **Two whistle-blower complaints** received across Group entities in FY22, were investigated and concluded by taking appropriate action.



RISK MANAGEMENT

- ▶ Board has formulated **risk management policy** to manage risks. It is included in our [13 guiding principles](#), and forms part of our culture
- ▶ Risk Management Committee constituted to devise and adopt **risk management frameworks** and plans for identification, evaluation, and assessment of risks
- ▶ **Eleven risk frameworks** adopted to identify, quantify, and monitor risk events in a comprehensive **risk register** across the Group
- ▶ Incident/Exception **reporting mechanism** adopted to ensure timely reporting on any deviation from policies and processes
- ▶ Mandatory risk management **training programme** facilitated for employees
- ▶ **Independent assurance** on the effectiveness of the risk framework provided by Internal Audit



POLICY ADVOCACY

Active participation in industry bodies and associations, policy discussions to highlight and address concerns on financial and economic growth, sustainable development, and climate change

DATA PRIVACY

- ▶ Data privacy policy and processes in place to ensure adequate safeguards for collection, storage, and processing of personal and sensitive information and data of customers and third parties
- ▶ Enabling firewalls, intrusion detection systems, network monitoring, encryption, and other tools to prevent and detect cyber security attacks
- ▶ Ongoing process to embed data privacy programme in the enterprise-wide risk management framework
- ▶ No reported cases of losses of customer data and breaches of customer privacy



SECURITY & IT GOVERNANCE

- ▶ **Adopted zero trust security model to optimise productivity and reduce risk.** This shift in working model requires strict identity verification for every person and device trying to access resources on a private corporate network
- ▶ Prioritised **cloud security framework and governance** at Edelweiss Group
- ▶ Implemented **state-of-the-art security solutions** for data classification, data protection, data loss prevention, advanced threat protection, zero-day protection, etc.
- ▶ **Strengthened IT governance** and focus on process standardisation

SUPPLIERS AND VENDOR RELATIONSHIP MANAGEMENT

- ▶ **Framed comprehensive enterprise procurement guidelines** in accordance with the Edelweiss environment social and governance policy
- ▶ **Rolled out and adopted the framework** across business groups within Edelweiss
- ▶ Mandatory **vendor sign-off on a supplier code of conduct** initiated, specifically enumerating vendor compliance with applicable environmental laws, regulations and other ESG parameters
- ▶ **Know your vendor (KYV)** norms adopted by Edelweiss covers all stages of the vendor lifecycle

INVESTOR RELATIONSHIP MANAGEMENT

We recognise our shareholders and investors as important stakeholders and strive to create and protect value for them. We engage proactively with our shareholders and have developed effective mechanisms and relationship management systems to enable us to effectively plan, execute and keep track of investor outreach initiatives.

- ▶ Shareholder-base of **over 220,000 retail and institutional investors** as of Mar 22
- ▶ **Timely and accurate disclosure** of regulatory compliance w.r.t material events, updates, and financial performance
- ▶ **Proactive engagement** with shareholders
- ▶ **Adoption of effective mechanisms and information systems** to enable planning, execution, and tracking investor outreach initiatives
- ▶ **Multiple modes of communication** with investors
 - Stock exchange filings
 - Investor collaterals
 - Analyst calls
 - E-mails
 - Website
 - Media interactions
 - Conferences
 - AGM
- ▶ Continued focus on **enhancing the quality of disclosures** to investors and analysts, through benchmarking with peers
- ▶ **Proactively gathered investor feedback** that was channelised to the company management after analysis for potential actionable inputs
- ▶ User-friendly interface for contact through web query/request form on service and information requirements
- ▶ Adoption of robust investor **grievance redressal systems**
 - 64 investor complaints received and disposed in FY22

CUSTOMER EXPERIENCE

At Edelweiss, we serve a diversified client base that includes corporations, institutions, and individuals. We put our customers at the centre of all we do.

- ▶ **~5 million** customer-base as on Mar 22
- ▶ **Addressing customer concerns** through physical, digital, ATL and BTL engagement, across customer journey, from pre-sales to servicing
- ▶ Robust **customer experience framework** adopted
- ▶ Sophisticated **complaint management systems** adopted
- ▶ Robust **measurement of customer experience** through a combination of metrics:
 - digital net promoter score
 - Customer satisfaction surveys
 - Individual business led performance measures
- ▶ Constitution of a **customer council** and **retail** forum comprises senior business leaders for improved synergies and collaboration
- ▶ **Customer experience officers forum** initiated to share best practices and drive learning across customer representatives



At Edelweiss, it is our constant endeavour to create value for all our stakeholders, but most importantly, for society at large. Through our business and philanthropic initiatives, we aim to create an equitable and sustainable environment of growth for communities to survive and thrive.



Gender equality



Decent work and economic growth



Good health and well-being



Quality education



Reduced inequalities



GENDER EQUALITY

WOMEN EMPOWERMENT AND GENDER EQUALITY

Our philanthropic initiative, EdelGive Foundation, is committed to addressing the social and economic inequalities that prevent women and girls from achieving their full potential, with a focus on the following five priority areas:



Freedom from Violence and Discrimination



Access to Legal Justice



Grassroots Leadership



Access to Rights and Entitlements



Freedom from Economic Dependence

EdelGive has supported **20 projects** with **15 NGO partners** across **9 states** in India in FY22. Over the years, through our NGO partners, we have been able to create a significant impact:



213,218
(39,166 in FY22)

women and girls supported in their fight for addressing gender equality-related issues



23,855
(211 in FY22)

women and girls supported under financial inclusion programmes



46,296
(3,943 in FY22)

women supported to get access to rights and entitlements



Supported **27,630 (2,456 in FY22)** survivors of

domestic violence and/or sexual violence in their legal journey



8,092 (1,693 in FY22)
grassroots leaders developed and supported



Formed 5,967 (511 in FY22) SHGs/JLGs

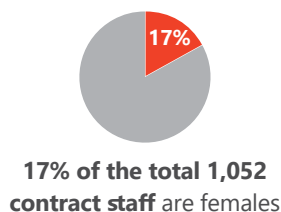


- ▶ The **Coalition for Women Empowerment** was initiated by EdelGive in 2019, bringing together funding organisations and grassroots organisations as stakeholders, united by a common mission of facilitating social and economic empowerment of women and girls in India. It focuses on providing 360-degree support to grassroots organisations through enabling funding for critical rights-based programmes
- ▶ EdelGive Foundation has launched the **#UdyamStree Campaign in October 2020** as an initiative to boost women’s entrepreneurial spirit and gradually create a conducive ecosystem for women to thrive
- ▶ **Partnership with Haqdarshak, a social organisation that enables citizens and MSMEs with access to government welfare and financial services:** Through Haqdarshak’s reach into the last-mile, and efforts to raise awareness of government schemes, 3,000+ women entrepreneurs were impacted and 212,700 women entrepreneurs were benefited through scheme linkage

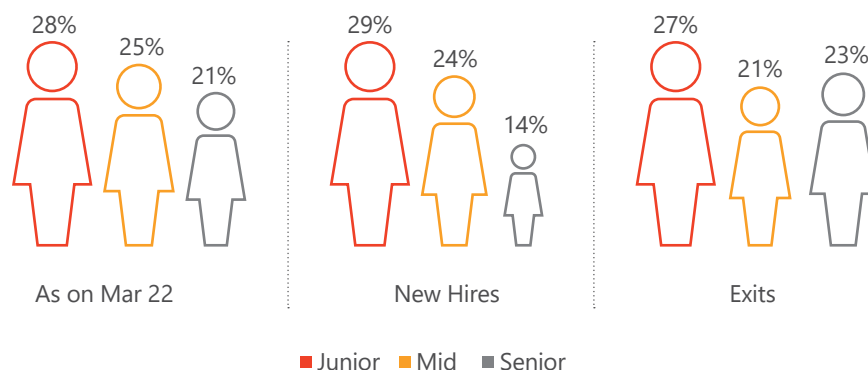
WORKFORCE DISTRIBUTION

We have one of the better female workforce participation rates in the financial services industry in India.

26% female employees
(3% increase from FY21)
in total workforce as of
March 31, 2022



Proportion of Female employees by Management level as against total employees, new hires and exits:



DECENT WORK AND ECONOMIC GROWTH

INCLUSION & WORKPLACE DIVERSITY

Edelweiss boasts of experienced and diverse talent across different entities of the Group. Through our unique inclusion initiative **All in., we reinforce tenets that play to their strengths and enable employees with different backgrounds, gender, ways of thinking, and styles of operating to work together effectively and holistically.** Our procedures ensure the absence of discrimination by providing fair and equal opportunities to all employees and applicants. A significant component of our value-based culture is commitment to acknowledge and appreciate efforts of employees through extensive recognition programmes.



- ▶ Propagating an **inclusive workplace**, respecting distinctive skills, experiences, and perspectives
 - Sensitivity towards inclusion strengthened across employees and leaders
 - Inclusion as a competitive advantage for Edelweiss
 - Implemented through policies and practices
- ▶ Inclusive brand - **All in.** – ensures diversity across the Group
 - You are INtegral to the Edelweiss family
 - Your INdividualism makes you unique
 - Your opinions are INvaluable
 - You should speak up without INhibitions
 - You INspire others with your ideas
 - You INvolve others to get a fresh perspective

Through our tenets of inclusion, we foster an inclusive workplace where employees have a voice, sense of belonging and uniqueness, feel valued, learn, and develop in a collaborative environment.

Inclusive leadership: Leaders do walk the talk by demonstrating inclusion in their day-to-day practice. Inclusion is woven into leadership agendas and dialogues by design and reinforced as part of our culture. It was further accentuated during the pandemic crisis wherein leader connect series, senior leader huddles and regular townhalls enabled two-way communication at organisation and business levels.

Inclusive policies and working practices: Enabled employees and managers with communication and collaboration tools to engage and interact with team members with a broad set of work from home guidelines. Policies are implemented to foster an environment of fairness, accessibility, and opportunity.



TALENT ACQUISITION

Edelweiss has always been extremely focussed on attracting the right talent, who bring in diverse perspectives and add to our strength as an organisation. It is a strategic approach with a differentiated model for junior, mid, and senior talent. **In the new normal, our process of identification, interview and choice also evolved to adapt to remote and hybrid working, while keeping candidate experience and our brand at the core.**

Candidate Experience Journey Map

Our endeavour to create a meaningful, unified, and holistic process of candidate journeys is key to each stage of experience – even in a hybrid or remote environment – as follows:



Awareness

Our efforts towards building and maintaining a skill set led pipeline through multiple channels enables our candidates to know about us. This also enables scalable personalisation of messaging based on candidate persona and role.



Consideration & Interest

At this stage, we enable candidates to research about us through our website and social channels and anchor their interest in our brand and role. Candidates are encouraged to ask questions about role, culture, brand and what makes us unique.



Interview & Selection

In this stage, candidates are provided with in-depth functional understanding of the role, team, and career development opportunities. **Video interviews are extensively used to achieve this.** Further, businesses also follow behavioural event interviews and psychometric assessment tools for mid and senior level hiring to understand the nuances of assessing candidates for specific behaviours for a better fit.



Contribution to Society



All eligible on-roll employees undergo a **performance review** excluding mid-year joiners and exits before six months

PERFORMANCE MANAGEMENT

At Edelweiss, a robust performance management system enables employees to identify areas of strength and improvement and set individual goals for themselves, which are in line with overall business objectives.



Year-round assessment process



Manager feedback sessions conducted through train the trainer models

Darwin Box Implementation

- ▶ This year, we have transitioned to a robust new-age performance management system to enable employees to go through a smooth goal review and appraisal process. This system enables real-time performance management with the feasibility to do frequent check-ins and an extremely user-friendly interface and simple yet effectively built-in workflows.
- ▶ Successful integration and implementation of the new system has led to smooth implementation of the performance evaluation process

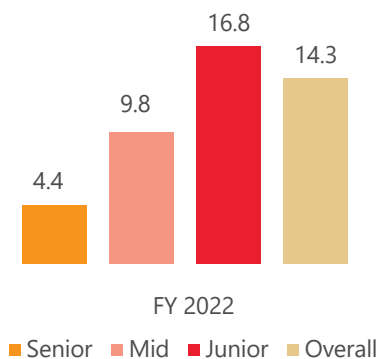
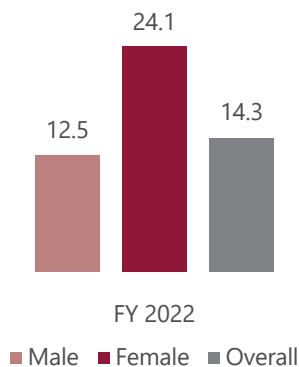
LEARNING & DEVELOPMENT

Our training and development initiatives enable employees to enhance technical and behavioural skills required for their professional and personal growth.

▶ **179,217** hours of training undertaken in FY22

▶ **12,491** employees covered over FY22

Average hours of training/employee by gender and by management level*



* Avg. no. of hours = Total Training hours / No. of employees who have taken training

▶ **~5%** of employees belong to a Leadership Group at Edelweiss



Contribution to Society

A key design principle embraced in programme leadership design is interlinkages between leadership groups at various levels.

ManCo

This group represents the people holding the senior-most leadership positions at Edelweiss, heading both corporate functions and various businesses of the Group. While their daily role involves managing respective functions and businesses, they are also involved in decisions to drive the overall strategy of the Edelweiss Group. There is a calendarized schedule for ManCo connects, that provides a platform for these stewards of Edelweiss to engage in strategic discussions.

Besides ManCo, other leadership development initiatives include:



LEAD is the Leadership Exploration and Development initiative. Selected candidates go through a one-year rigorous developmental intervention through various internal and external coaching, mentoring, high impact retreats and learning modules.



Business Leaders Programme is an initiative designed to identify and groom high performing talent and high potential leaders at mid-management level who can take charge of their own functions in the coming year. We have partnered with a premier B-schools of the country with the focus to develop leaders' technical skills as they evolve towards the next level of leadership. This collaboration is geared to create fungible leaders who can move across business functions depending on their aspirations and needs of the organisation.



Women's Leadership Programmes at our businesses aims to provide support to all the women in the organisation who are at the cusp of becoming leaders but are struggling due to environmental factors. The programmes help them to break barriers in creating their personal brand and skill sets of influencing and becoming inspirational leaders.

Additionally, the Educational Assistance policy provides financial assistance to facilitate the educational progress of wards of employees.

EMPLOYEE WELFARE

Fostering a supportive working environment and enabling work-life balance through employee-friendly policies -



Open door policy



Flexi Working Hours



Work from Home



Parental leave policy
Availed by ~5% employees in FY22



Sabbatical Leave



Bereavement Leave
Availed by ~7% employees in FY22



Mediclaim and COVID-19 coverage in health policies



Contribution to Society

Faced with lockdowns during the pandemic, we successfully transitioned from working from home for most of our employees (relaxations as per the government mandate), to providing all employees the necessary support needed for the transition. Regular connects with employees were conducted to understand and resolve grievances with the process, if any.

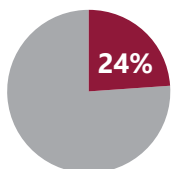
CONTRIBUTION TO ECONOMY

As one of India's leading diversified financial services group, our goal at Edelweiss is to achieve maximum returns for our stakeholders while simultaneously having a positive impact on society and the economy. Our strength comes from our diversified business model which provides customers with varied financial products and services to meet their economic goals.

Employment by Edelweiss



Diverse workforce of 8,804 employees as of March 31, 2022



~24% of the workforce is less than 30 years of age

Responsible Investment

- ▶ In line with our objective of responsible investment, funds launched in FY22 have in compliance with Article 8 of Sustainable Finance Disclosure Regulation (SFDR) Article 8
- ▶ Formulated an ESG Governing Council to determine ESG strategy and oversee implementation
- ▶ Investments made from "special situations funds" have been instrumental in saving over 150,000 jobs
- ▶ Invested in 12 renewable solar power assets with generation capacity of ~813 MWdc under our Infrastructure Fund which will result in carbon displacement of 13.8 million tonnes throughout the asset lifecycle
- ▶ Our road assets investment will save ~7,340 kl of water through rain-water harvesting systems over the asset life
- ▶ Over 28,000 mid-income and affordable homes are enabled to be completed through our real estate funds
- ▶ Published EAAA ESG Reports in FY20 & FY21 and will continue to publish every year showcasing performance against adopted benchmarks and further integration of ESG in investment

SUPPORTING SMALL ENTERPRISES



Serving the underserved MSME segment across 80 locations in India through our 34 physical branches



Products created to cater to the new to credit segment which is underserved as on date



Co-lending partnership helps to offer a cost attractive pricing on loans to micro and small enterprises



Strong presence both in secured and unsecured lending market



AFFORDABLE HOUSING



42% of the housing loans financed in FY20-21 was in affordable housing segment



~24,000 loans were disbursed till FY22



ATS of affordable homes financed is ~₹1.4 million

Of the loans extended,

- ▶ 32% of the customers are new to credit customers
- ▶ Over 56% of the individual customers are women
- ▶ Over 50% of the loan book accounts for homes in tier 2 & tier 3 locations

ASSET RECONSTRUCTION



Acquired distressed assets worth ~₹52 billion for revival and restructuring, of which 11% was from the retail portfolio



Revived 27 assets during the year with total recoveries of ~₹27 billion



Protected over 30,000 jobs through revival of sick companies since inception

INSURANCE

- ▶ Covered ~932,500 lives as on Mar 22
- ▶ Covered ~1,651,500 individuals under our health insurance policies



GOOD HEALTH AND WELL-BEING

EMPLOYEE HEALTH & SAFETY

Edelweiss' biggest strength has always been its people and their care, well-being and safety forms the core of our culture.



90% of our employees have been operating in a hybrid working mode



We have taken all the **measures** required to make our office premises **safer for our critical resources** who need to come to work



~**16%** of employees availed **Mediclaim benefit for self and ~7%** availed for their family members



Inclusion of COVID-19 coverage in corporate health insurance policy for employees and their dependent family members



Doctor Helpline Service – An exclusive dedicated helpline service that connects employee with a qualified doctor providing WHO/GOI verified information



Counselling services for employees and their family members. It is a non-judgemental, confidential platform for employees to reach out to expert counsellors for free online consultation on a variety of well-being and health issues

Constantly engaging employees on various wellness initiatives through

- ▶ Webinar series by nutritionist and health coaches
- ▶ Parenting webinars
- ▶ Multiple fitness routines and challenges
- ▶ Reading materials on variety of well-being topics
- ▶ Habit forming nudges
- ▶ Employees inspiring each other by sharing their fitness stories on our social platforms



Reduce employee risk against drugs and illegal substances by providing a **Drug Free Workplace**



Fire safety site inspections executed at regular intervals

2021-22 has witnessed resilience and the emergence of a new normal following the outbreak of COVID-19 and its multiple waves. This adaptation to the new normal, whether professional or personal, has been a learning in itself. During this period, our focus has truly been safety of employees and family members.

We continued to adopt a hybrid working approach and conducted frequent pulse checks with employees to address any key pain points. Regular connects with senior leaders were also held to discuss the future direction of the organisation with respect to the pandemic. This instilled a deeper sense of belonging in employees. Additionally, sessions on positive mental wellbeing and anxiety management, holistic health etc. were conducted in collaboration with our wellness partners.



QUALITY EDUCATION

EdelGive aspires to provide all children equal access to quality education, irrespective of background, gender, and socio-economic standing. We work in collaboration with government systems to achieve widespread, long-term change and empower communities to make this change sustainable. EdelGive Foundation broadly categorises its work around four priority areas:



School Transformation



Early Childhood Education



Innovation & Experimentation



Research & Advocacy

In FY22, EdelGive worked with **11 NGO** partners while supporting **11 projects** across **6 states** of India. Over the years, through our NGO partners we have been able to create a significant impact:



Reached out to **1,968,344 (20,148 in FY22)** children through our learning enhancement programmes, surpassing our own target this year



Supported **31,043 (3,744 in FY22)** schools through the quality education programme



Worked closely with, and supported over **74,149 (4,402 in FY22)** teachers and government officials for delivery of quality education

EdelGive launched The Collaborators in 2016 to support the Government of Maharashtra in addressing persistent gaps in learning outcomes of children in government schools. With a modest beginning in four out of 36 districts in Maharashtra, the programme has expanded to **7 districts, with 9 funders and three non-profit organisations (NPOs), to benefit over 1 million children in six years.** Furthermore, the Government of Maharashtra signed an extended MoU with EdelGive Foundation **up to 2026** with the provision to expand to all districts of Maharashtra.

The Collaborators has also been recognised as one of the most important public-private partnerships (PPP) in Maharashtra. The coalition has earned the Government of India's recognition for being among the best practices in CSR, when presented by the Government of Maharashtra to the Government of India, World Bank and UNICEF.

Partnership with Maharashtra State Education Department - In line with the National Education Policy (NEP), 2020 (which recommends the development of curriculum in four areas – school education, early childhood care and education (ECCE), teacher education, and adult education), the partnership with the Maharashtra state education department envisions promoting enterprise development through sensitisation, soft skills and confidence-building among school children, especially young girls studying in Classes VIII to XII. From across Maharashtra, 2,000+ students would join with an aspiration and vision to become job creators and not only job seekers.



REDUCED INEQUALITIES

Through contextual and targeted interventions developed by EdelGive Foundation's NGO partners, we are working to develop sustainable livelihood options for some of the most vulnerable communities, through systemic transformation in four focus areas:



Water for Livelihood



Financial Inclusion



Skill & Institutional Building



Employability Skill Building

In FY22, EdelGive has supported 17 projects of 14 NGO partners, working with the most vulnerable communities across 10 states in India. Over the years, through our NGO partners, we have been able to create significant impact, achieving our targets in a few critical areas:



Average **42.8% (FY22)** enhancement in annual income of farmers



Brought under irrigation **2,443 (889 in FY22)** hectares of land, for enhanced agriculture yield



Strengthened **8** farmer producer companies (FPCs)



Funded **₹1.82 billion (₹456 million in FY22)** towards sustainable livelihood programmes, over the past 5 years (2017-22)



Supported **63,014 families (49,572 in FY22)** through sustainable livelihood programmes

EdelGive became strategic partners to the **migrants resilience collaborative, a multi-stakeholder coalition, focused on ensuring safe and responsible recovery of migrant families and their livelihoods in India post COVID-19.** The Collaborative will support 10 million workers and their families in 100 districts and cities (across source and destination) over the next 5 years.

EdelGive offers non-financial support to NGOs, by providing capacity building across four key areas: **finance and sustainability, human resources and communication, strategy and leadership, and processes and technology.** EdelGive strategised capacity building for organisational strengthening by focussing on long-term sustainable problem-solving, and willingness to adopt new technologies.

Through their initiatives, EdelGive has provided support to **40+ NGOs** during the last financial year through various trainings, workshops, Intensive support etc.



Building and supporting sustainable practices is the bedrock of our stewardship towards protecting our environment. Edelweiss is committed to adopt and support responsible usage of natural resources and safeguard our environment and climate through varied initiatives across the Group.



Climate Action



Affordable and Clean Energy



Responsible Consumption and Production



CLIMATE ACTION

WATERSHEDS AND LIVELIHOODS

EdelGive works with grassroots organisations in remote parts of rural India to build resilience amongst communities



Supported (construction or repairs) of **1,258 (960 in FY22)** watershed structures for water conservation



Brought under irrigation **2,443 hectares of land (889 in FY22)**, for enhanced agriculture yield



Supported **19,694 farmers (8,126 in FY22)** for climate-smart agriculture / organic farming

EdelGive Foundation became a **core partner to the India climate collaborative**, a first-of-its-kind initiative bringing together India's top philanthropies to **address the increasing and pressing climate crisis in India**. This partnership aims to work towards promoting ecological balance through a co-benefits approach. Eminent global philanthropies like MacArthur Foundation, Bloomberg Philanthropies, Oak Foundation, to name a few, have extended their support to this alliance.



AFFORDABLE AND CLEAN ENERGY

We are committed to improving energy efficiency and increase the proportion of renewable energy usage across our operations, through investments in sustainable energy solutions.



Protecting the Environment



Reduction in total electricity consumed by 1% to 7,350 Mwh in FY22

ENERGY CONSUMPTION AND SAVINGS*



Through energy consumption optimisation initiatives, **energy intensity reduced by 1% YoY** to 134 kWh/sq.mt. p.a. in FY21 which is **18% lower than BEE standards**



Share of renewable sources in total electricity consumption increased to 38% in FY22 from 15% in FY21.

Renewable energy capacity

- ▶ 1.2 Mw solar power captive generation installed capacity at Solapur generated 677 Mwh in FY22
- ▶ Solar rooftop generation capacity of 0.06 Mw at Fountainhead Alibaug generated ~47 Mwh during in FY22 which led to savings in carbon emission of 35 tonnes
- ▶ Wind power PPA for 2.8 Mw generated 208 Mwh units in FY21 led to savings in carbon emission of 156 tonnes

Energy-saving initiatives



85% of fixtures converted from conventional lighting to LED



Automatic switches and sensors installed in unmanned areas to reduce/optimize energy consumption



Sleep mode and night mode lighting automation enabled to conserve electricity

- ▶ **Default ambient temperature** of all public areas and meeting rooms set at 24°-26°C as per BEE and government regulations
- ▶ **HVAC schedule running operation modified**, to reduce unnecessary running of air conditioners

- ▶ **Integrated Air Handling Unit (AHU)** variable frequency drive with AHU room sensors which modulates the variable frequency drive (VFD) on sensing the return air temperature



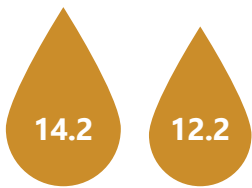
RESPONSIBLE CONSUMPTION AND PRODUCTION

We are committed to ensuring resource efficiency in our operations, by responsibly managing waste and attempting to reduce the **GHG** emissions wherever possible.

WATER CONSUMPTION*

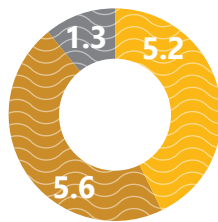
Total water consumption reduced by 28% YoY

Total Water consumption (Megalitres)



■ Water consumption

Megalitres



■ Surface
■ Third-Party
■ Ground



Reduction of water consumption through **Fine Aerators**



Installed **waterless pots** at all urinals



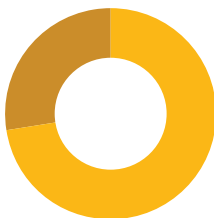
Borewell installation for water collection from canal flowing during monsoon



8.8 Megalitres of waste and sewage water has been **recycled through a sewage treatment plant** at Fountainhead

EMISSIONS*

GHG emissions Kilotons



■ Scope 1 ■ Scope 2

- ▶ **Reduction of 37% in GHG emissions** via effective carbon management initiatives in FY22
- ▶ In FY22, as compared to a COVID-19 impacted FY21, our GHG intensity increased by 51%, as against a regular year of FY20, we have a **reduction by 45%**
- ▶ **Scope 3** emissions was **Nil** during the year
- ▶ During FY22, we had **negligible air fuel emissions** as business travel was reduced by increased adoption of digital means



Protecting the Environment

WASTE MANAGEMENT *

- ▶ 3Rs of Waste Management, viz. **Reduce, Reuse and Recycle** have been organically incorporated in our day-to-day routine
- ▶ **Compost production** from food waste **increased by 11% to 4.39 tonnes**
- ▶ **Recycling of sewage water** increased 8x in FY22 to 12.4 megalitres

Initiatives for Paper Conservation & Waste Management



4.3 tonnes of food waste converted into compost by composting machine



3.5 tonnes of paper waste converted into green Edelweiss writing pads with the help of associated NGOs

* Data for our 3 key locations (Edelweiss House, Kohinoor House, and Fountainhead) which house nearly 1/3rd of our total workforce

EdelGive Foundation

EdelGive Foundation is a philanthropic asset manager and advisory partner to funders such as individuals, HNIs, corporates, institutions and foundations – both international and domestic – with a specialisation in multi-stakeholder collaboration. Through a unique philanthropic model, EdelGive places itself at the centre of grant-making by providing initial grants and managing funding from other institutions, HNIs and corporate partners. These grants are used for both financial and non-financial growth of small to mid-size grassroots NGOs, committed to empowering vulnerable children, women, and communities.

Our Influence Over The Years



17 states and
167 districts of India



Over **166** NGO partners supported



₹6.56 billion influenced through commitments to NGOs



Dedicated over **40,000** employee engagement hours



~165 capacity building and skilled volunteering projects

SUPPORTING THE GROWTH OF CREDIBLE NGOs

In FY22, we are proud to share that we have been able to influence a commitment of ~₹1.95 billion for NGOs working across the country. Our 36 NGO partners are tirelessly working towards providing quality education to children, ensuring social and economic empowerment of women, and building resilient communities.

Grants are used to meet the financial and capacity building needs of the NGO partners we support.

Grants to high-calibre, small to mid-sized NGOs empowering



Social and Economic Empowerment of Women

EdelGive Foundation is committed to addressing both social and economic inequalities that prevent women and girls from achieving their full potential, with focus on five key priority areas:



Freedom from violence and discrimination



Access to legal justice



Grassroots leadership



Access to rights and entitlements



Freedom from economic dependence



EdelGive has supported 20 projects with 15 NGO partners across 9 states in India in FY22. Over the years, through our NGO partners, we have impacted the lives of women in the following ways:

► **213,218 (39,166 in FY22)** women and girls supported in their fight for addressing gender equality issues

► **23,855 (211 in FY22)** women and girls supported under financial inclusion programmes

► **46,296 (3,943 in FY22)** women supported to access rights and entitlements

► Supported **27,630 (2,456 in FY22)** survivors of domestic violence and/or sexual violence in their legal journey

► **8,092 (1,693 in FY22)** grassroots leaders developed and supported

► **Formed 5,967 (511 in FY22)** SHGs/JLGs

Access to Quality Education

EdelGive Foundation aspires to provide children with equal access to quality education, irrespective of background, gender, and socio-economic status. We work in collaboration with government systems to achieve widespread, long-term change and empower communities to make this change sustainable. EdelGive Foundation broadly categorises its work around four priority areas:



Innovation and experimentation



School transformation and enhancing learning outcomes



Early childhood education



Research and advocacy



EdelGive has supported 11 projects with 11 NGO partners across 6 states of India in FY22. Over the years, through our NGO partners, we have ensured access to quality education in the following ways:

► Reached out to **1,968,344 (20,148 in FY22)** children through our learning enhancement programmes, surpassing our own target this year

► Supported **31,043 (3,744 in FY22)** schools through the quality education programme

► Worked closely with, and supported over **74,149 (4,402 in FY22)** teachers and government officials for delivery of quality education

Community Resilience and Climate Action

Through contextual and targeted interventions developed by our NGO partners, we are working to develop sustainable livelihood options for some of the most vulnerable communities, through systemic transformation in four focus areas:



Water for livelihood



Skills for financial inclusion



Institution building



Skill building for employability

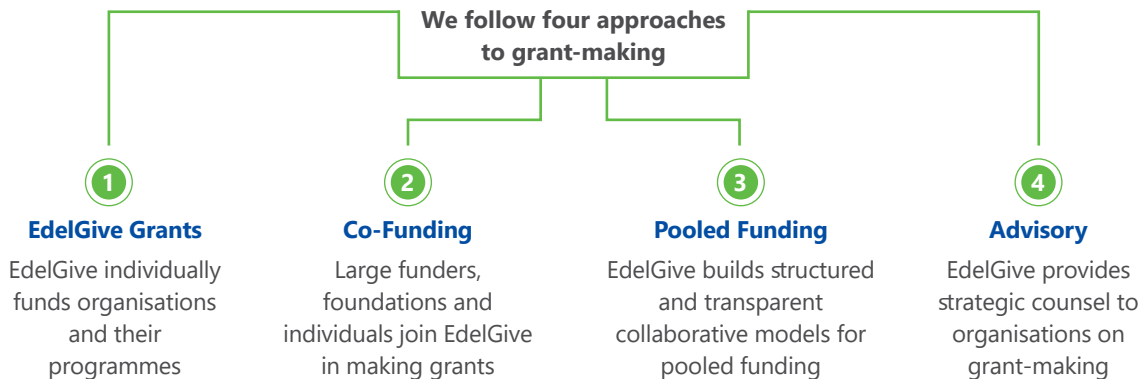


EdelGive has supported 17 projects of 14 NGO partners, working with the most vulnerable communities across 10 states in India in FY22. Over the years, through our NGO partners, we have impacted communities and achieved our targets in a few critical areas:

- ▶ Average **42.8% (FY22)** enhancement in annual income of farmers
- ▶ Brought under irrigation **2,443 (889 in FY22)** hectares of land, for enhanced agriculture yield
- ▶ Supported construction or repair of **1,258 (960 in FY22)** watershed structures for water conservation
- ▶ Strengthened **8** farmer producer companies (FPCs)
- ▶ Funded **₹1.82 billion (₹456 million in FY22)** towards sustainable livelihood programmes, over the past 5 years (2017-22)
- ▶ Supported **63,014 families (49,572 in FY22)** through sustainable livelihood programmes
- ▶ Supported **19,694 farmers (8,126 in FY22)** for climate-smart agriculture and organic farming

BUILDING CREDIBLE PARTNERSHIPS

In addition to providing grants to our partners, we also invest our energy in sourcing and managing funding from institutions, individuals, and corporate partners. This assists both partners – NGOs and funders – to diversify their outreach and impact.



EdelGive believes in a collaborative philanthropy approach and is currently engaged in six collaborative initiatives:

The Collaborators for Transforming Education

EdelGive launched The Collaborators in 2016 to support the Government of Maharashtra in addressing persistent gaps in learning outcomes of children in government schools. With a modest beginning in 4 out of 36 districts in Maharashtra, this programme has expanded into 7 districts, with 9 funders and three non-profit organisations (NPOs), reaching over 1 million children in six years.

The Collaborators has been recognised as one of the most important Public-Private Partnerships (PPP) in Maharashtra. The coalition earned the Government of India's recognition for being among the best practices in CSR, and has been presented by the Government of Maharashtra to the Government of India, World Bank and UNICEF.

For more information [read here](#).



The Coalition for Women's Empowerment

Driven by its conviction in the systems thinking approach, The Coalition for Women's Empowerment was initiated by EdelGive in 2019, bringing together funding organisations and grassroots organisations as stakeholders, united by a common mission to facilitate social and economic empowerment of women and girls in India. The Coalition is currently supported by Ford Foundation, Chintu Gudiya Foundation, Forbes Marshall, and David and Lucile Packard Foundation. The Coalition focuses on providing 360-degree support to grassroots organisations through enabling funding for critical rights-based programmes that are often under-invested, and by investing additionally in institution building for improved effectiveness and efficiency. Insights and learnings from the interventions supported through CWE, have also informed EdelGive's other initiatives for enabling women's empowerment including the UdyamStree campaign for promoting women entrepreneurship in India.

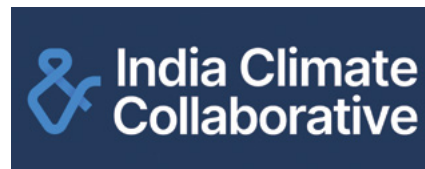
For more information [read here](#).



India Climate Collaborative

The learnings from both our ongoing coalitions encouraged and enabled EdelGive Foundation to become a core partner in the India Climate Collaborative, a first-of-its-kind initiative bringing together India's top philanthropies to address the increasing and pressing climate crisis in India. EdelGive Foundation brings years of rich experience of working with organisations with a deep penetration at the grassroots to ICC's enriching technical expertise. With the combined holistic understanding of the development space from a climate lens, the partnership aims to work towards promoting ecological balance through a co-benefits approach. Eminent global philanthropies like MacArthur Foundation, Bloomberg Philanthropies, Oak Foundation, to name a few, have extended their support to this alliance.

For more information [read here](#).



Migrants Resilience Collaborative

In 2020, amidst the COVID-19 pandemic, EdelGive also became a strategic partner to the Migrants Resilience Collaborative (an initiative by one of our partners in the investee portfolio, Jan Sahas), which is a multi-stakeholder collaborative of non-profit, philanthropic, and private sector actors focused on ensuring safe and responsible recovery of migrant families and their livelihoods in India post COVID-19. The Collaborative will support 10 million workers and their families in 100 districts and cities (across source and destination) over the next 5 years.

For more information [read here](#).



Pay-What-It-Takes Initiative

In 2020, EdelGive joined the Pay-What-It-Takes initiative, a multi-year initiative working towards awareness building, strategic guidance, and engaging NGOs to get their inputs on building a resilient non-profit sector. The initiative is led by The Bridgespan Group and five anchor partners in addition to EdelGive: A.T.E. Chandra Foundation (ATECF), Children's Investment Fund Foundation (CIFF), the Ford Foundation, and Omidyar Network India. Each partner strongly believes in the importance of better understanding of true costs and approached the initiative from a different perspective.

For more information [read here](#).



EdelGive Hurun India Philanthropy List and Report 2021

Hurun India and EdelGive released the 8th annual ranking of the most generous individuals in India. EdelGive Foundation has partnered with Hurun India towards creating this list and report, to understand and acknowledge philanthropic giving in the country from a data and evidence point of view. The report is not only significant in understanding data of giving, but also throws light on the sectors and geographies which are at the receiving end.

Read the report [here](#).



UDYAMSTREE – A NATIONAL CAMPAIGN TO PROMOTE WOMEN ENTREPRENEURSHIP

UdyamStree is an initiative by EdelGive Foundation, to promote entrepreneurship as a key driver for women’s economic empowerment in India. Through its commitment to bridge the economic gender gap by collective action and engagement across stakeholder groups, this communication and media campaign has worked towards creating a conducive environment for women entrepreneurs in India.

UdyamStree recently completed its one-year journey. With the range of stakeholders reached and channels of communication accessed through the campaign, UdyamStree has influenced multiple relevant target groups, who have, in turn, participated in a robust dialogue to position entrepreneurship as a prominent enabler of women’s empowerment and financial independence.

The following are the key highlights of UdyamStree in the past year:

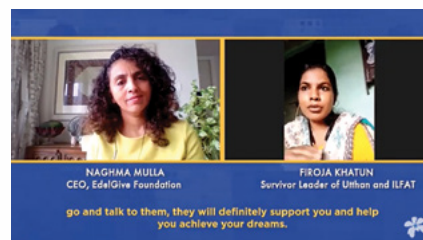
I. Building engagement with multiple stakeholders across varied sectors

- ▶ **Key Government Bodies and Decision-makers:** To build a foundation for the campaign and create awareness for the cause along with policy impetus, positive touchpoints were created with the nodal ministry, Ministry of Women and Child Development (MoWCD), Ministry of Rural Development and NITI Aayog to build synergies with them under the UdyamStree campaign.
- ▶ **Collaboration with FICCI’s Greater 50 Campaign:** With the objective of strengthening and accelerating outreach initiatives with respect to women entrepreneurship in India, EdelGive and FICCI have garnered commitments from 20+ corporate leaders through mentorship support on FICCI’s Greater 50 platform.
- ▶ **Partnership with Maharashtra State Education Department:** The partnership with the Maharashtra State Education Department envisions promoting enterprise development through sensitisation, soft skills and confidence-building among school children, especially young girls studying in Classes VIII to XII. From across Maharashtra, 2,000+ students would join with an aspiration and vision to become job creators and not only job seekers.



II. Shape the narrative around women entrepreneurship by driving issue-centric dialogue through a medium of media and social media platforms.

- ▶ **Partnership with Haqdarshak (social enterprise enabling citizens and MSMEs with access to government welfare and financial services):** Through Haqdarshak's reach to the last-mile, 3,000+ women entrepreneurs were impacted via awareness generation of government schemes and 212,700 women entrepreneurs were benefited through scheme linkage.
- ▶ **Media Impact:** Effected a readership of over 27 lakhs via 25 opinion editorials, 10 interviews, 16 beneficiary stories, and 65+ press releases. EdelGive Leadership influenced 50+ national media and digital publications and garnered coverage around gender-inclusive themes. 20+ media and social media influencers supported the cause on various platforms like roundtable discussions, co-authored pieces, and motivational videos to express their support for women-led businesses.
- ▶ **Stories of UdyamStree:** To showcase inspirational stories of women who came ahead in their entrepreneurial journeys by breaking the mould of societal roles and responsibilities designed for them, we launched a series of conversations named 'Stories of UdyamStree' which has gained over 56.3k impressions across social media platforms.
- ▶ **Community Radios:** Radio conversations were held in collaboration with Radio 7 from Jaipur and Radio Vishwas from Nashik, designed to accelerate grassroots awareness about government schemes and yojanas for women. 3.5 lakh listeners tuned in from Rajasthan and Maharashtra.
- ▶ **Bookletpedia:** Over 2,000+ women in Maharashtra and Rajasthan were given access to information in multi-lingual content (English, Hindi, and Marathi) through informative, illustrated booklets with the objective of creating awareness regarding schemes for women entrepreneurs.
- ▶ **Pyaar to Small Vyapaar:** In collaboration with popular influencers like Prajakta Koli, Aanchal Agrawal and Deepika Mhatre, we saluted and amplified women-led small businesses and encouraged people to be #VocalForLocal. These videos accumulated over 708K impressions and 230.9K views.



CAPACITY BUILDING

EdelGive offers non-financial support to NGOs, by providing capacity building across four key areas: Finance and Sustainability, Human Resources and Communication, Strategy and Leadership, and Processes and Technology. EdelGive strategised capacity building for organisational strengthening by focusing on long-term sustainability, problem-solving, and willingness to adopt new technologies.

Through their initiatives, EdelGive has provided support to 40+ NGOs during the last financial year through various trainings, workshops, intensive support etc.

- ▶ EdelGive Foundation has partnered with 3 capacity building agencies to provide support in the areas of technology adoption, leadership, fundraising, communications, and overall impact optimisation via cohort-based training models.
- ▶ EdelGive is working on 2 ongoing projects with partner NGOs in the domains of communication, leadership, strategy, learning and development, fundraising and soft skills training via cohort-based training model which will span 8 organisations and more than 300+ participants.

EMPLOYEE ENGAGEMENT

EdelGive Foundation draws on the Edelweiss employee volunteer pool and external (volunteer) agencies to cater to NGO needs. This year, Edelweiss volunteering has grown with:



36 virtual activities including in-kind donation drives



Outreach across **100** cities and **125** branches of the Edelweiss network



Over **₹3 million** raised through employee donations



70% (11% in FY21-22) of Edelweiss employees engaged in financial and non-financial volunteering over the years

Umang Unlimited in Collaboration with ETLI

Skill-based training sessions are designed to bring unlimited umang in the lives of women from Mann Deshi Foundation and youth from Antarang Foundation. Volunteers from ETLI have conducted skilled volunteering sessions on topics like banking and financial literacy, customer relationship and retail sales and English speaking. 25 volunteers have been instrumental in training over 500 beneficiaries.

Rise for Her Fellowship

5 women employees have been selected from across Edelweiss businesses to mentor 5 potential adolescent beneficiaries from Milaan Foundation as part of the Girl Icon Fellowship Programme. It has been a wonderful journey for the mentors as well as the mentees so far, as they share their wonderful learnings and experiences.

Daan Utsav 2021

For Daan Utsav this year, over 60 employees participated in the activities mentioned below:

- ▶ Pledge to support women entrepreneurs: Employees supported women-led businesses by giving them shout outs on social media and encouraging others to do likewise
- ▶ Fundraiser to support women-led businesses from the NGO Manuvikas
- ▶ Over 20 employees wrote notes of appreciation for women who have been impactful in their lives

Zilla Parishad School Painting Activity with Bhumi

PWA in collaboration with Bhumi organised a Zilla Parishad school painting activity in Pune district. 24 employees from the same business raised ₹15,000/- for the school library.

As this was the first on-field activity after the pandemic, it was well received by employees and the NGO.

Some glimpses of our volunteering engagements and community-focussed efforts under employee engagements.



UDYAM STREE
SABAL SAFAL SAKSHAM

EdelGive
FOUNDATION

SHARE STORIES ABOUT THE STRONG, INDEPENDENT AND CAPABLE WOMEN IN YOUR LIFE!

Women ensure the health, well being and prosperity of the individuals and communities that revolve around them. In fact, it may even be said that strong and independent women have enabled the evolution and progress of society as a whole.

In this context, we call upon you to share inspiring stories about the women in your life, and how they have impacted the lives of the individuals and communities around them. The most inspiring stories will be shared by us across all our social media platforms!

Come celebrate Daan Utsav with us during this entire month of October!

For further details about the UdyamStree visit: www.udyamstree.in

DAAN UTSAV
CELEBRATE THE JOY OF GIVING

Share your story!

EdelGive FOUNDATION
A Edelweiss Tokio Life

Neelam Foundation

Edelweiss Tokio Life
insured unlimited

Unlimited UMANG

Hear from our CHANGEMAKERS

Neeta Kakde
Human Resources

Giving is not only about donating, but also about making a difference to people's lives. Unlimited Umang is creating such a difference in the lives of marginalised women through various interventions.

I am delighted to be part of this journey with Unlimited Umang. It gave me unlimited joy to empower these women who aspire to support their families with financial literacy.

Thank you Edelweiss Tokio Life for providing me this opportunity.

Our Edge
"Nurturing Talent Respecting Lives"



Board Of Directors



RASHESH SHAH

Chairman & Managing Director

Rashesh Shah is Chairman & Managing Director of the Edelweiss Group, one of India's leading diversified financial services conglomerates. With more than 30 years of experience in financial services, Rashesh is particularly enthused about the transformational role that financial services can play in translating India's vast savings into investments. A regular commentator on macroeconomic policies, development matters, financial markets in the mainstream and financial media, he serves on the Boards of various companies and public institutions. He has served as the President of FICCI, which is India's apex industry association and is also on the Board of Directors for the Indian Institute of Foreign Trade (IIFT) as well as the Executive Committee of IPF (Indian Police Foundation). Rashesh has also been a member of several government and regulatory committees including the Insolvency Law Committee on IBC.

An MBA from the Indian Institute of Management, Ahmedabad, Rashesh also holds a Diploma in International Trade from the Indian Institute of Foreign Trade, New Delhi.



VENKATCHALAM RAMASWAMY

Vice Chairman & Executive Director

Venkatchalam Ramaswamy has three decades of experience in financial markets and has been one of the driving forces in transforming what was once India's first new-age boutique investment bank to a leading independent financial services company. Amongst his responsibilities, he is also the Chairman of Edelweiss's Asset Management Business and has oversight over Edelweiss Asset Reconstruction Company. Using his skills at building and maintaining large institutional relationships, including International Pension Funds and Insurance companies, the Alternative Asset Management business has become among the largest in India over the last 5 years.

An MBA from the University of Pittsburgh, USA, he also holds a Bachelor's Degree in Electronics Engineering.



HIMANSHU KAJI

Executive Director

Himanshu Kaji has over three decades of diverse experience in the areas of business strategy, risk, finance, regulatory frameworks, process re-engineering, technology, strategy and implementation across the financial services space.

At Edelweiss Group, he oversees Assurance, Finance, Governance, Legal and Administration. A Co-Chair on the FICCI Capital Markets committee, he is also a member of the CII National Forum on NBFCs and HFCs and a member of the CII National Committee on Financial Markets.

In the past, he has been a member of the Secondary Market Advisory Committee of SEBI as well as on the Trading Member Advisory Committee of the NSE. He has also served on the Board of the Bombay Stock Exchange (BSE) and played a key role in the overhaul of the Exchange, contributing largely to the demutualisation and corporatisation of BSE. He has been a Corporate Advisor to eminent Indian and global financial services companies.

A Chartered Accountant, he holds a Post-Graduate Diploma in Securities Law.



RUJAN PANJWANI
Executive Director

Rujan Panjwani has over three decades of multifaceted domain expertise in the financial sector spanning capital markets, asset management, insurance and others. Having spent the last 2 decades with Edelweiss, he has played a key role in setting up several flagship businesses. Today, he is in charge of the Insurance businesses within the Group – Edelweiss Tokio Life Insurance and Edelweiss General Insurance, where besides being on their respective boards, he has strategic oversight of key business decisions and the development of new business models. He also oversees the Corporate Treasury and related functions. Additionally, he has helmed multiple functions across the Group such as Human Resources and Leadership Development. He continues to play a fundamental role in several key initiatives including strategy, business development and incubation of new businesses.

Rujan holds a Bachelor's degree in Electrical Engineering from the Manipal Institute of Technology.



VIDYA SHAH
Non-Executive, Non-Independent
Director & Chairperson, Edelweiss
ESG Council

Vidya Shah is the Executive Chairperson of EdelGive Foundation, an organisation set up by Edelweiss Group in 2008, with the aim of funding and building the capacities of grassroots organisations across India. With over three decades of rich industry experience, Vidya has channelled EdelGive's structure of giving to include both financial and non-financial support to over 150 grassroots organisations, scaling their budgets, impact, and reach, exponentially. She also serves on the boards of various prominent Civil Society Organisations such as Akshaya Patra Foundation, Agastya International Foundation, Janaagraha Centre for Citizenship and Democracy, Centre for Social Impact and Philanthropy at Ashoka University, Olympic Gold Quest, Mann Deshi Foundation and the Indian School of Public Policy. She is also a member of the Governing Board of the Indian Institute of Management, Udaipur. Additionally, Vidya is also on the board of several international organisations including WINGS and Empower Families for Innovative Philanthropy. Most recently she has joined the Asia Gender Network, a group of members curated by AVPN, committed to changing the future for Asian women and girls.

She spent the first 11 years of her career in the field of investment banking with companies like ICICI, Peregrine and NM Rothschild. She joined Edelweiss in the year 2000 and was its Chief Financial Officer until 2007. Vidya holds an MBA degree from the Indian Institute of Management, Ahmedabad.



P. N. VENKATACHALAM
Independent Director

P. N. Venkatachalam has close to four decades of experience in the banking sector in India and has also worked in the banking and finance verticals of the software industry. He joined State Bank of India in 1967 and retired in 2004 as its Managing Director. He was a member of the Interim Pension Fund Regulatory Authority of India.

He holds a Master's degree in Economics from the University of Madras and is a certified associate of the Indian Institute of Bankers.

Board Of Directors



NAVTEJ S. NANDRA

Independent Director

Navtej S. Nandra has over three decades of global growth, transformation and governance experience. He serves on various boards including Edelweiss Group and Percent Technologies. In the past, he was President of E*TRADE and Head of International for Morgan Stanley Investment Management. He has been an investment committee member in various funds, had Executive Committee roles at Merrill Lynch across Wealth Management and Investment Banking and was Partner at Booz Allen & Hamilton. He has also served on various boards including MS Huaxin Fund Management, OakNorth Bank and Nuveen Investments.

He has a Post-Graduate Diploma from the Indian Institute of Management, Ahmedabad and holds a Bachelors degree in Commerce (Hons. course) from the University of Delhi.



KUNNASAGARAN CHINNIAH

Independent Director

Kunnasagaran Chinniah has more than three decades of experience in the financial sector. He is presently a Director of Changi Airport International, Keppel Infrastructure Trust, Azalea Asset Management Pte. Ltd., Hindu Endowments Board and several other companies. Kunnasagaran joined GIC Private Limited in 1989 and after having served the company in various capacities, he retired as the Managing Director in 2013. His last appointment was Global Head, Infrastructure and Co-Head, Portfolio, Strategy and Risk.

He holds a Bachelor's degree in Electrical Engineering from the National University of Singapore and a Master's degree in Business Administration from the University of California, Berkeley. He is also a Chartered Financial Analyst (CFA) from the Institute of Chartered Financial Analyst.



BISWAMOCHAN MAHAPATRA

Independent Director

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



Ashok Kini is the ex-Managing Director of State Bank of India. He holds a Bachelor's degree in Science from Mysore University and a Master's degree in English literature from Madras Christian College, Chennai.

ASHOK KINI

Independent Director



Dr. Ashima Goyal has over three decades of experience. She is a Professor at the Indira Gandhi Institute of Development Research. She was appointed as a member of the RBI's Monetary Policy Committee on October 6, 2020. She was also a part-time member of the Economic Advisory Council to the Prime Minister. She is a specialist in the areas of open economy macroeconomics, international finance, institutional economics and development economics. She has been a visiting fellow at the Economic Growth Centre, Yale University, USA and a Fulbright Senior Research Fellow at Claremont Graduate University, USA. She was chosen as one of the most powerful women in business in India for 2021 by Business Today in December 2021.

An MPhil, MA and BA in Economics from the University of Delhi, she also holds a PhD in Economics from the University of Mumbai.

DR ASHIMA GOYAL

Independent Director



Shiva Kumar has served at State Bank of Bikaner & Jaipur (now merged with the State Bank of India) as Managing Director. At State Bank of India, he was Deputy Managing Director and has held various positions. He was also the Project Leader for the business process re-engineering project for complete transformation of the largest Bank in India in collaboration with McKinsey & Company. He was a part of their credit card project and had set up metal gold business for the Bank. He was also a representative of Associate Banks on the Managing Committee of Indian Banks' Association. In 2013, he received the 'Business Leadership Award', from the Institute of Public Enterprises.

He holds a Bachelor of Arts degree from Patna University and is an associate member of the Indian Institute of Bankers

SHIVA KUMAR

Independent Director

Company Information

Board of Directors

Mr. Rashesh Shah
Mr. Venkatchalam Ramaswamy
Mr. Himanshu Kaji
Mr. Rujan Panjwani
Ms. Vidya Shah
Mr. P. N. Venkatachalam
Mr. Navtej S. Nandra
Mr. Kunnasagaran Chinniah
Mr. Biswamohan Mahapatra
Mr. Ashok Kini
Dr. Ashima Goyal
Mr. Shiva Kumar (w.e.f. August 4, 2022)

Chief Financial Officer

Ms. Ananya Suneja

Company Secretary

Mr. Tarun Khurana

Statutory Auditors

M/s. S. R. Batliboi & Co. LLP,
Chartered Accountants

Registered Office

Edelweiss House, Off C.S.T. Road,
Kalina, Mumbai - 400 098.
CIN: L99999MH1995PLC094641
Tel: +91 22 4009 4400
Email: efsi.shareholders@
edelweissfin.com
Website: www.edelweissfin.com

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (W) - 400 083.
Tel: +91 22 4918 6270
Fax: +91 22 4918 6060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Edelweiss Presence

~ 300 offices covering
~5 million+ clients

Bankers

- Bank of India
- Axis Bank
- Central Bank of India
- DCB Bank
- HDFC Bank
- IDBI Bank
- IDFC Bank
- Citibank N.A.
- Karur Vysya Bank
- Kotak Mahindra Bank
- Punjab & Sind Bank
- South Indian Bank
- State Bank of India
- ICICI Bank
- Union Bank of India
- Indian Bank
- IndusInd Bank
- Yes Bank
- Bank of Baroda
- Bank of Maharashtra
- Canara Bank
- RBL Bank
- Standard Chartered Bank
- The Federal Bank
- Karnataka Bank
- Punjab National Bank
- Catholic Syrian Bank
- Equitas Small Finance Bank
- DBS Bank
- AU Small Finance Bank
- Bandhan Bank
- SBM Bank (India) Ltd.
- Ujjivan Small Finance Bank Ltd
- Barclays PLC

Major Cities:

Domestic

- Agra • Ahmedabad • Ahmednagar • Ajmer
- Allahabad • Alwar • Ambala Cantt
- Ambattur • Amravati • Amritsar
- Anand • Aurangabad • Bengaluru
- Bareilly • Belgaum • Bharuch • Bhatinda
- Bhavnagar • Bhilai • Bhopal • Bhubaneswar
- Bilaspur • Chandigarh • Chengalpattu
- Chennai • Kochi • Coimbatore • Cuttack
- Dehradun • Delhi • Dhanbad • Dindigul
- Durg • Eluru • Ernakulam • Erode
- Faridabad • Gandhinagar • Ghaziabad
- Gorakhpur • Guntur • Gurugram
- Guwahati • Gwalior • Himatnagar
- Hosur • Howrah • Hubli • Hyderabad
- Indore • Jabalpur • Jaipur • Jalandhar
- Jalgaon • Jammu • Jamnagar • Jamshedpur
- Jodhpur • Junagadh • Kalyan • Kanchipuram
- Kanpur • Karimnagar • Karnal • Karur
- Khammam • Kharagpur • Kolhapur • Kolkata
- Kollam • Kottayam • Kozhikode • Kumbakonam
- Kurnool • Lucknow • Ludhiana • Madurai
- Mandi Gobindgarh • Mangaluru • Meerut
- Mehsana • Mumbai • Muzaffarpur • Mysuru
- Nagpur • Namakkal • Nashik • Navi Mumbai
- Nellore • New Delhi • Noida • Panaji • Panvel
- Patiala • Patna • Puducherry • Pudukottai
- Pune • Raipur • Rajahmundry • Rajkot
- Ranchi • Rohtak • Rourkela • Salem
- Secunderabad • Shimla • Siliguri • Solapur
- Surat • Surendranagar • Thane • Thanjavur
- Thiruvallur • Thiruvannamalai • Thrissur
- Tiruchirapalli • Tirunelveli • Tirupati • Tiruppur
- Trichy • Thiruvananthapuram • Tuticorin
- Udaipur • Vadodara • Vapi • Varanasi • Vellore
- Vijayawada • Visakhapatnam • Vadodara
- Warangal • Yamunanagar • Zirakpur

International

- Mauritius • Dubai • Hong Kong
- London • New York • Singapore

All numbers and data are as of March 31, 2022 and includes EWM

BOARD'S REPORT

To the Members of Edelweiss Financial Services Limited,

Your Directors hereby present the 27th 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:

(₹ in million)

Particulars	2021-22	2020-21
Total Income	73,045.91	1,08,488.50
Total Expenses	71,738.65	1,07,025.91
Profit before share in profit of Associates and tax	1,307.26	1,462.59
Share in Profit/(Loss) of Associates	966.54	(6.35)
Profit before tax	2,273.80	1,456.24
Tax Expenses	153.06	(1,082.96)
Net Profit for the year	2,120.74	2,539.20
Other Comprehensive Income/(Loss)	(1,194.37)	(17.97)
Total Comprehensive Income	926.37	2,521.23
Profit/(Loss) for the year attributable to the		
• Owners of the parent	1,887.84	2,653.36
• Non-controlling interests	232.90	(114.16)
Other Comprehensive Income/(Loss) for the year attributable to the		
• Owners of the parent	(732.84)	11.88
• Non-controlling interests	(461.53)	(29.85)
Total Comprehensive Income/(Loss) for the year attributable to the		
• Owners of the parent	1,155.00	2,665.24
• Non-controlling interests	(228.63)	(144.01)
Earnings Per Share (₹) (Face Value of ₹ 1 each)		
Basic	2.11	2.98
Diluted	2.11	2.97

II. Standalone Financial Performance:

(₹ in million)

Particulars	2021-22	2020-21
Total Income	13,724.74	17,218.73
Total Expenses	5,177.30	10,279.54
Profit before tax	8,547.44	6,939.19
Tax Expenses	(786.14)	(222.93)
Profit for the year	9,333.58	7,162.12
Other Comprehensive (Loss) / Income	(0.10)	9.54
Total Comprehensive Income	9,333.48	7,171.66
Earnings Per Share (₹) (Face Value of ₹ 1/- each)		
Basic	10.44	8.05
Diluted	10.43	8.01

SHARE CAPITAL

During the year under review, 72,99,888 Equity Shares of the face value of ₹ 1 each were allotted on exercise of the Stock Options granted under various Employee Stock Incentive Plans of the Company.

Consequently, as at March 31, 2022, the total paid-up share capital of the Company stood at ₹ 943.10 million divided into 94,30,97,965 Equity Shares of the face value of ₹ 1 each.

Except Employee Stock Options and Stock Appreciations Rights (SAR), the Company has not issued any sweat equity to the employees of the Company. The disclosures with regard to the Employee Stock Options and SAR as required under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is available on the website of the Company at the link: www.edelweissfin.com.

DIVIDEND

During the year under review, the Board declared and paid interim dividend of ₹ 0.25 per Equity Share of the face value of ₹ 1 each. The interim dividend was paid to the Members of the Company during the month of April 2022.

The Board at its meeting held on May 27, 2022, recommended a final dividend of ₹ 1.20 per Equity Share of the face value of ₹ 1 each, subject to the approval of Members at the forthcoming Annual General Meeting (AGM).

Pursuant to Regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the Listing Regulations), the Dividend Distribution Policy is provided as Annexure I to this Report and is available on the website of the Company at the link: www.edelweissfin.com.

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

Information on the operational and financial performance, amongst others including the impact of COVID-19, is given in the Management Discussion and Analysis Report, forming part of this Report, and is in accordance with the Listing Regulations.

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.

SUBSIDIARIES & ASSOCIATES

During the year ended March 31, 2022, the Company divested its stake in Gallagher Insurance Brokers Private Limited (GIBPL) (earlier known as Edelweiss Gallagher Insurance Brokers Limited). Consequently, GIBPL ceased to be a subsidiary of the Company w.e.f. October 18, 2021.

During the year under review, Edelweiss Capital Singapore Pte. Ltd. and Aster Commodities DMCC were dissolved and ceased to be the subsidiaries of the Company.

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, the subsidiaries of the Company, EC Commodity Limited has been merged with Edel Land Limited. Consequently, EC Commodity Limited ceased to be the subsidiary of the Company w.e.f. March 25, 2022.

During the year under review, Edelweiss Real Assets Managers Limited and Sekura India Management Limited were incorporated on June 25, 2021 and June 29, 2021, respectively, as subsidiaries of the Company.

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 and associates are available on the website of the Company at the link: www.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.

SCHEME OF ARRANGEMENT

The Board at its meeting held on May 13, 2022 approved the Scheme of Arrangement between the Company and Edelweiss Securities Limited (ESL/Resulting Company) and their respective shareholders and creditors (the Scheme) under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 (the Act). The Scheme provides for demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) from the Company into the Resulting Company on a going concern basis. The equity shareholders of the Company will receive the equity shares of ESL in the manner as provided in the Scheme.

The Scheme is subject to the approval of the shareholders, creditors and regulatory authorities. Subject to receipt of necessary approvals, the equity shares of ESL would be listed on the stock exchanges.

FINANCE

During the year under review, the Company issued Non-convertible Debentures (NCDs) through public issue which are listed on BSE Limited. Your Company also raised money by issue of NCDs on private placement basis.

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.edelweissfin.com.

Particulars of contracts or arrangements with the related parties as prescribed in Section 188 of the Act is provided in the financial statements in Form AOC-2. 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.

Mr. Berjis Desai (DIN: 00153675) resigned as an Independent Director of the Company w.e.f. November 6, 2021, due to his other professional commitments. Mr. Desai has confirmed that there were no material reasons for his resignation other than reason mentioned herein. The Board places on record its sincere appreciation of the services rendered by Mr. Desai during his tenure as an Independent Director of the Company.

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board has, subject to the approval of the Members, re-appointed Mr. Ashok Kini (DIN: 00812946) and Dr. Ashima Goyal (DIN: 00233635) as Independent Directors of the Company for the second term of 5 years with effect from April 1, 2022. The Members vide the Postal Ballot on April 26, 2022, approved their re-appointment.

(ii) Managing Director and Executive Directors

Mr. Rashesh Shah (DIN: 00008322) and Mr. Venkatchalam Ramaswamy (DIN: 00008509) were re-appointed as the Managing Director and Executive Director of the Company, respectively, at the 26th Annual General Meeting held on September 3, 2021, for a period of 5 years effective from April 1, 2022.

(iii) Retirement by rotation

Mr. Rashesh Shah (DIN: 00008322) and Mr. Rujan Panjwani (DIN: 00237366) retire by rotation at the forthcoming Annual General Meeting and, being eligible, have offered themselves for re-appointment.

(iv) Key Managerial Personnel (KMP)

Mr. Sarju Simaria resigned as the Chief Financial Officer of the Company with effect from February 28, 2022 and Ms. Ananya Suneja was appointed as the Chief Financial Officer of the Company with effect from March 1, 2022. Some of the KMPs of the Company are also the KMPs of the subsidiaries and draw remuneration from those subsidiaries.

NUMBER OF BOARD MEETINGS HELD

During the year ended March 31, 2022, the Board met 5 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 and the Listing Regulations. 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 Managing Director, 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, the Listing Regulations and the Guidance Note issued by the Securities and Exchange Board of India in this regard 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. Further details are provided in the Management Discussion and Analysis Section forming part of this Report.

AUDIT COMMITTEE

The Audit Committee comprises of the following Independent Directors:

- Mr. P. N. Venkatachalam (Chairman)
- Mr. Biswamohan Mahapatra
- Mr. Kunnasagaran Chinniah
- Mr. Ashok Kini.

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.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:

Mr. Venkatchalam Ramaswamy (Chairman)	}	Executive Directors
Mr. Himanshu Kaji		
Mr. Rujan Panjwani		
Mr. P. N. Venkatachalam		
		Independent Director.

The Company has made contributions under CSR mainly through its philanthropic arm EdelGive Foundation, a wholly owned subsidiary. The CSR Projects of the Company largely focuses on the broad areas such as sustainable livelihood, quality education, women empowerment etc.

CSR REPORT

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

AUDITORS

At the 23rd AGM held on July 26, 2018, the Members had appointed M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/ E300005), as the Auditors of the Company for a term of 5 years to hold office until the conclusion of the 28th 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. BNP & Associates, Company Secretaries, 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.

As required under the Listing Regulations, the Secretarial Audit Report of Edelweiss Tokio Life Insurance Company 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 to reach out to its customer in the difficult times of pandemic.
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):
 - (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, the Company earned foreign exchange of ₹ 56.75 million (previous year: ₹ 550.16 million) and there was outgo of foreign exchange of ₹ 19.48 million (previous year: ₹ 16.74 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 except as mentioned under the heading Scheme of Arrangement in 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.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.

CORPORATE GOVERNANCE

Pursuant to the Listing Regulations, the Report on Corporate Governance together with the certificate issued by M/s. BNP & 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.

BUSINESS RESPONSIBILITY REPORT

A Business Responsibility Report for the financial year ended March 31, 2022, pursuant to the Listing Regulations is provided in Annexure VII 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 profits 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, the Reserve Bank of India, Stock Exchanges, Insurance Regulatory and Development Authority of India, 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
Edelweiss Financial Services Limited

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Mumbai, May 27, 2022

Management Discussion & Analysis

MACRO ECONOMY: REVIEW AND OUTLOOK

'There will be interruptions, and I don't know when they will occur, and I don't know how deep they will occur, I do know they will occur from time to time, and I also know that we'll come out better on the other end.' - Warren Buffett

FY22 saw the two waves of the COVID pandemic creating disruptions. However, the year ended on a positive note with complete unlocking and recovery in economic activities. Notwithstanding this, the onset of geopolitical tensions and subsequent escalation on the European peninsula has increased global uncertainties leading to a rise in commodity and fuel prices. The global impact of which has increased pressure on the supply side economics, leading to rising inflationary pressures and unprecedented challenges over both global and domestic economies. Such global uncertainties have also influenced the capital markets in Q4 of the financial year under review with all major indices going into correction mode; impacting industries linked to capital markets.

Despite the macroeconomic and geopolitical headwinds, the domestic economic growth is seeing a revival aided by easing of pandemic-related restrictions and normalcy in business environment. Pickup in credit growth, improved Goods & Services Tax (GST) collections, and growth in industrial and agriculture sectors – all point to increased economic activity. The services sector, however, is yet to achieve this feat but relatively healthy earnings provided relief with uncertainty creeping back in certain sectors in the second half of the year. The banking system is well-capitalised with improving asset quality and declining Non-Performing Assets (NPAs). The Gross NPAs of Scheduled Commercial Banks (SCBs) dropped below 6% as of Mar 22, the lowest since 2016, indicating that the sector has remained largely insulated from the disruptions of the COVID-19 pandemic. Forex reserves have also been healthy with a respectable 13-month runway and higher than India's external debt levels.

As per IMF estimates, India's Gross Domestic Product (GDP) grew by 8.7% in FY22, and growth is expected at 8.2% in FY23. Further, large government funding in public infrastructure, thrust on domestic manufacturing and technology-enabled development, and higher allocation towards affordable housing are all expected to encourage growth and attract private investments in the industry.

Overall Outlook

Overall, the year was a mixed bag. India still contends to be amongst the fastest-growing economies on the back of favourable dynamics; however, the global conditions continue to create significant headwinds.

INDUSTRY STRUCTURE AND DEVELOPMENTS

NBFC Industry

After going through the ordeal of macro-economic and pandemic-driven stress, the NBFC industry is gradually returning to normalcy. FY22 has been a year of revival and transformation for NBFCs after years of stressed profitability, liquidity, and asset quality. The industry has undergone a significant transformation in the past couple of years with increased regulatory oversight and rapid technological innovation.

The scenario established during the second half of the fiscal year with resumption of credit activities on the back of the reopening of the economy. This has led to increased disbursements and improvement in credit quality. However, profitability continued to be subdued.

Retail Finance

India has one of the lowest credit penetration rates in the world. This presents a large growth opportunity for retail credit, driven by long-term trends in democratisation of credit, rising household incomes, and increased consumption.

Reflecting the recovery in the economy after two years of the COVID-19 pandemic, banks have seen a sharp growth in advances by the end of FY22. Several lenders have reported continued demand for loans, particularly from the retail segment as the third wave of the pandemic did not have much of an impact on economic activities. Further, with the easing of restrictions, contact-intensive sectors such as hospitality, travel, and entertainment will also require funding for re-opening and expansion. Retail loans, which have been the key focus for most lenders continue to lead the credit growth. Credit demand from the retail segment, small and medium businesses has been strong, but with the economic recovery in full swing, there is the demand coming from other segments as well.

MSME

The MSME segment in India is estimated to consist of 63 million units, which employ over 111 million people. The segment contributes approximately 27% to India's GDP and is crucial to the functioning of the economy in terms of employment generation, exports, and lending opportunities.

The MSME sector was expected to rebound sharply with a sturdy growth for FY22 on the back of demand recovery following the pick-up in economic activity and easing of restrictions. MSMEs are rapidly adopting digital payments over cash, with 72% of the payments being processed through the digital mode compared with 28% of cash transactions. Rise in digital adoption presents prospects for further growth in the sector.

Housing

Housing demand was deeply impacted during the first half of FY22 due to COVID-19 pandemic, the situation improved in the second half owing to the pent-up demand, falling interest rates, and the extension of the credit subvention scheme for the affordable housing segment. Post-pandemic, there has been an incremental need for owning a home rather than renting out. Housing finance companies have great potential when it comes to growth in the Indian housing space. Within the housing finance sector, affordable housing is receiving special attention currently. The housing finance market in India can expand and lend to borrowers who currently are not being serviced by financial institutions i.e., the borrowers who fall in low to middle income group or want small ticket housing loans and do not have formal proof of the income.

Asset Management

The asset management industry in India comprises mutual funds and alternative investment funds (AIFs). Recovery in the market aided by Pandemic driven correction, boosted Mutual Funds AUM which recorded a robust growth of 20% to stand at ₹37.57 trillion as on Mar 22, compared to ₹31.43 trillion as on Mar 21.

(Source: AMFI reports).

Alternative assets funds that focus on providing yields to investors are becoming mainstream in India. There is an increasing demand for such funds from offshore institutional investors like pension funds and insurance companies. Similarly, HNI investors and family offices in India are also seeking yields as returns on traditional debt products in India have come down. Alternative Funds in the structured credit, stressed assets, real estate credit and infrastructure yield space in India saw inflows of ~USD 30.8 billion during the year and their AuM stands at ~USD 70.81 billion at the end of this year in India.

Asset Reconstruction

The ARC industry has come a long way since inception and evolved from a recovery-oriented agency mechanism to an attractive investment business for the revival of financially impaired, viable business entities to earn reasonable risk-adjusted returns.

During FY22, demand revival led to a recovery in overall business sentiment. While the overall non-performing assets (NPAs) levels of the financial sector may see some increase, particularly in the retail and MSME sectors, there is an uptick in bank credit flow after almost two years of stagnation.

The major developments in the financial sector having an impact on asset reconstruction companies (ARCs) include:

- ▶ Setting up of National Asset Reconstruction Company in the Union Budget for FY22, to take over the bad assets from banks. Accounts to be transferred to NARCL will be put through a Swiss challenge to ensure a transparent price discovery. Resolution of these assets will be done by the newly formed Indian Debt Resolution Co Ltd (IDRCL) which will be the principal agent to NARCL. This agency will be controlled by 15 private sector banks who will hold 52% share in that company
- ▶ Permission by the Securities and Exchange Board of India (SEBI), in Jan 22, to set up special situation funds as a sub-category under category I AIF, for investing in 'special situation assets' either through NCLT process or under RBI guidelines for restructuring of such assets
- ▶ Clarification to banks, NBFCs and HFCs by RBI, in Nov 21, to classify account as overdue if entire arrears of interest and principal are not paid by the borrower for the due date. RBI has given time till the Apr 23. This might push some NBFCs, HFCs to increase the pace of sale of NPAs

During FY22, the top six ARCs in India acquired loans at an acquisition price (SRs issued) of ₹171 billion with an investment of ₹38 billion and had an Assets Under Management (AUM) of ₹910 billion as on Mar 22. Their recoveries were ₹164 billion with redemptions of ₹116 billion during the year.

Life Insurance

The last two years have been a redefining period for the life insurance sector. It was a blend of ups and downs as it encompassed the worst of the COVID-19 pandemic. However, it was also a year of gains. The pace of business transformation quickened and bolstered the need for financial risk management at an individual level. It has resulted in a significant demand for life insurance solutions, bringing new first-time customers to the fore. The industry witnessed a strong growth momentum. The quality of business and the business models adopted reflects the industry's strong growth potential.

With the digital paradigm organisations are prioritising creating a seamless customer and distributor experience through technology-driven solutions. Over the past two decades, regulatory changes, the emergence of technology, and evolving customer expectations have affected widespread changes in the insurance sector. Rise in life insurance penetration in India from 2.8% in FY20 to 3.2% in FY21 has brought it closer to the global average of 3.3% (Source: IRDAI Annual Report 2021). While insurance penetration has improved, it will be crucial to reimagine distribution through traditional and newer channels to further enhance it.

Individual Annualised Premium Equivalent (APE) growth of the industry was higher at 16% in FY22 compared to 3% in FY21 with an APE of ₹876 billion in FY22 compared to ₹757 billion in FY21. The private sector life insurers recorded a growth of 22% and their Individual APE market share increased marginally from 60% to 63% YoY (Source: Life Insurance Council). The structural story for the insurance sector remains intact and the industry may receive a COVID-driven boost focussing on customer needs on protection.

General Insurance

The General Insurance industry (GI) witnessed higher growth in FY22 at 11% as against 5% growth recorded in FY21. This can be attributed to the higher uptake of health insurance in the wake of the second and third waves of the pandemic and partial recovery of motor insurance. Among the segments, Health (25%) (Retail/Group/PA/Overseas Medical) led the pack followed by Commercial (12%). Growth of the motor segment languished at 4% YoY, deterred by the tepid growth in new vehicle sales due to the global chip shortage.

The year also witnessed certain regulatory actions, particularly, interventions in the health segment. This put the onus on the insurers for gathering claim information of a policyholder while porting their health policy from the existing insurer.

The government approved the nationwide rollout of the Ayushman Bharat Digital Mission (ABDM) under which citizens will be able to create their health account numbers to which their digital health records can be linked. This initiative is aimed at creating a seamless online platform through the provision of data, information, and infrastructure services.

Wealth Management

Financialisation of assets, democratisation of wealth, Indian demographics and increasing sophistication are among the key emerging trends in the Indian Wealth Management industry.

Investors are increasingly becoming more sophisticated and are willing to explore the unexplored aided by increased investment choices and lower interest rates. Simultaneously, Ultra High Net Worth Individuals (UHNIs) and affluent clients are looking at advanced investment strategies and more personalised investment advisory services in their quest for higher yields which augurs well for the industry.

Capital Markets

The capital markets saw a record year with 50+ companies raising ₹1,000+ billion by way of Initial Public Offerings (IPOs) and 25+ companies raising ₹250 billion via Qualified Institutional Placement, aided by the buoyancy in secondary markets driven by ample liquidity across developed and large developing nations.

The debt market had a tough year in FY22, coming out of the pandemic blues in the second half. The RBI continued to maintain an accommodative stance throughout the year and kept the interest rates at its lows on the back of a benign inflation outlook. However, towards the end of the financial year, rising geopolitical tensions and crude oil prices exerted upward pressure on inflation trajectory and bond yields. This was a de-growth of 10% in volume to ₹5.5 trillion in the private placement segment in FY22 while public issuance of bonds remained flat at ₹107 billion in FY22 compared to ₹105 billion in FY21. (Source – Prime Database)

EDELWEISS OUTLOOK

At Edelweiss, we continue to be optimistic about India's long-term growth prospects and the opportunities it will provide to financial services organisations. At the same time, we continue to move carefully and be prepared for any short-term disruptions in the market. Our aim is to build resilience and strength in the organisation and gradually scale growth.

OPPORTUNITIES

After a difficult few years, the stars seem to be aligning well for India as a whole and especially the financial services sector. The country has seen significant rebound from the pandemic evidenced by the record GST collections. Within financial services, credit growth is still at a nascent stage but expected to pick up substantially going forward. With the secular growth in financialisation of savings accelerating further post the pandemic, diversified financial services organisations are well placed to not only benefit from the growth in financial assets but also the pick-up in democratisation of credit. Within these larger domains, there will be strong growth opportunities in select niches

- ▶ MSMEs were significantly impacted during the pandemic. However, they are now gradually coming back on track and will be a key driver in the future credit growth as India goes through a secular growth cycle
- ▶ Housing demand is on the rise with residential housing sales nearing record highs in the last few quarters. This demand is expected to continue and even accelerate driven by favourable affordability, higher accountability brought by RERA and the consolidation in industry, as stronger players have emerged. Mortgages credit will be a strong growth driver in household credit going forward
- ▶ India continues to be significantly under-penetrated in Asset Management & Wealth Management. Financialisation is an important theme which has seen significant tech-driven acceleration. With real returns tending towards negative in traditionally dominant banking deposits, we expect a strong growth in both these sectors going forward
- ▶ Similarly, insurance penetration in India continues to be one of the lowest in the world despite almost two decades of strong growth. For organisations with patient capital, insurance presents one of the best long-term risk-reward plays in a country where a vast majority remains unaware of the importance of insurance products

THREATS

While the economy has seen a significant recovery from the pandemic lows, there are potentially challenging trends which could derail the recovery and extend the pain for the country, including the financial services sector –

- ▶ An extreme pandemic wave may derail the benefits accrued in the last year, both globally and domestically
- ▶ Geopolitical tensions, especially in Ukraine, have the potential to significantly impact the economic growth across the world and lead to wider global participation
- ▶ Inflation has become a huge challenge both in India and globally. Oil prices have been a double whammy for our country. It is expected that the central banks find the right balance between liquidity tightening and controlling inflation

EDELWEISS FOCUS AND STRATEGY

Our focus for FY22 has been on consolidation and fortification with three clear priorities. EWM de-merger is on track and we expect EWM listing to happen between Q4FY23. We continue the transition to a capital-light retail credit model with a focus on Housing and SME businesses. We have scaled down our wholesale lending book significantly over the last two years and plan to further bring it down in FY23. Also, we continue to scale up our Asset Management and Insurance business franchises. We spent time laying down strong foundations for these businesses, and going forward, these businesses seem poised for a strong growth trajectory in the next five years. With the uncertainties around the pandemic still lingering, there could be some disruptions but beyond that is the promise of an invigorating growth journey which is what we believe in. For the long-term, our strategy continues to be enhancing sustainability, governance, management quality, scalability, and profitability with continued focus for building capability to serve our diverse customer segments.

Edelweiss Outlook & Strategy

- ▶ Edelweiss will continue to be a play on structural growth opportunities playing out in India
- ▶ We will continue to focus on unlocking value for shareholders, targeting listing of EWM by Mar-23
- ▶ Asset Management and Insurance will be key growth vectors going forward
- ▶ Credit will be retail-focussed and scaled in an asset-light model built on partnerships
- ▶ New paradigms of focus – processes, institutionalisation, and tech

PERFORMANCE HIGHLIGHTS

FY22 has been a year where our core businesses have generated steady performances with a slightly upward bias despite the ongoing challenges posed by the pandemic. The future growth trajectory remains positive on account of continued growth in customer reach, excellent traction on the fee income, normalised credit costs, and a strong and well-capitalised balance sheet acting as a shield for any short-term disruptions. Although the second wave of the pandemic in April 2021 was more severe, the economic impact was muted compared to the national lockdown of the previous year helping businesses achieve healthy profitability and steady performance in FY22.

Customer assets have grown ~30% YoY to stand at ₹3.51 trillion at the end of FY22 demonstrating the continued trust of our customers. While the Alternatives, Asset Reconstruction, and Wealth Management businesses have maintained their industry leadership, our Mutual Fund and Retail Credit are growing franchisees. Our Life Insurance and General Insurance business continued to grow and gain market share. All our businesses are well-capitalised with operationally independent and robust platforms and are poised for growth.

In FY22, we witnessed a steady growth in revenues on account of our core business operations. Fee & Commission Income (Ex-WM) was up 38% YoY to ₹14.44 billion driven by our Mutual Fund, Alternatives, and Asset Reconstruction businesses.

Insurance businesses continued to grow with a net premium of ₹16.44 billion for FY22 (₹13.25 billion for FY21), marking a healthy growth of 24%.

The YoY reduction in our credit book due to wholesale credit resolution and our move to asset-light models for retail credit reduced interest income by 25% to ₹30.45 billion.

FY22 expenses have seen an overall reduction of 33%. The total cost stood at ₹71.74 billion as compared to ₹107.03 billion for FY21. The reduction is largely led by decrease in impairment costs. We had taken impairments of ₹20.7 billion in FY21, some of this was accelerated on a conservative basis at a time of COVID uncertainty and now the overall portfolio remains well-provided and adequately collateralised. In the current year, strong recoveries and better credit risk management ensured that overall impairment stood at ₹0.47 billion.

Borrowing costs have also reduced significantly. It stood at ₹29.84 billion for FY22 compared to ₹38.34 billion in FY21, down by 22%. At the end of FY22, borrowings were lower at ₹227.11 billion compared to ₹284.36 billion at the end of the previous year.

Operating costs have remained flat in FY22, despite our continued investments in scaling up our younger retail and insurance businesses. Renewed focus on improving cost efficiency has helped offset the increase in operational expenses due to return of business activity to pre-pandemic levels.

Consolidated EFSL PAT (pre-MI) for FY22 stands at ₹2.12 billion as against ₹2.54 billion in FY21.

We continued to strengthen and deleverage the balance sheet during the year. Effective balance sheet size (Borrowings plus Net Worth) at the end of FY22 was ₹303.06 billion compared to ₹361.13 billion at the end of FY21, down by 16%.

Total Net Worth stood at ₹84.57 billion as on Mar 22, including the amount of equity convertible instruments (CCDs) vis-à-vis ₹85.42 billion as on Mar 22.

Borrowings as on Mar 22, were lower at ₹227.11 billion compared to ₹284.36 billion at the end of the previous year, reflecting the degrowth in credit book. During the year, we continued to maintain adequate level of available liquidity of around 23% of our borrowings in view of the volatile environment though it resulted in a negative carry as in the previous year.

The Diluted EPS for FY22 stood at ₹2.11 compared to ₹2.97 for FY21. Book Value per share was ₹72 as against ₹73.83 at the end of FY21.

The Board of Directors have recommended a final dividend of ₹1.2 per share subject to the approval of the members at the ensuing AGM. Total Dividend for the year stood at ₹1.45 per share.

Available Liquidity

We ensure that an adequate liquidity cushion is always maintained to take care of all maturing liabilities with a focus on optimum revenue generation from liquid assets.

At the end of FY22, we maintained available liquidity of ₹55 billion. This included overnight liquid assets of ₹18 billion, high-quality liquid assets of over ₹32 billion which can be liquidated within a short span, (if the need arises), and undrawn committed bank credit lines of ₹5 billion. With this, a large part of the balance sheet is liquid and can be converted into cash in a short period of time.

Sufficient liquidity is maintained for any contingencies and there is a strong outlook towards future fund raising.

ALM profile

We continue to diversify sources of borrowings and the type of instruments through which we borrow. Towards this, 96% of our adjusted borrowings are in the form of term loans and NCDs. With the help of public issues and our retail borrowing programmes, we have also increased the proportion of funding through retail sources from 26% to 34% in the past one year of our adjusted borrowings. There has been a concerted effort to maintain a higher proportion of borrowings in medium to long-term buckets. Accordingly, long-term borrowings now stands at 67% of the total borrowings.

On the asset side, we continue to focus on and reorient our balance sheet towards retail growth. All these steps have ensured that we maintain a positive ALM gap across time buckets.

ANALYSIS OF SIGNIFICANT CHANGES IN FINANCIAL RATIOS

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

1. Details of significant changes in key financial ratios:

a. Debt Equity Ratio

The Debt Equity Ratio as on Mar 22, stood at 3 times compared to 3.7 times as on Mar 21, an improvement of 19%. This was mainly due to lower borrowings of ₹227.11 billion as on Mar 22, compared to ₹284.36 billion as on Mar 21. Including the amount of equity convertible instruments (CCDs) in our networth and excluding the liquid treasury assets that we hold for liquidity management, the Net Gearing Ratio improves to 2.1 times as on Mar 22 compared to 2.5 times as on Mar 21.

b. Profit before Tax Margin (%)

The Profit before Tax Margin for FY22 was 3.1% compared to being 1.3% in FY21, marking a growth of 132%.

c. Net Profit Margin (%)

The Profit after Tax Margin for FY22 stood at 2.9% compared to 2.34% for FY21, up by 24%.

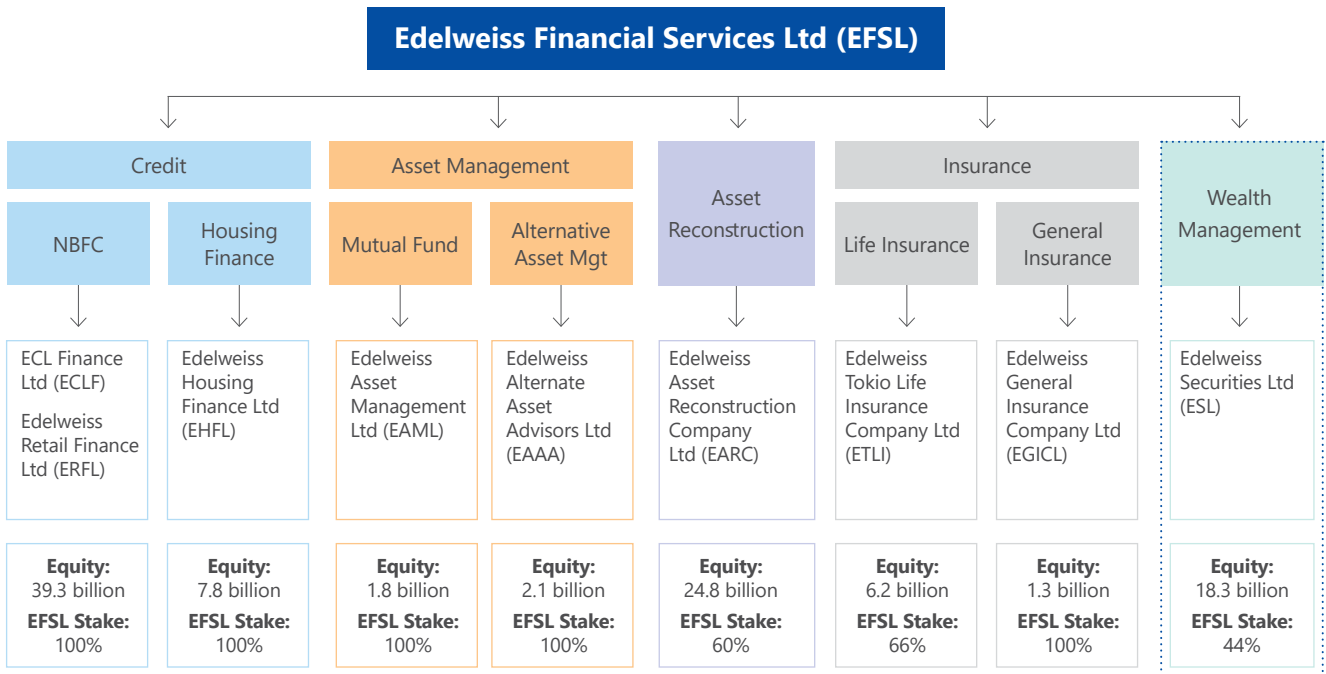
Other parameters, namely Debtors Turnover, Inventory Turnover, Interest Coverage Ratio, and Current Ratio, are not applicable to our Company.

2. Details of any changes in Return on Net Worth as compared to the immediately previous financial year:

Return on Net Worth, i.e., Return on Equity (RoE), on consolidated basis for FY22 stood at 2.9% compared to 4.4% for FY21. The drop is largely on account of lower PAT (post MI) in FY22 vs FY21, the reasons for which were discussed earlier.

Our Businesses and Profitability

We are a diversified Company across nine key entities as under:



The distribution of earnings among these businesses for the year FY22 is as under:

₹ Million

Business	Quarter ended March	Year ended March
NBFC	560	980
Housing Finance	80	140
Mutual Fund	(70)	200
Alternatives Asset Management	150	470
Asset Reconstruction	640	2,530
Life Insurance	(610)	(2,060)
General Insurance	(240)	(1,050)
EFSL share in Wealth Management	170	970
BMU & Corporate	(230)	(60)
(Less) Minority shareholders PAT	30	230
EFSL Consolidated PAT (Post MI)	420	1,890
EFSL Ex-Insurance PAT (Post MI)	1,040	4,050

BUSINESS SEGMENT-WISE PERFORMANCE

Brief highlights of the segment-wise performance for FY22 are as under:

CREDIT BUSINESS

The focus of our Credit business has largely been around investment in better resources and CLM partnerships with large banks, which aided in lowering our credit cost and maintaining a healthy recovery rate. Moving forward, our business will leverage data and technology more intensely along with an asset-light model to build a strong and profitable portfolio.

There was a significant improvement in asset quality in FY22 as compared to FY21 aided by strong wholesale recoveries and high retail collection efficiency. Our credit cluster saw an improvement in its GNPA to 2.5% in FY22 from 6.7% in FY21 and improvement in its NNPA to 1.8% in FY22 from 5.8% in FY21. Total provision cover improved to 189% in FY22 from 70% in FY21.

WHOLESALE

In line with our stated strategy of reducing the wholesale credit exposure in ECL Finance, we have significantly reduced our book in FY22 through a combination of resolutions and recoveries and active sell-down of the portfolio into AIF structures. We also witnessed increased demand from Foreign Institutional Investors given a favourable environment for homebuyers assisted by low-interest rates resulting in improved affordability levels.

As a result, the ECL Finance wholesale loan assets have reduced to ₹93.70 billion in Mar 22 compared to ₹112 billion in Mar 21 and ₹130 billion in Mar 20. We will continue to systematically bring down the wholesale loan assets in ECL Finance and release equity capital.

MSME

The MSME finance business caters to the micro and small enterprises of the highly scalable MSME market. The business has a book size of ~ ₹10.57 billion at the end of FY22.

During the year, we have heavily invested in building capabilities, assisting customers, and navigating market uncertainties with minimal impact on our books and have tried to seize opportunities by focussing on: -

- ▶ Asset-light model through partnership with banks
- ▶ Business processes transformation for better efficiency and customer-centricity
- ▶ Digital transformation including building of a new lending platform using a combination of low code, agile, and platform thinking
- ▶ Securing arrangements with banks for co-lending
- ▶ Adopting technology for secure connectivity
- ▶ Supporting our clients through ECLGS scheme loans for re-booting their businesses
- ▶ Data analytics and building algorithms for better risk and collection modelling

RETAIL MORTGAGES

Retail mortgage finance comprises housing finance, small ticket housing loans, retail construction finance and loans against property through our HFC Edelweiss Housing Finance Limited (EHFL). The business has a book size of ~ ₹29.72 billion at the end of FY22.

While the economic slowdown and liquidity crunch affected the performance of NBFCs/HFCs during FY20, the COVID-19 pandemic towards the end of FY20 continued to cast shadows on their performance during most part of FY21. Just when Q4 FY21 was beginning to look brighter, we found ourselves in the midst of the second wave. Fortunately, it was milder on the back of increased coverage of vaccination. EHFL, therefore, continued to focus on risk management including control over asset quality and liquidity management.

Fresh disbursements gradually restarted in H1 FY22 without losing sight of the risk environment. This resulted in a temporary setback to the growth momentum we had achieved in the past few years. We employed Direct Assignment and Securitisation as an effective way to manage ALM and cost of liabilities. FY22 further saw mass mobilisation of the extended organisation towards collections and recovery on account of the new prudential norms issued by RBI in Nov 22 which resulted in a temporary increase in GNPA's and credit costs.

As part of the asset-light strategy, EHFL signed the co-lending agreement with the State Bank of India (SBI) and Standard Chartered Bank (SCB) to jointly service mortgage customers. EHFL is amongst the top 3 HFCs to have signed up multiple partnerships. The strong co-lending platform was created to enable long-term pivot in the business model.

ASSET MANAGEMENT BUSINESS

The Asset Management business provides clients with a comprehensive bouquet of investment solutions including bespoke alternative strategies and mutual funds.

ALTERNATIVES

AUM of the alternative asset funds have grown at a CAGR of 30% since last 5 years to ₹300 billion. We continue to be a leading alternative asset manager in the country offering a dominant yield focussed alternatives platform. We are the only Indian alternative manager to feature in the top 100 global fund raisers in private debt by Private Debt Investor [Source: Prequin]. During the year, despite the challenging environment, we have invested ₹50 billion amongst our strategies. We are currently raising third series of our flagship distressed fund strategy and second series of our infrastructure yield fund strategy. Both funds are seeing robust response from offshore as well as domestic investors.

Given the strength and depth of our investment teams, including robust deployment, the total realisation (including capital and income) is ₹36 billion across strategies in FY22.

MUTUAL FUND

The Mutual Fund business manages an AUM of ₹850 billion under 41 schemes across Equity, Debt, and Liquid categories at the end of FY22, a growth of 55% over the AUM of ₹550 billion a year ago. The business saw inflows of ~₹290 billion in FY22 compared to inflows of ~₹2,466 billion for the industry. The business has improved its ranking to 13 in FY22 from 15 in FY21 and caters to 730,000 unique investors, compared to 420,000 at the end of FY21.

ASSET RECONSTRUCTION BUSINESS

EARC is the largest ARC in the country which manages stressed assets with AUM of ₹402 billion. EARC adopts multi-pronged strategy for resolution of stressed assets with primary focus to 'Revive' or 'Reconstruct' operating assets with last-mile funding needs. Based on asset-specific complexities, settlement/enforcement of security interest/resolution through IBC are also adopted with an aim to optimise stakeholder benefits.

Our acquisitions continue to target operating assets that can be revived. During the year, we invested ₹13.1 billion. The foray into the retail segment has progressed well and EARC has penetrated the unsecured loan segment in FY22. During the year, ₹4.4 billion have been in the retail segment which now constitutes 14% of EARC investment. EARC has been able to maintain its market leadership with 45% of the market share. We have partnered with over 71 banks/NBFCs backed by our expertise on resolution of stressed assets. EARC has been able to recover more than ₹69 billion in FY22 and a total of ₹ 354 billion since inception.

INSURANCE BUSINESS

Edelweiss expanded its addressable retail markets by launching life insurance business during 2011. We expanded our insurance offerings by entering the general insurance business in Q4FY18.

EDELWEISS LIFE INSURANCE

Supported by our employees' collaborative spirit and devotion towards safeguarding people's dreams and aspirations, we have beaten incredible odds over the past two years to build a healthy organisation. Our certification as a Great Place to Work for the second year in a row has made us amongst the top 30 workplaces in the BFSI sector and is a testament to the fact that we all are working in tandem towards a shared vision. We closed the FY22 on a positive note. The initial part of the year was challenging as we saw a sudden surge in claims due to the second wave of the COVID-19 pandemic. Despite that, we reported an individual claim settlement ratio of 98.09%, a mark of our steadfast commitment in championing the moment of truth. The Gross Premium income in FY22 stood at ₹14.57 billion compared to ₹12.24 billion in the previous year, marking a growth of 20%. The Collected Individual Annualised Premium Equivalent (APE) increased by 4% to ₹4.20 billion in FY22; growing at a 5-year CAGR of 21% against industry growth of 10%. The 13th-month persistency stood at 72% in FY22 compared to 76% in FY21 and Individual Claims Settlement Ratio at 98% in FY22 compared to 97% in FY21. The Embedded Value (EV) of the business, calculated on a market-consistent basis stood at ₹15.74 billion as on Mar 22. Edelweiss Tokio Life Insurance served over 348,800 customers through 109 branches and over 63,000 personal finance advisors as on Mar 22. Like previous financial year, improving productivity and persistency will be an area of significant focus in FY23.

We want to create a comprehensive and rounded bouquet of product offerings that address the changing customer needs throughout key life stages. We want customers to look at protection as an overarching goal across the entire gamut of financial requirements – from savings to retirement planning. This year, we focussed primarily on the term and savings segments.

(a) Protection: India has among the highest mortality protection gaps in the Asian continent, and it aspires to reduce that gap to 71% by 2027 from the current 83%. So, there is a need for insurers to band together and consistently work towards making insurance more accessible and simpler for all customers across income levels. During the year, we launched Total Protect Plus, a term insurance solution. We used this opportunity to raise awareness and address the problem of procrastination in buying insurance through the product positioning – 'Protect Toh Hum Karke Rahenge'.

(b) Savings: Uncertainty over job security and rising financial burden of healthcare during COVID-19 has prompted people at large to consider financial solutions that can help them create a financial backup for such contingencies. Keeping in mind the behavioural shift among customers, we launched two income products – Premier Guaranteed Income (PGI) and Guaranteed Income Star (GIS) plans. Through these products, we have been able to promote the benefits of income planning and longer-term retirement planning. These products offer life cover along with maturity benefits and regular income payout and catering primarily to the risk-averse customers.

Awards & Accolades: ETLI has always risen to the occasion and has consistently been recognised for its product innovation capabilities which is evident from the following accolades:

- ▶ 'Best Life Insurer' & 'Best Product Innovation' titles in Apr 21 at the BFSI Excellence Awards 2021
- ▶ 'Best Customer Experience & Contact Center Management' title in Jun 21 at the Alden Global in association with NASSCOM
- ▶ Secured a spot among Great Place to Work among the Top 30 Best Workplaces in the BFSI Sector for the second year in a row
- ▶ Our flagship CSR initiative on Organ Donation #nomorewaiting won "CSR initiative of the year - India" in Aug 21 at 6th Insurance Asia Awards. The campaign was also felicitated for its 'valuable contribution towards the cause' by the Times of India on Sep 21
- ▶ Received 'India's Most Trusted & Promising Insurance Brand Award' for bancassurance and agency sales in Jan 22 at the Insurance Alerts Awards

EDELWEISS GENERAL INSURANCE

Edelweiss General Insurance (EGI) continued its strong growth at ~60% YoY; third highest in the industry and in the top 3 for the past two years. Our motor segment saw a 77% YoY growth despite subdued segmental industry growth, closely followed by health growing at 57% YoY.

Our emphasis has been on strengthening revenues and improving our service footprint by expanding our partner network. This emphasis has taken our cashless service network to over 2,650 garages and 4,100 hospitals in addition to partnerships with OEMs and new-age digital players FY22. We have also tied up with technology partners across motor and health segments to bolster our efforts towards providing a superlative customer experience.

We continued to invest in and scale up our technology infrastructure which allows for easy integration with our ecosystem partners using our open API stack. We have also strengthened our competencies in product management and customer excellence in addition to extensively increasing the use of mobile applications and digital assets to actively engage and service our customers.

EGI has also received regulatory approval for three sandbox products. Switch 2.0 furthers our journey into usage and user based offerings and Digital OPD foraying into telemedicine, e-pharmacy and diagnostics as value-added products.

Our continued rigor and focus on product innovation and technology adoption helped us win the IMC Digital Technology Awards 2020 and India's most trusted insurance brand for Customer Obsession & Sachet Products.

EDELWEISS WEALTH MANAGEMENT BUSINESS

Edelweiss Wealth Management (EWM) is one of India's fastest-growing wealth management companies and has maintained its market dominance with continued growth in key business metrics. We ranked second amongst India's non-bank wealth management businesses.

We cater to the evolving needs of 2,760 Ultra High-Net Worth (UHNW) families and 853,700 Affluent clients across all major locations in India with over ₹2,020 billion in Assets under Advice (AuA); YoY growth of 30%. Our partnership with PAG (Pacific Alliance Group) will further enhance shareholder value and accelerate business growth.

Our Investment Banking business had record 8 closures of large IPOs (₹10 billion+) while maintaining a 25% market share. We are ranked second in India for QIPs in the range of upto 15 billion with a market share of 21% in terms of the number of issues handled. We also ranked second in M&A advisory for venture intelligence in engineering & construction and travel & transport segments and third in the private equity advisor for the education segment.

Our Debt Capital Markets business maintained its top position for public issuance of bonds for the 8th successive year and were lead arrangers to 70% of the amount mobilised via this route. We stood third in CP issuances with a market share of 14%.

GOVERNANCE

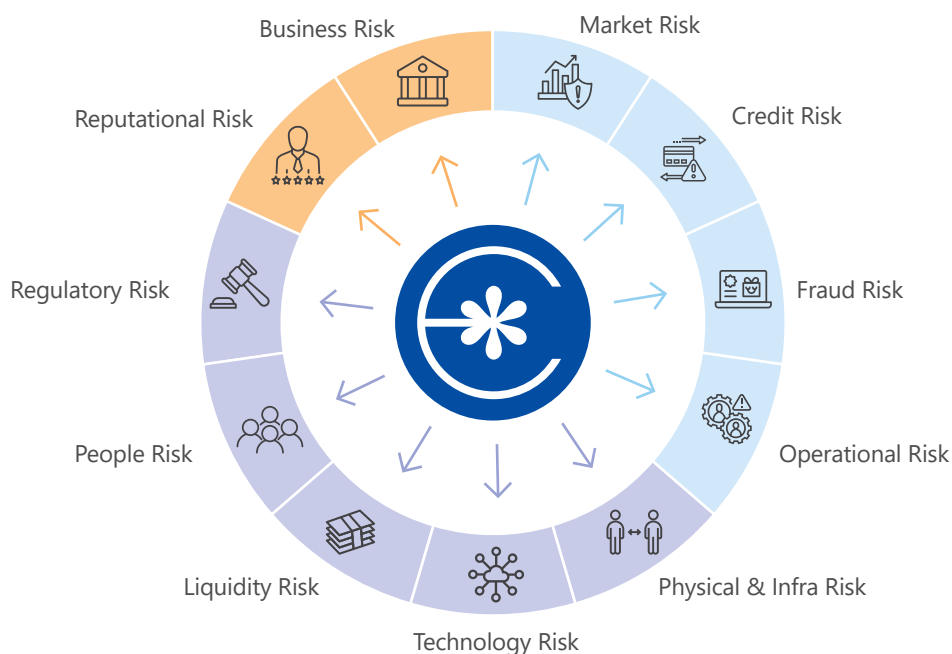
Governance is at the heart of everything we do, and it transcends beyond compliance to ethics and values as well. For us, Governance means **Trust** covering ethics & integrity, **Legitimacy** encompassing transparency, authenticity, and fairness, **Accountability** including decision-making, responsiveness, **Competence** highlighting simplicity, and above all, **Respect** for the letter and spirit of law.

Our Board plays a vital role in ensuring the highest governance standards throughout the fabric of our organisation. The Boards has set higher standards on ethics, integrity, transparency, and fairness, leading us to build a robust framework for conduct, behaviour, and process oversights at all levels.

In order to promote good governance culture, we have self-defined rules for good behaviour and conduct at the individual as well as at entity levels covering issues of conflict of interest, insider trading, dealing with sensitive information, etc. In addition, we are also refining some of the practices to facilitate smooth functioning while working from home with technology ensuring best-in-class compliance standards.

RISK MANAGEMENT

Risk management is an integral part of Edelweiss. The risk management practices of the Group have facilitated us to navigate through the turbulent times. Our Enterprise Risk Management (ERM) framework has helped us strategically benchmark our practices. We have also put in place an in-house “**Eleven-risk framework**” to formalise the process of assess, avoid, manage, and mitigate risks across businesses in a continuous manner.



Several initiatives were undertaken in these eleven risk areas during the year:

- ▶ For Regulatory risk, introduction of analytics to identify early warning signs has facilitated effective implementation of proactive mitigation measures
- ▶ For Operational and Process risk, all businesses have identified their critical as well as non-critical processes with a thorough review of the standard operating procedures (SOPs)
- ▶ For Credit risk, a comprehensive framework for asset quality review was put in place and the recalibration of the expected credit loss (ECL) model has been concluded
- ▶ Reputational risk has been factored in all the business strategies and is managed with an effective crisis management approach and timely transparent response to all stakeholders
- ▶ For Technology risk, significant progress has been made on the IT security front to manage the risk emanating from the changing ecosystem

The risk governance structure at Edelweiss includes the Risk Committee of the Board. In addition, key subsidiaries also have a risk committee on their respective boards. We also have Investment Committees, Credit Committees, and Business Risk Groups to assess, avoid, manage, and mitigate various risks.



The past year saw unprecedented challenges on account of the COVID-19 pandemic. This event necessitated unique approaches to mitigate different types of risk. Our advance preparation along with technology enablement ensured all our businesses continued to operate seamlessly and serve customer requirements. We are using our learnings from the pandemic to manage various types of emerging and newer risks in our businesses.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

Internal Financial Controls

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

The internal control framework of Edelweiss continues to follow the assurance practices like the COSO framework, assurance on process efficiency and reliability of internal controls being aligned to risks identified in Risk Control Self-Assessment (RCSA), etc. to strengthen the overall system.

Independent Audit and Assurance

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

The internal audits are carried out by external professionals who provide independent view and assurance by assessing the adequacy and effectiveness of internal controls, compliance to internal and external guidelines, and risk management practices across the Group.

Further, the statutory auditors verify the systems and processes and confirm the adequacy of the internal financial controls over financial reporting.

TECHNOLOGY

Strong technology backbone

While the last couple of years posed unprecedented challenges for most organisations worldwide, Edelweiss Group maintained an edge because of its strong technology backbone which supports all the group companies. Even amidst the pandemic, we were able to ensure business continuity with nearly all our critical employees working from home.



Technology resiliency

The key pillars of our technology resiliency have been:



Public Cloud adoption: Migrating to the cloud technology ensured high availability, scalability, and resiliency of our business applications, with employees being able to access systems from anywhere, using any device securely and at any time.



Enterprise API gateway: It enabled us to leverage the partner ecosystem and accelerate the turnaround time for new product launches.



Unified collaboration suite: Deployment of a unified collaboration suite helped improve employee productivity and collaboration within and outside Edelweiss.



Intelligent Automation: This enabled us to develop new experiences and deliver process changes rapidly through low code software development tools.



Artificial Intelligence: Leveraging advanced Machine Learning algorithms, we have deployed over 20 models for evaluating risks, performing AML checks, doing customer KYC, identifying frauds, etc., thereby building efficiencies in our business.



Key initiatives

- ▶ **Retail Trading Platform:** We overhauled our retail trading platform to ensure quick scaleup of our ability to push transactions into the exchange and have also started migrating our client-side platform offering to the cloud
- ▶ **Project SWIFT:** SWIFT is India's first, entirely paperless onboarding platform for Alternative Investment Funds (AIFs). It is integrated with Aadhaar-based e-sign, e-stamp paper, etc.
- ▶ **Virat:** Virat is our renewed mutual fund transaction processing system which is among the fastest in the industry. We have also revamped our mutual funds website to bring out maximum transparency in our mutual fund schemes for the investor community
- ▶ **Cloud-based Retail collection system:** We have developed an end-to-end integrated collection system with mobile capabilities for our assets reconstruction business to improve efficiency
- ▶ **Bolt:** Bolt is a mobile application that enables self-inspection by workshops and customers alike through live streaming of our general insurance business. Bolt's adoption remains high at 40% to 50% indicating changed preferences of the users for tech-enabled solutions
- ▶ **SWITCH Mobile App:** With the SWITCH app, we enabled driver-based insurance where customers pay only for the days, they drive their vehicle and save on premiums when they do not
- ▶ **Digital Lending Platform (DLP):** DLP has accelerated the decision-making and disbursement via smart eligibility checks, paperless functioning, and instant validation of applicants' creditworthiness for the loan origination

Information Security & IT Governance

To cater to the ever-changing landscape post-pandemic, we have moved away from the traditional castle-and-moat security model to the Zero Trust Network Security model. It requires strict identity verification for every person and device trying to access resources on the private corporate network. In the future, enhancing the cloud security framework and governance at Edelweiss Group will continue to be a priority area. Further, even during these trying times, we have maintained 100% regulatory and policy compliance of all our IT security controls with zero downtime.

For IT Governance, we intend to continue our focus on process standardisation and strengthen our governance practices to ensure the right balance of efficiency, risk, and compliance.

HUMAN RESOURCES

Our people are at the heart of our organisation. Their engagement, zeal, and commitment turned challenges into opportunities, generated ideas to evolve and learn through the continued crisis during the pandemic. Along with this, our guiding principles, culture, and values continue to guide our choices and decisions.

Talent

Through our holistic people practices inclusive of policies, processes, and approaches across the employee lifecycle, we reinforce tenets that enable employees with diverse backgrounds, ways of thinking, and styles of operating to collaborate effectively together. Our focus is to ensure that we enable each employee to navigate the next, not just for clients, but also for themselves. Our value-based culture strives to acknowledge and appreciate efforts of employees through a variety of recognition programmes. Employee connect is constantly strengthened through multiple platforms and opportunities ranging from one-on-one conversations with leaders as well as larger forums and town halls to connect with the senior leadership. Our HR team constantly fosters and establishes a deep, personal connect with the employees.

Workplace

As we prepare to thrive in the future, new and different workforce models are becoming a reality. We have reimaged and repurposed our offices to support work from home and hybrid work culture as distributed teams have become prominent. Various approaches have been adopted to integrate flexible ways of working within the wider organisational culture while balancing the needs of all stakeholders. We also intensified our focus on enabling capability development for our employees to adapt to this new hybrid working model through e-learning modules on various processes, behaviours, and changing expectations. Around 88% of our workforce is operating in a hybrid model. Our SOPs and guidelines have also enabled safe resumption to offices while ensuring the health and safety of employees, clients, and customers.

We are an equal opportunity employer and seek to ensure that the workplace is free of any kind of harassment or inappropriate behaviour. Comprehensive policies and procedures have been laid down to create an environment where there is respect and dignity in every engagement. Sexual harassment cases are handled as per the guidelines set under the Prevention of Sexual Harassment at Workplace (Prevention, Prohibition & Redressal) Act. This is imbibed in our culture by creating awareness through mandatory e-learning on the subject. The organisation also has a mechanism for dealing with complaints of harassment or discrimination. The policy ensures that all such complaints are handled promptly and effectively with utmost sensitivity and confidentiality and are resolved within defined timelines.

Well-being

It is our firm belief that an engaged and productive workforce leads to happy customers. Employee safety and wellbeing continue to be of priority to us, guided by our culture of care. Our well-being programmes are not only limited to physical health but also address mental, emotional, and social wellness. In our continued endeavour to stand together during the pandemic, we enabled onsite vaccination as well as reimbursement of the full cost of vaccination for our employees and their family members registered in the Medclaim policy. We continue to support our employees as well as their dependent family members on medical coverage. Our central incident room continues to ensure round-the-clock support for all emergency situations as well as dissemination of correct information on protocols. We also enabled special leaves for up to 14 days for employees who tested positive for COVID-19 and for those who are taking care of their COVID-affected family members. Through our range of solutions along with employee outreach programmes, we continue to support our employees in the best possible way.

Leadership

In the revised context of a hybrid workforce, virtual leadership has been a key lever which has helped us to sustain connection, trust, and engagement with team members. Digital dexterity has been a key focus for our leaders as they ensure that plans, participative decisions, information, and accomplishments are shared timely.

We continue to build capacities in our businesses to nurture top talent in entry and mid-level through our tiered Edelweiss Leadership Program. Aligned to our objective to strengthen and build an inclusive leadership, we have undertaken focussed programmes for building women talent across levels. Our senior leadership cohort continues to shape our strategy by enabling new age thought leadership. Over 5% of our employees are part of this pipeline.

Our workforce of 8,804 people with 26% women (increase of 3% from FY21) continue to be our strength as we embark on our journey of constant simplification to build the Edelweiss of the future.

EDELWEISS BRAND – Resilient and Strong Goodwill

Edelweiss has remained true to its brand ethos of Being Unlimited. In the current environment, as a brand, we have been resilient, withstanding environmental setbacks and realigning our focus to strengthen our foundation. In line with our attempt to simplify the business and the organisation for the benefit of our customers, we have also embarked on the journey of refining individual business brands which will remain anchored to the Edelweiss philosophy and legacy whilst bringing a sharper business focus. Through this, the brand continued to earn the goodwill of its stakeholders through several public service initiatives undertaken across businesses to empower, educate, and encourage the communities we operate in.

CUSTOMER EXPERIENCE

At Edelweiss, customer centricity has been a key differentiator for all our businesses. Focussing heavily on facilitating easy accessibility and creating solutions that are rooted in customer needs, our businesses thrive on creating innovative products and offering a superlative customer experience. With an unwavering commitment to constantly enhancing experiences, we have combined the best of technology with personalised touch to foster closer relationships with our customers. Technology is at the heart of our efforts to enhance process efficiencies and overall customer experience. The strong growth in our customer franchisees in the face of an unpredictable external environment due to the COVID-19 pandemic is a powerful testament to our resilience and powerful business platforms and speaks volumes of the trust our clients repose in us.

Cautionary Statement

Statements made in this Annual Report may contain certain words or phrases that are forward-looking statements, which are tentative, based on current expectations of the management of Edelweiss Financial Services Limited or any of its subsidiaries and associates ("Edelweiss"). Actual results may vary from such statements contained in this report due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and outside India, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the businesses of Edelweiss as well as the ability to implement its strategy. The information contained herein is as of the date referenced and Edelweiss does not undertake any obligation to update these statements. Edelweiss has obtained all market or industry data and other information from sources believed to be reliable or through its internal estimates unless otherwise stated, although its accuracy or completeness cannot be guaranteed. Some part of the report relating to business-wise financial performance, balance sheet, asset books of Edelweiss and industry data herein is reclassified/regrouped based on Management estimates and may not directly correspond to published data. The numbers have also been rounded off or approximated in the interest of easier understanding. Prior period or other figures have been regrouped/reclassified/re-casted wherever necessary. FY18, FY19, FY20 and FY21 Numbers are as per IndAS whereas the rest are as per IGAAP. All information in this presentation has been prepared solely by the company and has not been independently verified by anyone else.

DIVIDEND DISTRIBUTION POLICY

Introduction:

The Securities and Exchange Board of India (SEBI), has mandated certain categories of listed companies to formulate a Dividend Distribution Policy ('Policy'). This Policy is in accordance with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Objective:

One of the ways to reward a shareholder is by distributing portion of Company's earnings in the form of dividend. Besides capital appreciation, an investor expects a consistent cash inflow in the form of dividend. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

Definitions:

Unless repugnant to the context:

"Act" shall mean the Companies Act, 2013 including the Rules made thereunder.

"Company" shall mean Edelweiss Financial Services Limited

"Board" or "Board of Directors" shall mean Board of Directors of the Company.

"Dividend" shall mean Dividend as defined under the Companies Act, 2013

"SEBI Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.

Regulatory Framework

The Companies Act, 2013 provides for regulation, recommendation, declaration and payment of dividend, subject to approval of the Board (interim)/ Shareholders (final).

Factors for considering Dividend:

The Board of Directors of the Company ("the Board") may consider inter-alia the following factors viz., the financial performance of the Company, the past dividend trends, the liquidity position of the Company, capital expenditure requirements, if any, business expansions (including acquisitions) if any, debt obligations, the external market conditions, the future potential etc., before considering dividend proposition.

The Company will endeavour to maintain the dividend track record subject to the factors which the Board might appropriately consider at that point in time. When the performance of the Company coupled with the market conditions are conducive/favourable, the Board may consider declaring interim dividends too.

In order to conserve resources, the Board may consider recommending a lesser rate of dividend (as compared to the earlier years). The retained earnings of the Company can be inter-alia utilized for capex, working capital requirement, investment in growth opportunities as deemed fit by the Board at appropriate time. The retained earnings may also be utilised for payment of dividend in subsequent years, or other permitted means of rewarding the shareholders.

In a year where the profits of the Company are inadequate or there is a loss, the Company would like to utilise the reserves judiciously and the Board may not consider payment of dividend as a viable proposition. Alternatively, in such a scenario the Board might consider declaring dividends, out of the Free Reserves or the accumulated profits and the dividend payment track record is maintained. The amounts paid as dividend in the past does not necessarily indicate the dividend to be paid in the future and so the rate and the amount of dividend may vary from time to time.

Provision regarding class of shares:

Currently, the Company has issued only Equity Shares and this Policy shall be made applicable only to Equity Shares. As and when the Company issues other kind of shares, the Policy shall be amended accordingly.

Review/Amendment:

The Board shall review and amend the policy periodically as may be deemed necessary, keeping in view the business environment, the performance of the Company, regulatory requirements and other relevant external factors. In case of any change/ amendment in applicable statutes/regulations, the Policy shall stand revised to the extent thereto.

For and on behalf of the Board
Edelweiss Financial Services Limited

Rashesh Shah
Chairman & Managing Director
Mumbai, May 27, 2022 **DIN: 00008322**

REMUNERATION POLICY

Objective

The Companies Act, 2013 ('the Act') and the Listing Regulations requires a Company to frame a policy for determining the remuneration payable to the Directors, Key Managerial Personnel (KMPs) and other Senior level employees.

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 Directors, Executive Directors, KMPs, and other senior level employees of the Company.

The Objective of the 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 benchmarks; and
- iii. Remuneration to the Directors, KMPs and Senior level employees 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 and Non-executive Directors

- The Independent Directors and Non-Executive Directors are eligible for sitting fees for attending the meetings of the Board and the Committees thereof.
- The Independent Directors and Non-Executive Directors are also eligible for commission, subject to the 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 the stock options.

Remuneration of the Managing Director and Executive Directors

- The remuneration of the Managing Director and 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 and Executive Directors, subject to necessary approvals, if any.
- The remuneration paid to the Managing Director and Executive Directors shall be 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 KMPs (other than Executive Directors) and Senior level employees

- The key components of remuneration package of the KMPs (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

This Policy shall be reviewed by the Board as may be deemed necessary and in accordance with any statutory/regulatory requirements. In case of any change/amendment in applicable statutes/regulations, the Policy shall stand revised to the extend thereto.

The NRC shall implement the Policy, and may issue such guidelines, lay down the process etc. as it may deem fit.

For and on behalf of the Board
Edelweiss Financial Services Limited

Rashesh Shah
Chairman & Managing Director
Mumbai, May 27, 2022 DIN: 00008322

Annual Report on Corporate Social Responsibility Activities for the financial year ended March 31, 2022

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	Mr. Venkatchalam Ramaswamy	Vice Chairman & Executive Director (Chairman of the Committee)	1	1
2	Mr. Himanshu Kaji	Executive Director	1	1
3	Mr. Rujan Panjwani	Executive Director	1	1
4	Mr. P. N. Venkatachalam	Independent 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:

<https://cdn1.edelweissfin.com/wp-content/uploads/2020/03/CSR-Committee-Composition-Policy.pdf>

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 ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	FY 2018-19		
2	FY 2019-20	Nil	Nil
3	FY 2020-21		
	Total	Nil	Nil

6. Average net profit of the Company as per section 135(5). - ₹ 3,75,21,28,857

7. (a) Two percent of average net profit of the company as per section 135(5):- ₹ 7,50,42,577
- (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). – ₹ 7,50,42,577

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
7,50,42,577	-	-	-	-	-

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

As per Annexure A to this Report

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

As per Annexure B to this Report

- (d) Amount spent in Administrative Overheads:

Nil

- (e) Amount spent on Impact Assessment, if applicable:

Not applicable

- (f) Total amount spent for the Financial Year (8b+8c+8d+8e):

During the year ended March 31, 2022, the Company has spent ₹ 7,50,42,577 on standalone basis and ₹ 22,30,47,577 on consolidated basis through subsidiaries and associates.

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

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	7,50,42,577
(ii)	Total amount spent for the financial year	7,50,42,577
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

Annexure to Board's Report (continued)

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 ₹)	Amount spent in the reporting Financial Year (in ₹)	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 ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	FY 2018-19						
2	FY 2019-20						
3	FY 2020-21						
	Total						

(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 ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing
-								
	Total							

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

Venkatchalam Ramaswamy
Vice Chairman & Executive Director
(Chairman of the CSR Committee)
DIN: 00008509

Himanshu Kaji
Executive Director
DIN: 00009438

Mumbai, May 27, 2022

Annexure to Board's Report (continued)

Annexure A

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

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from List of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to unspent CSR account for the project as per Section 135(6) (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation through implementing agency Name	CSR Registration Number
				State	District							
1	The collaborates for Transforming Education	Education - Schedule VII(ii)		Maharashtra	Amravati	1	81,20,393	81,20,393	-			
2	Project L.O.V.E. Learning Organization for Village Excellence	Education - Schedule VI(i)(ii)		Rajasthan	Gadchiroli Udaipur	1	37,24,000	37,24,000	-			
3	Community led draught mitigation center	Livelihood - Schedule VII(ii)		Rajasthan	Jodhpur, Bikaner	3	16,65,624	16,65,624	-			
4	Improving career progression, family income, and overall agency for 250,000 youth through a system-level intervention	Livelihood - Schedule VII(ii)	No	Uttar Pradesh	Lucknow	3	22,51,536	22,51,536	-	No	EdelGive Foundation	CSR00000514
5	SAFAL (Sustainable Livelihood Initiatives in South Odisha)	Livelihood - Schedule VII(ii)		Odisha	Koraput, Nowrangpur	2	46,22,321	46,22,321	-			
6	Building the resilience of the tribal community through micro business and entrepreneurship development	Livelihood - Schedule VII(ii)		Jharkhand	Khunti	3	59,95,805	59,95,805	-			

Annexure to Board's Report (continued)

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from List of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to unspent CSR account for the project as per Section 135(6) (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation through implementing agency	CSR Registration Number
			State	District							Name	
7	Olympic Gold Quest (OGQ)	Women Empowerment- Schedule VII(iii)	Maharashtra	NA		1	50,00,000	50,00,000	-			
8	Empowering Women And Women Institutions For Rights And Entitlements	Women Empowerment- Schedule VII(iii)	Rajasthan	Alwar		3	11,582	11,582	-			
9	WEDA - Women Empowerment Development Action (German word meaning strong)	Livelihood - Schedule VII(ii)	Karnataka	Uttar Kannada, Shivamogga, Dharwad and Haveri		3	7,50,682	7,50,682	-			
10	Strengthening education system for improved learning outcomes	Education- Schedule VII(ii)	Odisha	Koraput		1	1,15,732	1,15,732	-	No	EdelGive Foundation	CSR00000514
11	Enhancing Income & Dignity of Women in Buldana-Livelihood Initiatives through Employment	Livelihood - Schedule VII(ii)	Maharashtra	Buldhana		2	26,72,562	26,72,562	-			
12	Grassroots Resilience Ownership and Well-ness(GROW)	Reducing Inequalities - Schedule VII(iii)	Pan India	Pan India		3	4,01,12,340	4,01,12,340	-			
	TOTAL						7,50,42,577	7,50,42,577	-			

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the year ended 31st March, 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
Edelweiss Financial Services Limited,

We have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Edelweiss Financial Services Limited**, having CIN: L99999MH1995PLC094641 (hereinafter called the 'Company') during the financial year from 1st April 2021 to 31st March 2022, ('the year' / 'audit period' / 'period under review').

We have conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) our verification of the books, papers, minutes books, soft copies, hard copies or scanned copies by email, information provided during the physical verification and other records maintained by the Company and furnished to us, forms/ returns, documents etc. filed and other relevant records and procedures completed by the Company during the year ended 31st March 2022 as well as before the issue of this report.
- (ii) Our observations during our visits to the office/s of the Company,
- (iii) Compliance Certificates confirming Compliance with all laws applicable to the Company given by the Key Managerial Personnel of the Company and taken on record by the Board of Directors, and
- (iv) Representations made, documents shown and information provided by the Company, its officers, agents, and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that in our opinion, during the audit period the Company has, to the extent, in the manner and subject to the reporting made hereinafter:

- (i) complied with the statutory provisions listed hereunder; and
- (ii) Board-processes and compliance mechanism are in place

The members are requested to read this Report along with our letter of even date annexed hereto as Annexure- A.

1. Compliance with specific statutory provisions

1.1 We further report that:

We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of:

- i. The Companies Act, 2013 ("the Act") and the Rules framed thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the Rules/ Regulations framed thereunder (FEMA) to the extent of Overseas Direct Investment, Foreign Direct Investment and External Commercial Borrowings, as applicable to the Company;

- v. The following Regulations, Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (PIT Regulations)
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with the holders of securities;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations); and
 - (f) 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. 09th August, 2021;
- The following Regulations were not applicable to the Company, during the year under review:
- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- vi. The following regulations are specifically applicable to the Company:
- The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
- vii. Listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (Agreements), pursuant to the requirements of the Listing Regulations.
- viii. Secretarial Standard namely, SS-1 and SS-2, respectively in relation to the meetings of the Board of Directors and General Meetings, issued by The Institute of Company Secretaries of India, which are mandatory in application.
- 1.2 During the period under review, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:
- i. Complied with the applicable provisions/clauses of the Act, Rules, SEBI Regulations and Agreements mentioned under sub-paragraphs (ii) to (vii) of paragraph 1.1 above.
 - ii. Generally complied with the applicable provisions/ clauses of:
 - a) The Act and rules mentioned under paragraph 1.1 (i);
 - b) FEMA to extent applicable mentioned under paragraph 1.1 (iv), and
 - c) The Secretarial Standard on meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) mentioned under paragraph 1.1 (viii) above to the extent applicable to the meetings of the Board and its Committees held during the year and the 26th Annual General

Annexure to Board's Report (continued)

Meeting held on 03rd September 2021. The Compliance with the provisions of the Rules made under the Act with regard to the meetings of the Board and its Committees held through Video Conferencing / Other Audio Visual Means (OAVM), during the period under review, was verified based on the minutes of the meetings provided by the Company;

- 1.3 We have also examined, on test-check basis, the relevant documents and records maintained by the Company according to the following regulation, applicable specifically to the Company:

- The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.

2. Board processes:

We further report that:

- 2.1 As on March 31, 2022, in terms of the provisions of the Act and the Listing Regulations, the Board of Directors of the Company comprised of eleven members, as under:

- One Managing Director, one Executive Director and one Non-Executive Non-Independent Director (Promoter Category);
- Two Executive Directors;
- Six Non-Executive Independent Directors, including a Woman Independent Director;

- 2.2 During the year, the following changes in the Board of Directors and the Key Managerial Personnel, were carried out in compliance with the provisions of the Act and the Listing Regulations:

Appointment of Mr. Tarun Khurana, as a Company Secretary of the Company w.e.f. April 23, 2021, by the Board of Directors of the Company, at its meeting held on 25th March, 2021.

Re-appointment of Mr. Venkatchalam Ramaswamy (DIN: 00008509), as a Director of the Company, liable to retire by rotation,

and re-appointment as an Executive Director of the Company, for a period of five (05) years w.e.f. April 01, 2022, at the 26th Annual General Meeting of the Company, held on 03rd September, 2021.

Re-appointment of Mr. Himanshu Kaji (DIN: 00009438), as a Director, and designated as Executive Director of the Company, liable to retire by rotation, at the 26th Annual General Meeting of the Company, held on 03rd September, 2021.

Re-appointment of Mr. Rashesh Shah (DIN: 00008322), as Managing Director of the Company, for a period of five (05) years w.e.f. April 01, 2022, at the 26th Annual General Meeting of the Company, held on 03rd September, 2021.

Resignation of Mr. Berjis Desai (DIN: 00153675), Independent Director of the Company, w.e.f. November 06, 2021.

Resignation of Mr. Sarju Simaria as Chief Financial Officer, w.e.f. February 28, 2022.

Appointment of Ms. Ananya Suneja, as Chief Financial Officer of the Company, w.e.f. March 01, 2022, by the Board of Directors of the Company at the meeting held on 31st January, 2022.

- 2.3 Adequate notice with Agenda and the detailed notes to Agenda of at least seven days was given to all the directors to enable them to plan their schedule for the meetings of the Board and the Committees constituted by the Board, and where the meetings were held at shorter notice, due compliance was ensured, as required under the Act and Secretarial Standard on meetings of the Board of Directors.

- 2.4 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

- 2.5 In respect of matters tabled at the meetings of the Board of Directors and its Committees thereof, the relevant agenda and related notes were circulated less than seven days before the meetings and were considered with the consent of the members of the

Board or Committees, as the case may be, as required under SS-1.

- 2.6. We note from the minutes that, decisions at the Board meetings held during the year were carried through on the basis of majority and no dissenting views were expressed by any member of the Board of Directors on any of the subject matters discussed.

3. Compliance mechanism

There are adequate systems and processes in the company, which commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the year under review, the Company has entered into related party transactions, including but not limited to sale / purchase of the investments to the related parties, in respect of which the Company has complied with the applicable provisions of the Act and the Listing Regulations.

4. Specific events/ actions

During the year, the following specific events/ actions having a major bearing on the company's affairs took place, in pursuance of the above referred laws, rules, regulations and standards:

- 4.1 The Company has allotted 72,99,888 Equity Shares of the face value of Re. 1 each shares, to eligible employees, in pursuance of the employee stock option schemes of the Company.
- 4.2 As a source of mobilisation of funds for meeting the operations of the Company, the Company had sought the approval of the Shareholders by way of Special Resolution, at the 26th AGM, for offer, issuance and allotment of Equity Shares and/or various other Eligible Securities, in one or more tranches, from time to time, for an aggregate amount up to ₹ 2,000 crores, to the eligible investors.
- 4.3 The Company, vide its Notice of Postal Ballot dated January 31, 2022, had obtained the approval of the Shareholders by way of Special

Resolution dated April 26, 2022, for the following purposes:

- Re-appointment of Mr. Ashok Kini (DIN: 00812946) as an Independent Director of the Company for a term of five (05) years w.e.f. April 01, 2022.
- Re-appointment of Dr. Ashima Goyal (DIN: 00233635) as an Independent Director of the Company for a term of five (05) years w.e.f. April 01, 2022.

- 4.4 (A) During the year, the Company has:
- (a) Pursuant to prospectus dated March 26, 2021 by way of Public Issue, which opened on April 01, 2021 and closed on April 23, 2021, the Company has offered, issued and allotted 21,87,028 Secured Redeemable Non-Convertible Debentures on 29th April, 2021, of face value of ₹ 1,000/- each ("NCDs"), at par, for an aggregate amount of ₹ 218.70 Crores and these NCDs have been listed at BSE Limited, w.e.f. May 03, 2021.
- (b) Pursuant to prospectus dated August 09, 2021 by way of Public Issue, which opened on August 17, 2021 and closed on September 06, 2021, the Company has offered, issued and allotted 36,78,240 Secured Redeemable Non-Convertible Debentures on 10th September, 2021, of face value of ₹ 1,000/- each ("NCDs"), at par, for an aggregate amount of ₹ 367.82 Crores and these NCDs have been listed at BSE Limited, w.e.f. September 15, 2021.
- (c) Pursuant to the Shelf Prospectus dated November 29, 2021 and pursuant to Tranche-1 Prospectus dated November 29, 2021 by way of Public Issue, which opened on December 06, 2021 and closed on December 22, 2021, the Company has offered, issued and allotted 45,62,472 Secured Redeemable Non-Convertible Debentures on 28th December, 2021, of face value of ₹ 1,000/- each ("NCDs"), at par, for an aggregate amount of

Annexure to Board's Report (continued)

- ₹ 456.25 Crores and these NCDs have been listed at BSE Limited, w.e.f. December 30, 2021.
- (d) by way of Private Placement, the Company has issued 6,500 Secured Redeemable Non-Convertible Debentures on 05th October, 2021, of face value ₹ 10,00,000/- each ("NCDs"), at par, for an aggregate amount of ₹ 650 Crores and these NCDs have been listed at BSE Limited, w.e.f. October 06, 2021.
- (e) By way of Private Placement, the Company has issued in various tranches NCDs, under different series (categorised as Structured Products), to the tune of ₹ 18 Crores and these NCDs have been listed on BSE Limited on various dates.
- (B) As on March 31, 2022, NCDs (listed and unlisted), aggregating to the tune of ₹ 2,374.99 crores, is outstanding.
- 4.5 The Board of Directors of the Company, at their meeting held on March 29, 2022, declared an interim dividend of Re. 0.25 per share on the equity shares of the face value of Re.1/- each, and payable to all beneficial members of the Company, as on the Record Date of April 9, 2022, and the interim dividend has been paid within the prescribed time lines.
- 4.6 Pursuant to an agreement dated June 30, 2021, the Company has divested its entire shareholding of 70% in Edelweiss Gallagher Insurance Brokers Limited to Arthur J. Gallagher & Co. in various tranches.
- 4.7 Edelweiss Real Assets Managers Ltd and Sekura India Management Limited, incorporated respectively on June 25, 2021 and on June 29, 2021 as Wholly-Owned Subsidiaries of Edelweiss Securities & Investments Private Limited, have accordingly become subsidiaries of the Company.
- 4.8 Pursuant to the Orders dated February 09, 2022 and dated January 10, 2022, of the Hon'ble NCLT -Hyderabad Bench and Hon'ble NCLT – Mumbai Bench, respectively, approving the Composite Scheme of Amalgamation amongst Edel Land Limited, ECap Equities Limited and EC Commodity Limited, subsidiaries of the Company, EC Commodity Limited merged with Edel Land Limited and ceased to exist from the Effective Date i.e. March 25, 2022. Further, from the Effective Date, the Demerged Undertaking of ECap Equities Limited has been transferred and vested into to Edel Land Ltd. on a going concern basis with effect from the Appointed Date i.e. April 1, 2020.
- 4.9 Based on an application made by Edelweiss Capital Singapore Pte. Ltd. and pursuant to an order dated August 10, 2021 issued by the Accounting & Corporate Regulatory Authority, Singapore, Edelweiss Capital Singapore Pte. Ltd. ceased to be a Subsidiary Company of the Company.
- 4.10 Based on an application made by Aster Commodities DMCC and pursuant to an order dated December 07, 2021, issued by the Registrar of Companies, Dubai, Aster Commodities DMCC was dissolved w.e.f. March 31, 2021 and thus, ceased to be a Subsidiary of the Company.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR No. 637/2019

Avinash Bagul
Partner
FCS No: 5578
COP:19862

UDIN: F005578D000402623

Date : May 27, 2022

Place : Mumbai

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

To,
The Members,
Edelweiss Financial Services Limited

Re: Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events wherever required.
6. Our 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.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR No. 637/2019

Avinash Bagul
Partner
FCS No: 5578
COP:19862

Date : May 27, 2022 UDIN: F005578D000402623
Place : Mumbai

Annexure to Board's Report (continued)

**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 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Edelweiss Tokio Life Insurance Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Edelweiss Tokio Life Insurance Company 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 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 relevant and applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Based on the representation made by the Company and its officers and our verification of the relevant records on test check basis, the Company has adequate system and process in place for compliance under the following laws applicable specifically to the Company:

- a) Insurance Act, 1938;
- b) Insurance Regulatory and Development Authority of India Act, 1999 ("IRDAI") and the rules, regulations, circulars, guidelines, instructions etc. issued by IRDAI;
- c) Prevention of Money Laundering Act (PMLA), 2002 as amended from time to time;
- d) Prevention of Money Laundering (Maintenance of Records) Rules, 2005 as amended from time to time; and
- e) IRDAI Corporate Governance Guidelines.

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

- 1. Secretarial Standards issued by The Institute of Company Secretaries of India; and
- 2. Listing Agreement/Regulations: The Company is an unlisted Company and therefore compliance with listing agreement/regulations is not applicable.

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

We further report that the Board of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Directors and Woman Director. 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. During the year under review:

- (i) Mr. Saloon Tham (DIN: 08428629) (Nominee of Tokio Marine Holdings Inc.) resigned as Nominee Director of the Company with effect from July 7, 2021;
- (ii) Mr. Noboru Yamagata (DIN: 08484831) was appointed as an Additional Director by the Board of Directors on July 22, 2021; and appointed as a Director by the shareholders at their Annual general meeting held on September 15, 2021; and
- (iii) Mr. Sumit Rai (DIN: 08131728) was appointed as a Managing Director & C.E.O. by the Board of Directors on January 27, 2021 with effect from August 1, 2021 for a period of 3 years.

Adequate notice was given to all the Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, in certain cases meetings were held at a shorter notice and the Company has complied with the applicable provisions therefor and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation & deliberations at the meetings and two Extra-Ordinary General Meetings dated July 27, 2021 and November 29, 2021 were held through shorter notice after due compliance of the applicable provisions.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

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

We further report that during the audit period the Company has undertaken following significant &

material corporate events/actions having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

- (i) At the Extraordinary General Meeting of the members held on July 27, 2021, the Shareholders, inter-alia, approved an increase in authorised share capital of the Company from ₹ 325 crores to ₹ 600 crores and consequential amendments in the capital clause of the Memorandum of Association of the Company;
- (ii) The Board of Directors at their meeting held on August 2, 2021, inter-alia, approved to issue of 15,29,31,181 Equity Shares of ₹ 10 each for cash at a premium of ₹ 1.77 per Share aggregating to ₹ 180 crores to the existing Members of the Company on rights basis i.e., to:
 - i. Edelweiss Financial Services Limited: 7,79,94,902 equity shares against their holding of 15,94,36,650 equity shares; and
 - ii. Tokio Marine & Nichido Fire Insurance Co. Ltd.: 7,49,36,279 equity shares against their holding of 15,31,84,232 equity shares.
- (iii) The Allotment Committee of the Directors at their meeting held on August 13, 2021, inter-alia, approved to allot 15,29,31,181 Equity Shares of the face value of ₹ 10 each for cash at a premium of ₹ 1.77 per equity share aggregating to ₹ 180 crores, on a Rights basis in the following manner:
 - i. Edelweiss Financial Services Limited: 7,79,94,902 equity shares against their holding of 15,94,36,650 equity shares; and
 - ii. Tokio Marine & Nichido Fire Insurance Co. Ltd.: 7,49,36,279 equity shares against their holding of 15,31,84,232 equity shares.
- (iv) At the Annual General Meeting of the members held on September 15, 2021, the Shareholders have approved to

Annexure to Board's Report (continued)

contribute from the Shareholders' Account to the Policyholders' Account an amount of ₹ 26,51,244 (in thousands), deficit (inclusive of bonus declared by the Board on the Participating Policies) incurred in the Policyholders' Account during the financial year ended March 31, 2021;

(v) The Board of Directors at their meeting held on November 25, 2021, inter-alia, approved/ noted:

(a) Subject to approval of members for increase in the authorised share capital, to issue and offer upto 20,00,00,000 Equity Shares of ₹ 10 each for cash at par aggregating to ₹ 200,00,00,000 to the existing Members of the Company on rights basis in one or more tranches, whereby the entitlement shall be as under:

- i. Edelweiss Financial Services Limited: 10,20,00,000 equity shares against their holding of 23,74,31,552 equity shares; and
- ii. Tokio Marine & Nichido Fire Insurance Co. Ltd.: 9,80,00,000 equity shares against their holding of 22,81,20,511 equity shares.

(b) Board noted that the Joint Venture Agreement entered between Edelweiss Financial Services Limited, Tokio Marine Holdings Inc. Tokio Marine & Nichido Fire Insurance Co. Ltd. and Edelweiss Tokio Life Insurance Company Limited dated November 23, 2009 ("Agreement"), including all amendments thereof, had expired on November 22, 2021 upon completion of 12 years. The Board further noted

that the terms of the Agreement have become in-operative and have concluded. Hence, arrangement/ appointments which are in place by virtue of the said Agreement have become ineffective.

(vi) At the Extraordinary General Meeting of the members held on November 29, 2021, the Shareholders approved an increase in authorised share capital of the Company from ₹ 600 crores to ₹ 2000 crores and consequential amendment in the capital clause of the Memorandum of Association of the Company;

(vii) The Allotment Committee of the Directors at their meeting held on January 27, 2022, inter-alia, approved to allot 20,00,00,000 Equity Shares of the face value of ₹ 10 each for cash at par aggregating to ₹ 200 crores, on a Rights basis in the following manner:

- i. Edelweiss Financial Services Limited- 10,20,00,000 Equity Shares [Right Issue] and 9,80,00,000 Equity Shares [Additional (Unsubscribed portion) shares]; and
- ii. Tokio Marine & Nichido Fire Insurance Co. Ltd. - (Remained unsubscribed).

**For M Siroya and Company
Company Secretaries**

**Mukesh Siroya
Proprietor**

FCS No.: 5682

CP No.: 4157

UDIN: F005682D000299140

ICSI Unique Code: S2003MH061300

Peer Review Cert. No.: 1075/2021

Date : May 10, 2022

Place : Mumbai

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

Annexure A'

To,
The Members,
Edelweiss Tokio Life Insurance Company Limited

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's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the 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.

For M Siroya and Company
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157
UDIN: F005682D000299140

Date : May 10, 2022

Place : Mumbai

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	Mr. Rashesh Shah	Chairman & Managing Director	42.74
		Mr. Venkatchalam Ramaswamy	Vice Chairman & Executive Director	32.30
		Mr. Himanshu Kaji	Executive Director	20.48
		Mr. Rujan Panjwani	Executive Director	25.65
During the year, the Independent Directors and Ms. Vidya Shah were paid commission of ₹ 2 million each, representing the ratio of 1x each.				
		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. Rashesh Shah	Chairman & Managing Director	655.52
		Mr. Venkatchalam Ramaswamy	Vice Chairman & Executive Director	603.54
		Mr. Himanshu Kaji	Executive Director	287.28
		Mr. Rujan Panjwani	Executive Director	2216.01
[^] The increase in % remuneration for FY-22 is not comparable with FY-21, as the bonus paid for FY-21 stood at Nil.				
There was a increase of 300% in the remuneration (commission) paid to the Independent Directors of the Company during FY 2021-22 as compared to FY 2020-21*				
		Mr. B. Renganathan (till April 23, 2021)	Company Secretary	Refer note #
		Mr. Sarju Simaria (till February 28, 2022)	Chief Financial Officer	
		Mr. Tarun Khurana (w.e.f. April 23, 2021)	Company Secretary	
		Ms. Ananya Suneja (w.e.f. March 1, 2022)	Chief Financial Officer	
3	Percentage increase in the median remuneration of employees in the Financial year	82.24%		
4	Number of permanent employees on the rolls of the Company at the end of the year	69 permanent employees were on the rolls of the Company as on March 31, 2022		

<p>5 Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration</p>	<p>The average increase in the remuneration for the managerial personnel is 448.34% and for non-managerial personnel is 44.24%.</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>
<p>6 Affirmations that the remuneration is as per the Remuneration Policy of the Company</p>	<p>It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company</p>

* Ms. Vidya Shah, a Non-executive Non-Independent Director was not paid any remuneration during the financial year 2020-21.

Mr. B. Renganathan, Mr. Tarun Khurana, Mr. Sarju Simaria and Ms. Ananya Suneja were designated for part of the year, hence percentage increase in remuneration is not reported.

For and on behalf of the Board
Edelweiss Financial Services Limited

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Mumbai, May 27, 2022

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 (the Board) of the Company comprises of Executive and Non-Executive Directors and the same is in conformity with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and the Companies Act, 2013 ('the Act').

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 5 times i.e. on: June 11, 2021, August 5, 2021, October 28, 2021, January 31, 2022 and March 29, 2022. During the financial year ended March 31, 2022, the meetings of the Board and Committees were conducted through electronic platform - Audio-Video conferencing. Adequate facilities were provided to the Directors and invitees for active participation at the Meetings.

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 September 3, 2021	No. of directorships in other Public Limited Companies\$	Name of other Listed entities where person is Director - Category of Directorship	Committee Position*	
						Member	Chairman
Mr. Rashesh Shah [Chairman] (DIN 00008322)	Executive (Promoter)	5	Yes	4	-	Nil	Nil
Mr. Venkatchalam Ramaswamy [Vice Chairman] (DIN 00008509)	Executive (Promoter)	5	Yes	6	-	3	1
Mr. Himanshu Kaji (DIN 00009438)	Executive	5	Yes	Nil	-	Nil	Nil
Mr. Rujan Panjwani (DIN 00237366)	Executive	5	Yes	4	-	2	Nil
Ms. Vidya Shah (DIN 00274831)	Non-Executive, Non-Independent (Promoter)	5	Yes	4	-	2	1

Name and DIN of the Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM held on September 3, 2021	No. of directorships in other Public Limited Companies [§]	Name of other Listed entities where person is Director - Category of Directorship	Committee Position*	
						Member	Chairman
Mr. P. N. Venkatachalam (DIN 00499442)	Independent	5	Yes	4	Sundaram Finance Limited-Independent Director	4	3
Mr. Navtej S. Nandra (DIN 02282617)	Independent	5	Yes	3	-	3	Nil
Mr. Kunnasagaran Chinniah (DIN 01590108)	Independent	5	Yes	6	Nirlon Limited-Nominee Director	5	1
Mr. Biswamohan Mahapatra (DIN 06990345)	Independent	5	Yes	5	-	4	2
Mr. Ashok Kini (DIN 00812946)	Independent	4	Yes	3	-	1	1
Dr. Ashima Goyal (DIN 00233635)	Independent	5	Yes	1	-	Nil	Nil
Mr. Berjis Desai [^] (DIN 00153675)	Independent	3	Yes	-	-	-	-

[§] 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.

[^]Mr. Berjis Desai resigned as an Independent Director from the Board with effect from November 6, 2021.

Except for Mr. Rashesh Shah and Ms. Vidya Shah, none of the Directors are related to each other.

The members of the Company at the 26th Annual General Meeting held on September 3, 2021, approved the re-appointment of Mr. Rashesh Shah as the Managing Director and Mr. Venkatachalam Ramaswamy as an Executive Director of the Company for a period of 5 years with effect from April 1, 2022.

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board has, subject to the approval of the Members, re-appointed Mr. Ashok Kini (DIN: 00812946) and Dr. Ashima Goyal (DIN: 00233635) as Independent Directors of the Company for the second term of 5 years with effect from April 1, 2022. The Members vide the Postal Ballot on April 26, 2022, approved their re-appointment.

None of the Directors hold office in more than 10 public companies as prescribed under 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 Listing Regulations. The Managing Director does not serve as an Independent Director in any listed company. 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.

Corporate Governance Report (continued)

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.

Mr. Berjis Desai (DIN: 00153675) resigned as an Independent Director of the Company w.e.f. November 6, 2021, due to his other professional commitments. Mr. Desai has confirmed that there were no material reasons for his resignation other than reason mentioned herein.

M/s. BNP & 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
Mr. Rashesh Shah	*	*	*	*	*	*	-	*	*	*	*
Mr. Venkatchalam Ramaswamy	*	*	*	*	*	*	-	*	*	*	*
Mr. Himanshu Kaji	*	*	*	*	*	*	*	*	*	*	*
Mr. Rujan Panjwani	*	*	*	*	*	*	-	*	*	*	*
Ms. Vidya Shah	*	*	*	*	-	*	-	*	*	*	*
Mr. P. N. Venkatachalam	*	*	*	*	*	*	*	-	*	*	*
Mr. Navtej S. Nandra	*	*	*	-	*	*	-	*	*	*	*
Mr. Kunnasagaran Chinniah	*	*	*	*	*	*	*	*	*	*	*
Mr. Biswamohan Mahapatra	*	*	*	*	*	*	*	*	*	*	*
Mr. Ashok Kini	*	*	*	*	*	*	*	-	*	*	*
Dr. Ashima Goyal	*	*	*	*	*	*	-	-	*	*	*

Committees of the Board:

A) Audit Committee

Meetings held:

During the Financial Year 2021-22, the Committee met 4 times on June 11, 2021, August 5, 2021, October 28, 2021 and January 31, 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 Member	No. of Meetings Attended
Mr. P. N. Venkatachalam – Chairman	4
Mr. Biswamohan Mahapatra	4
Mr. Kunnasagaran Chinniah	4
Mr. Ashok Kini [§]	1
Mr. Berjis Desai [^]	3

[§] Appointed as a member with effect from November 10, 2021.

[^] Mr. Berjis Desai resigned as an Independent Director from the Board with effect from November 6, 2021 and accordingly, ceased to be a member.

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.

Corporate Governance Report (*continued*)

- 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.

Mr. P. N. Venkatachalam, the Chairman of the Committee, was present at the last Annual General Meeting (AGM) held on September 3, 2021.

B) Nomination and Remuneration Committee

Meetings held:

During the Financial Year 2021-22, the Committee met 2 times on May 25, 2021 and January 31, 2022.

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

Name of the Member	No. of Meetings Attended
Mr. Kunnasagaran Chinniah	2
Mr. Navtej S. Nandra	2
Ms. Vidya Shah [§]	1
Mr. Berjis Desai [^]	1

[§] Appointed as a member with effect from November 10, 2021.

[^] Mr. Berjis Desai resigned as an Independent Director from the Board with effect from November 6, 2021 and accordingly, ceased to be a member.

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.edelweissfn.com.

Remuneration to the Directors

The Company pays sitting fee of ₹ 20,000 per meeting to the Independent Directors for attending the meetings of the Board and the Committees thereof. The commission is paid to the Non-executive Directors *inter alia* based on their attendance, contribution etc. at the Board and various Committee Meetings.

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

(Amount ₹ in million)

Name of the Director	Remuneration (fixed & performance bonus)	Perquisites	Sitting Fees	Commission	Total	No. of Equity Shares held *
Mr. Rashesh Shah	86.73	0.04	-	-	86.77	14,56,01,730
Mr. Venkatchalam Ramaswamy	65.54	0.04	-	-	65.58	5,81,26,560
Mr. Himanshu Kaji	41.55	0.04	-	-	41.59	29,75,000
Mr. Rujan Panjwani	52.05	0.04	-	-	52.09	1,19,51,380
Ms. Vidya Shah	-	-	-	2.00	2.00	3,10,31,200
Mr. P. N. Venkatachalam	-	-	0.32	2.00	2.32	2,70,000
Mr. Berjis Desai	-	-	0.28	2.00	2.28	-
Mr. Navtej S. Nandra	-	-	0.24	2.00	2.24	79,74,180
Mr. Kunnasagaran Chinniah	-	-	0.34	2.00	2.34	2,00,000
Mr. Biswamohan Mahapatra	-	-	0.26	2.00	2.26	-
Mr. Ashok Kini	-	-	0.12	2.00	2.12	-
Dr. Ashima Goyal	-	-	0.12	2.00	2.12	-

* Shareholding as on March 31, 2022. Shares held singly or as a first shareholder are only considered

Service contract of the Managing Director and the Executive Directors is as approved by the Members and notice period is as per the Rules of the Company. Severance fees – NA.

Corporate Governance Report (*continued*)

C) Stakeholders' Relationship Committee

Meetings held:

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

Name of the Member	No. of Meetings Attended
Mr. Kunnasagaran Chinniah	1
Mr. Venkatchalam Ramaswamy	1
Mr. Ashok Kini [§]	-
Mr. Berjis Desai [^]	-

[§] Appointed as a member with effect from November 10, 2021.

[^] Mr. Berjis Desai resigned as an Independent Director from the Board with effect from November 6, 2021 and accordingly, ceased to be a member.

During the financial year 2021-22, the Committee met once on May 25, 2021, which was Chaired by Mr. Kunnasagaran Chinniah.

Mr. Tarun Khurana is the Company Secretary & Compliance Officer of the Company.

Based on the reports received from the Registrar & Share Transfer Agents during the year ended March 31, 2022, the Company received 64 requests/complaints from the investors which were satisfactorily resolved/replied. As on March 31, 2022, there were no outstanding requests/complaints.

The Chairman of the Committee was present at the last AGM held on September 3, 2021.

D) Risk Committee

Meetings held:

During the Financial Year 2021-22, the Committee met 4 times on June 7, 2021, August 4, 2021, October 27, 2021 and January 28, 2022.

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

Name of the Member	No. of Meetings Attended
Mr. P. N. Venkatachalam – Chairman	4
Mr. Kunnasagaran Chinniah	4
Mr. Navtej S. Nandra	4
Mr. Biswamohan Mahapatra	3
Mr. Himanshu Kaji	4

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

- 1) To devise process / framework for management of operational risk
- 2) Identifying concerns & risks
- 3) Evaluating risks as to consequences & likelihoods
- 4) Assessment of options for Risk Management
- 5) Prioritizing the Risk Management efforts
- 6) Development of Risk Management Plans
- 7) Authorization for the implementation of the Risk Management Plans
- 8) Tracking the Risk management efforts and manage accordingly
- 9) Follow on Budgeting-Variance Analysis
- 10) Design, develop and implement various measures for cyber security as may be required.

The Risk Committee has framed and implemented a Risk Management Framework and Strategy. The Company did not have any exposure in commodity price and hedging activities during the year 2021-22.

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	September 3, 2021	4.00 p.m.	Held through Video Conferencing/ Other Audio Visual Means	1
2019-2020	September 28, 2020	4.00 p.m.	Held through Video Conferencing/ Other Audio Visual Means	2
2018-2019	July 25, 2019	3.00 p.m.	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai- 400 098	2

The Company had sought the approval of the Members by way of Special Resolution for re-appointment of Mr. Ashok Kini (DIN: 00812946) and Dr. Ashima Goyal (DIN: 00233635), as Independent Director vide Postal Ballot Notice dated January 31, 2022. Both the Special Resolutions were passed with the requisite majority on April 26, 2022.

The Postal Ballot exercise was conducted by the Scrutinizer, Mr. B. Narasimhan - BN & Associates, Company Secretaries.

Details of Voting Pattern for above mentioned Special Resolutions are as under:

Sr No.	Resolutions	Votes cast in favour		Votes cast against	
		Number	%	Number	%
1	Re-appointment of Mr. Ashok Kini (DIN: 00812946) as an Independent Director.	59,36,91,701	99.65	20,66,119	0.35
2	Re-appointment of Dr. Ashima Goyal (DIN: 00233635) as an Independent Director.	59,54,77,785	99.95	2,90,267	0.05

For further details please visit the website of the Company at: www.edelweissfin.com

Resolution, if any, to be passed through Postal Ballot during the current financial year will be taken up as and when necessary in the manner provided in the Act and the Listing Regulations.

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.edelweissfin.com. The financial results are also published in the newspapers.

I. General Shareholder Information

i.	AGM: Date, time and venue/ mode	Friday, September 2, 2022 at 4.00 p.m. IST through Video Conferencing / Other Audio Visual Means (VC/ OAVM)
ii.	Financial Year:	April 1, 2021 to March 31, 2022
iii.	Book Closure dates:	August 27, 2022 to September 1, 2022 (both days inclusive)
iv.	Dividend payment date:	September 6, 2022 to September 30, 2022

Corporate Governance Report (continued)

II. Listing of Securities on Stock Exchanges:

a. Equity Shares

The Equity Shares of the Company are listed on:

	Name of the Stock Exchange	Address of the Stock Exchange	Trading Symbol
i)	BSE Limited (BSE)	P J Towers, Dalal Street, Fort, Mumbai - 400 001.	BSE – 532922
ii)	National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.	NSE – EDELWEISS

The Company has paid the listing fees, to the Stock Exchanges for the financial year 2022-23.

ISIN with National Securities Depository Limited and Central Depository Services (India) Limited: INE532F01054

b. Non-convertible Debentures

The Company has issued Secured Non-convertible Debentures (NCDs) on private placement and through public issuances. 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:

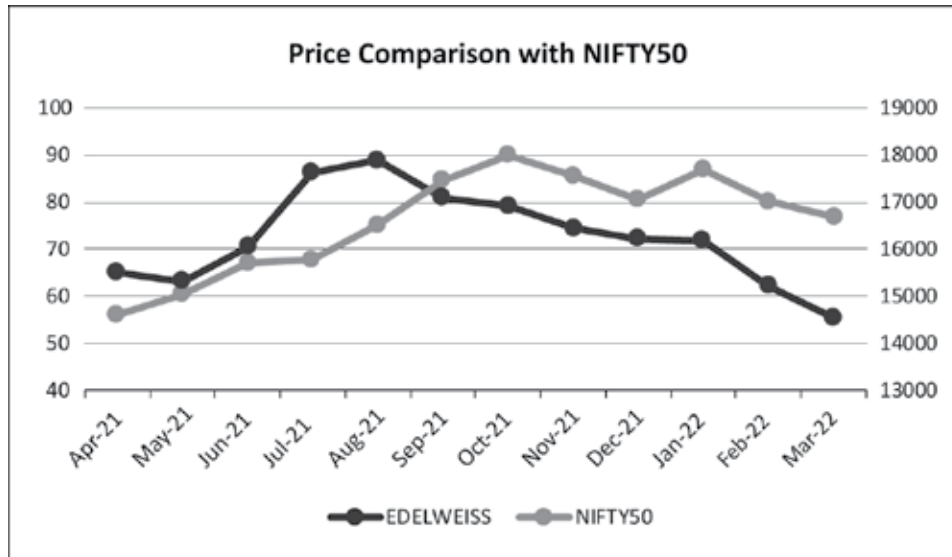
Beacon Trusteeship Limited 4 C&D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club Bandra (East), Mumbai – 400 051 Tel.: +91 22 26558759 Email: compliance@beacontrustee.co.in Website: www.beacontrustee.co.in	Catalyst Trusteeship Limited Windsor, 6 th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400 098 Tel.: +91 22 49220555 Email: dt.mumbai@ctltrustee.com Website: www.catalysttrustee.com
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III. Market Price Data

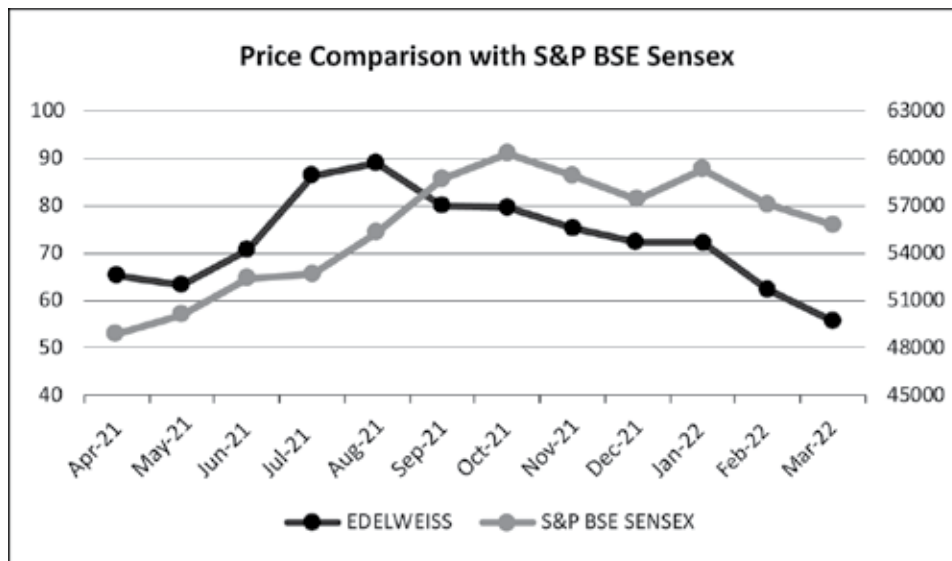
Stock Market price data for the financial year 2021-22 and high/ low of market price of the Company's shares traded at BSE and NSE during each month in the financial year ended March 31, 2022 are as under:

Month	BSE			NSE		
	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded
Apr-21	72.30	58.05	45,32,235	72.30	58.05	3,56,88,836
May-21	69.45	56.70	43,08,822	69.50	56.70	4,92,39,508
Jun-21	78.00	63.00	82,30,709	78.00	63.00	7,93,91,186
Jul-21	100.80	71.60	1,77,68,035	100.90	71.65	16,43,30,744
Aug-21	100.00	77.70	78,75,265	100.00	77.75	8,14,69,462
Sep-21	84.95	74.50	52,84,574	84.95	76.70	4,65,03,931
Oct-21	84.20	74.65	43,47,355	84.20	74.50	4,35,24,686
Nov-21	84.25	66.30	30,70,367	84.45	64.40	2,91,97,034
Dec-21	77.50	67.20	28,73,834	77.30	67.20	2,66,21,626
Jan-22	77.50	66.75	27,67,621	77.35	66.60	2,07,12,570
Feb-22	70.35	53.95	59,39,673	70.50	53.65	2,91,14,124
Mar-22	60.65	50.10	1,61,46,867	60.85	50.00	7,81,89,887

IV. Performance of share price in comparison with the broad – based indices viz., NSE Nifty & BSE Sensex:



Price: Average of High & Low



V. 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

Corporate Governance Report (continued)

b. Non-Convertible Debentures

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: bonds.helpdesk@linkintime.co.in Website: www.linkintime.co.in	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
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VI. Share Transfer System: The Company's shares are compulsorily traded in electronic form in Demat mode on BSE and NSE. 99.94% of the outstanding equity shares of the Company are held in demat mode. Transfer of equity shares in electronic form are effected through the depositories without any involvement of the Company.

VII. Distribution of shareholding as on March 31, 2022

No. of Equity Shares	No. of Shareholders	% of Share holders	Total No. of shares held	% of Shares held
1 - 500	1,96,824	86.87	2,17,47,270	2.30
501 - 1000	13,705	6.05	1,09,62,001	1.16
1001 - 2000	7,459	3.29	1,12,85,532	1.20
2001 - 3000	2,663	1.18	68,33,597	0.72
3001 - 4000	1,201	0.53	43,13,979	0.46
4001 - 5000	1,072	0.47	50,86,389	0.54
5001 - 10000	1,792	0.79	1,31,76,199	1.40
10001 and above	1,847	0.82	86,96,92,998	92.22
Total	2,26,563	100	94,30,97,965	100

Shareholding Pattern as on March 31, 2022

Sr. No.	Category	No. of Shares	% of Holding
1)	Promoters and Promoters Group	30,76,84,490	32.62
2)	Mutual Funds / FIs / Banks / Insurance Companies	2,50,36,876	2.65
3)	FII's/ FPI's	29,22,48,169	30.99
4)	NRIs / Foreign Nationals / Foreign Bodies Corporate	2,81,91,622	2.99
5)	Public and Others	24,50,40,028	25.98
6)	Non Promoter- Non Public	4,48,96,780	4.77
	Total	94,30,97,965	100

VIII. Dematerialisation of shares: As on March 31, 2022, 94,25,17,355 equity shares representing 99.94% of the outstanding equity shares of the Company were held in dematerialised form and 5,80,610 equity shares representing 0.06% of the outstanding equity shares of the Company were held in physical form. At the end of each quarter, reconciliation of share capital audit is conducted by a Practicing Company Secretary to reconcile the total issued capital, listed capital and capital held by the Depositories in dematerialised form and is submitted to the stock exchanges.

IX. 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.

X. Details of equity shares lying in the suspense account pursuant to the Listing Regulations:

Sr. No.	Particulars	Details	
		No. of Shareholders	No. of shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	94	7,530
2.	Number of shareholders who approached the Company for transfer of shares from the suspense account during the year	-	-
3.	Number of shareholders to whom shares were transferred from the suspense account during the year	-	-
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	94	7,530

The voting rights on above shares shall remain frozen till the rightful owner of such shares claims the same.

XI. Plant locations – Not Applicable

XII. 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
Brickwork Rating	BWR AA- Outlook: Stable	Non-convertible Debentures	No Revision	No change
	BWR PP-MLD AA- Outlook: Stable	Principal Protected Market Linked Debentures		
CARE	CARE A+ Outlook: Stable	Non-convertible Debentures	No Revision	No change
	CARE A1+	Short term borrowing		
CRISIL	CRISIL AA- Outlook: Negative	Non-convertible Debentures	No Revision	No change
	CRISIL PP-MLD AA-r Outlook: Negative	Principal Protected Market Linked Debentures		
	CRISIL A1+	Short term borrowing		
Acuite	ACUITE AA Outlook: Negative	Non-convertible Debentures	No Revision	No change
ICRA	ICRA A+ Outlook: Negative	Non-convertible Debentures	No Revision	No change

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.

Corporate Governance Report (continued)

- iii. SEBI had passed an Adjudication Order dated March 31, 2016 (the Order), in the matter of IPO of Electrosteel Steels Limited, levied a penalty of ₹ 1 crore on the Company, along with other two Merchant Bankers (the Merchant Bankers), which was to be paid jointly and severally. The Merchant Bankers had filed an Appeal before Securities Appellate Tribunal (SAT) against the Order. SAT vide its order dated November 14, 2019, had reduced the penalty amount from ₹ 1 crore to ₹ 50 lakhs. The penalty of ₹ 50 lakhs imposed on the Merchant Bankers was paid jointly by the Merchant Bankers out of which the Company has paid ₹ 16.67 lakhs towards its share on December 3, 2019.
- iv. 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.
- v. 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.edelweissfin.com
- vi. There have been no instances where the Board has not accepted recommendations of any Committee of the Board, during the financial year.
- vii. The statutory auditors of the Company, M/s. S. R. Batliboi & Co. LLP were paid a consolidated amount of ₹ 46.77 million by the Company and its subsidiaries for all the services provided by them.
- viii. 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.
- ix) The Company has complied with the corporate governance requirements as prescribed in Regulations 17 to 27, 46(2) (b) to (i) and Schedule V of Chapter IV of the Listing Regulations.
- x) The Company has adopted the discretionary requirements as specified in Part E of Schedule II - the financial statements are accompanied with an unmodified audit report.
- xi) 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.
- xii) CEO / CFO Certification**

The CEO and the CFO have certified to the Board, the requirements of the Listing Regulations, with regard to financial statements.
- xiii) Compliance Certificate**

Pursuant to the Listing Regulations, a certificate issued by M/s. BNP & 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:

The Company Secretary Edelweiss Financial Services Limited Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098. Tel: +91 22 4009 4400 Fax: +91 22 4086 3610 E-mail: efsl.shareholders@edelweissfin.com Website: www.edelweissfin.com	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	KFin Technologies 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
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Declaration by the Chairman & Managing Director under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding adherence to the Edelweiss 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 Edelweiss Code of Conduct.

For and on behalf of the Board
Edelweiss Financial Services Limited

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Mumbai, May 27, 2022

Corporate Governance Report (*continued*)

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
Edelweiss Financial Services Limited

We have examined the compliance of conditions of Corporate Governance, by Edelweiss Financial Services Limited (“the Company”), for the financial year ended March 31, 2022, as prescribed in the Regulations 17 to 27, 46 (2) (b) to (i), and Para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 stipulated in the aforesaid provisions of the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purpose of complying with Listing Regulations and may not be suitable for any other purpose.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR No. 637/2019

Avinash Bagul
Partner
FCS No: 5578
COP: 19862
UDIN: F005578D000402700

Date : May 27, 2022
Place : Mumbai

Business Responsibility Report for the year 2021-22

(Pursuant to regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”))

Section - A

General Information about the Company

Sr. No.	Particulars	Reply
1	Corporate Identity Number (CIN) of the Company	L99999MH1995PLC094641
2	Name of the Company	Edelweiss Financial Services Limited
3	Registered Office address of the Company	Edelweiss House, Off. C.S.T Road, Kalina, Mumbai 400 098
4.	Website	www.edelweissfin.com
5.	E-mail ID	efsl.shareholders@edelweissfin.com
6.	Financial Year reported	April 1, 2021 - March 31, 2022
7.	Sector (s) that the Company is engaged in (Industrial activity code-wise)	Code: 649 – Investment Banking and Advisory Services 642 – Holding Company Activities
8.	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	Investment Banking & Advisory Services
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	6 (Dubai, Hong Kong, Mauritius, New York, Singapore and London) through subsidiaries and associates of the Company.
	(b) Number of National Locations	134 cities through subsidiaries and associates of the Company.
10.	Market served by the Company- Local/State/ National/ International	The Company serves the Indian markets and the international markets through its subsidiaries and associates.

Annexure to Board's Report (continued)

Section - B

Financial details of the Company

Sr. No.	Particulars	Reply
1.	Paid-up Capital (as on March 31, 2022)	₹ 943.10 million
2.	Total Turnover/Income	₹ 13,274.74 million (on standalone basis) and ₹ 73,045.91 million (on consolidated basis)
3.	Total Profit After Taxes	₹ 9,333.58 million (on standalone basis) and ₹ 2,120.74 million (on consolidated basis)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer CSR Report annexed to the Board's Report.
5.	List of activities in which expenditure in 4 above has been incurred	

Section – C

Other details

Sr. No.	Particulars	Reply
1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	Yes The Company is engaged in the Financial Services. The Company along with its subsidiaries carries out the Business Responsibilities and CSR activities.
3.	Do any other entity/entities (e.g., suppliers, distributors etc.) that the Company does Business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	We encourage our associates & partners to engage/participate in Business Responsibility (BR) initiatives. We also endeavour to increase our coverage of our business partners and investee companies etc. to ensure that fair, sustainable, and responsible business practices are followed.

Section - D

Business Responsibility Information

1. Details of Director/Directors responsible for Business Responsibility

Sr. No.	Particulars	Reply
a.	Details of the Director/Director responsible for implementation of the Business Responsibility Policy/policies	Name : Vidya Shah (DIN: 00274831) Designation : Non-executive Non-Independent Director, Chairperson-ESG Council Telephone No. : + 91 22- 40094400
b.	Details of the Business Responsibility head	e-mail ID : efsl.shareholders@edelweissfin.com

In fulfilling its obligation of BR and the CSR, the Company is guided by Edelweiss Guiding Principles which are provided in this Annual Report.

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

- P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**
- P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**
- P3 – Businesses should promote the well-being of all employees.**
- P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**
- P5 – Businesses should respect and promote human rights.**
- P6 – Businesses should respect, protect, and make efforts to restore the environment.**
- P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**
- P8 – Businesses should support inclusive growth and equitable development. [CSR Policy]**
- P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

Annexure to Board's Report (continued)

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P-1	P-2	P-3	P-4	P-5	P-6	P-7	P-8	P-9	
1.	Do you have a policy/policies for each principle stated in the NGV?	Y	N §	Y	Y	Y	Y	Y	Y	Y	
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	N §	Y	Y	Y	Y	Y	Y	Y	
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	N §	Y	Y	Y	Y	Y	Y	Y	
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Business Responsibility Policy encompassing all these principles has been approved. Additionally, we have separate policies that cover aspects related to governance, ethics, code of conduct, employee practices, environment, human rights etc.									
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	The policies have been approved and adopted by the Board/Internal Committee(s)/Managerial Personnel and are implemented and reviewed from time to time. Appropriate steps shall be taken to oversee the implementation of the policy.									
6.	Indicate the link for the policy to be Viewed online?	The Policy is made available on the website of the Company at www.edelweissfin.com .									
7.	Has the policy been formally Communicated to all relevant internal and external stakeholders?	Yes									
8.	Does the Company have in-house structure to implement the policy/policies	An Internal Committee has been set up that monitors the progress, reviews and implements, various aspects related to environmental social and governance policies.									
9.	Does the Company have a Grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes									
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The Company may take appropriate steps in this regard.									

§: Considering the nature of business of the Company, Principle - 2 may not be strictly applicable. However, the Company endeavour to comply with all the applicable rules and regulations w.r.t. its services. We attempt to be transparent, fair in our advice and responsive to customer requirements and feedback.

(b) If answer to the question at serial number 1 against any principle, is “No” Please explain why:
(Tick up to 2 options): Not Applicable

Sr. No.	Questions	P-1	P-2*	P-3	P-4	P-5	P-6	P-7	P-8	P-9
1.	The Company has not understood the Principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within next 1 Year									
6.	Any other reason (please specify)									

* Considering the nature of business of the Company, Principle - 2 may not be strictly applicable. However, the Company endeavour to comply with all the applicable rules and regulations w.r.t. its services. We attempt to be transparent, fair in our advice and responsive to customer requirements and feedback.

3. Governance related to BR

Sr. No.	Particulars	Reply
1.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Annually
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company has published an ESG/Sustainability Report for the FY 2021-22. The same is available on the website of the Company https://www.edelweissfin.com/investor-relations/

SECTION - E

Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

It is an integral part of the Edelweiss Guiding Principle to conduct the business in a fair and transparent manner.

Sr. No.	Particulars	Reply
1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?	The Company has adopted various policies in relation to ethics, bribery and corruption viz. Anti Money Laundering Policy, Anti-Fraud Policy, Anti Bribery and Corruption Policy, Whistle Blower Policy etc. and the same are applicable to the Group Companies as well.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During the year under review No. of Complaints/Requests Received: 64 Resolved: 100% of the Complaints/Requests

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle #

#: The Company does not manufacture any goods and products and such no material impacts from consumption of its products or production of products from a raw material perspective are there.

Sr. No.	Particulars	Reply
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Not Applicable
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	
4.	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	
5.	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	

Principle 3: Businesses should promote the wellbeing of all employees

Sr. No.	Particulars	Reply	
1.	Please indicate the Total number of employees (including subsidiaries and associates)	8,802	
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis. (including subsidiaries and associates)	4,312	
3.	Please indicate the Number of permanent women employees. (including subsidiaries and associates)	2,239	
4.	Please indicate the Number of permanent employees with disabilities	Nil	
5.	Do you have an employee association that is recognized by management.	No	
6.	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable	
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	The Company does not employ/hire child labour, forced labour or, involuntary labour.	
	Sr. No.	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
	1 Child labour/forced labour/involuntary labour	Not Applicable	Not Applicable
	2 Sexual harassment	NIL	NIL
	3 Discriminatory employment	NIL	NIL
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?		
	(a) Permanent Employees		
	(b) Permanent Women Employees		
	(c) Casual/Temporary/Contractual Employees		
	(d) Employees with Disabilities	Every employee of the Company undergoes necessary training.	

Annexure to Board's Report (continued)

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

As an Edelweiss Guiding Principle the Company focuses on Growth for its stakeholders - clients, employees and shareholders.

Sr. No.	Particulars	Reply
1.	Has the Company mapped its internal and external stakeholders?	Please refer CSR Report annexed to the Board's Report.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.	
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	

Principle 5: Businesses should respect and promote human rights

Sr. No.	Particulars	Reply
1.	Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/ Others?	Extends to the Company and the Group.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	During the year under review, no complaint has been filed with respect to human rights violation from any stakeholder.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

Sr. No.	Particulars	Reply
1.	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.	<p>Not Applicable</p> <p>(Considering the nature of business of the Company, Principle - 6 may not be strictly applicable, however the Company has adopted an ESG Policy covering environmental aspects relating to reduction of our dependence on grid electricity and increase share of the renewable sources of energy, reduction of our water consumption, reduction in GHG emissions).</p> <p>There have been no cases of non-compliance from CPCB/MPCB during the financial year.</p>
2.	Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	
3.	Does the Company identify and assess potential environmental risks? Y/N	
4.	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	
5.	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	
6.	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	
7.	Number of show cause/legal notices received from Central Pollution Control Board (CPCB)/State Pollution Control Board (SPCB) which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Sr. No.	Particulars	Reply
1.	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.	<p>The Company is a member of the following chambers and associations:</p> <p>i) Federation of Indian Chambers of Commerce and Industry</p> <p>ii) Confederation of Indian Industry</p> <p>Edelweiss group presents its views regularly on various regulatory changes in the light of the changing business environment.</p>
2.	<p>Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No;</p> <p>if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)</p>	

Annexure to Board's Report (continued)

Principle 8: Businesses should support inclusive growth and equitable development

Sr. No.	Particulars	Reply
1.	<p>Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?</p> <p>If yes details thereof.</p>	<p>The CSR activities/programmes support inclusive growth and equitable development.</p> <p>The Company being in the business of providing financial services, conducts various investor awareness programmes from time to time.</p> <p>Through our businesses, we also cater to financing needs of low and middle-income groups for affordable housing and small enterprise finance.</p> <p>Through EdelGive Foundation and our CSR activities, we primarily work on:</p> <ul style="list-style-type: none"> a) Women Empowerment and gender Equality b) Education at elementary and early childhood stage c) Livelihood initiatives
2.	<p>Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?</p>	<p>The programmes/projects are undertaken through EdelGive Foundation - The CSR arm of the Group which works with various NGOs across the country</p>
3.	<p>Have you done any impact assessment of your initiative?</p>	<p>Yes, the Company continuously monitors and assesses the impact of its CSR initiatives.</p>
4.	<p>What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.</p>	<p>Please refer CSR Report annexed to the Board's Report.</p>
5.	<p>Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.</p>	<p>Yes</p> <p>(Please refer CSR Report and the details that has been published in our ESG/Sustainability report/the Annual Report of EdelGive Foundation)</p>

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No.	Particulars	Reply
1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Nil
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A ./Remarks (additional information)	Not Applicable
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4.	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Consumer surveys are taken at regular intervals.

For and on behalf of the Board
Edelweiss Financial Services Limited

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Mumbai, May 27, 2022

Edelweiss Financial Services Limited
Consolidated Financial Statements
for the year ended 31 March 2022

Independent Auditor's Report

To the Members of Edelweiss Financial Services Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Edelweiss Financial Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and trusts (the Holding Company, its subsidiaries and its trusts 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, trusts 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 profit 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 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 62 to 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, financial assets, investment properties, investments, intangible assets (including goodwill) and in case of life insurance business, solvency position, provision for additional reserve as a part of Policy Liability and estimate of claims which are highly dependent on uncertain future developments.

Our opinion is not modified in respect of the above 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

Independent Auditor’s Report (Continued)

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 receivables from financing and other business (as described in note 5.6, 13, 13.1, 14, 14.1 & 57.7 of the Consolidated Financial Statements)	
<p>The Group’s impairment provision for receivables from financing business is based on the expected credit loss approach laid down under Ind AS 109. 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> <ol style="list-style-type: none"> Staging of financial assets (i.e. classification in ‘significant increase in credit risk’ (“SICR”) and ‘default’ categories); Grouping of the loan portfolio under homogenous pools in order to determine probability of default on a collective basis; 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; Applying assumptions regarding the probability of various scenarios and discounting rates for different loan products; Estimation of management overlay for macro- economic factors bearing a correlation with the credit quality of the loans. <p>Further, pursuant to the “Resolution Framework for COVID-19-related Stress” issued by RBI on August 6, 2020, the subsidiary Companies has offered a one- time restructuring (“OTR”) facility to borrowers impacted by COVID-19 pandemic. Such restructured loans have been classified into various stages and provided for based on subsidiary companies’ management’s assessment of changes in credit risk of such loans since initial recognition.</p> <p>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 COVID-19 pandemic. In accordance with the guidance in Ind AS 109, the management overlay estimate takes into account reasonable and supportable information.</p> <p>In view of such high degree of management’s judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is considered as a key audit matter.</p>	<p>The audit procedures, including those reported in the auditor’s report of respective subsidiary companies, comprised the following:</p> <ol 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 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. 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. 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). Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of Company’s policy on OTR. Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. Assessed disclosures included in the consolidated financial statements in respect of expected credit losses including the specific disclosures made with regards to the management’s evaluation of the uncertainties arising from COVID-19 and its impact on ECL estimation.

Independent Auditor’s Report (Continued)

Key audit matters	How our audit addressed the key audit matter
<p>IT systems and controls</p> <p>The reliability and security of IT systems play a key role in the financial reporting process of the Group. The Group’s key financial accounting and reporting processes are highly automated, whereby any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.</p> <p>Therefore, the assessment of the general IT controls and the application controls specific to the accounting and preparation of financial information is considered to be a key audit matter.</p>	<p>The audit procedures assisted by our IT specialists, including those reported in the auditor’s report of respective subsidiary companies, comprised the following:</p> <ul style="list-style-type: none"> a) Tested the design and operating effectiveness of the Company’s IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. b) Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorized. c) Tested the periodic review of access rights. Also tested requests of changes to systems for approval and authorization. d) In addition to the above, tested the design and operating effectiveness of certain automated controls that were considered as key internal controls. e) Tested the design and operating effectiveness of compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.
<p>Valuation of Investments in Security Receipts (SR) for Edelweiss Assets Reconstruction Company Limited (as described in note 5.11, 14 and 56 of the Consolidated Financial Statements)</p>	
<p>In the Group’s financial statements, total investment in SR amounts to Rs. 33,412.56 million as disclosed in the consolidated financial statements.</p> <p>The fair value of SRs is determined through discounted cash flow method which involves management judgement using level 3 inputs such as projection of future cash flows and expenses.</p> <p>The management has involved credit rating agencies for valuation of SR.</p> <p>Considering the fair valuation of investments is significant to overall consolidated financial statements and the degree of management’s judgment involved in the estimate, any error in the estimate could lead to material misstatement in the consolidated financial statements.</p> <p>Accordingly, it is considered as a key audit matter.</p>	<p>The audit procedures those reported in the auditor’s report of a subsidiary company, comprised the following:</p> <ul style="list-style-type: none"> a) Assessment of internal controls over measurement of fair value and evaluating the methodologies, inputs, judgments made and assumptions used by management in determining fair values. b) Evaluated rationale of the models and accounting treatment applied. Compared observable inputs against independent sources and externally available market data for sample cases. c) Performed testing on a sample basis of key inputs as mentioned above to validate the reasonableness of the input values. d) Assessed disclosures included in the Financial Statements with respect to such fair valuation

Independent Auditor's Report (*Continued*)

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 obtained prior to the date of this auditors report, and the Annual report, which is expected to be made available to us after that date.

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.

When we read the Board Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those Charged with Governance.

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.

Independent Auditor's Report (*Continued*)

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, 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.

Independent Auditor's Report (*Continued*)

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of:

- 32 subsidiaries, whose financial statements include total assets of Rs 448,929.47 million as at March 31, 2022 and total revenues of Rs 69,910.47 million and net cash outflow of Rs. 21,918.09 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.
- 6 associate companies forming part of the Group, whose statements include Group's share of net profit after tax of Rs. 182.78 million and Group's share of total comprehensive income of Rs. 187.18 million for the period from April 1, 2021 to March 31, 2022, as considered in the consolidated financial statement, 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 6 associate companies, 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 6 associate companies, is based solely on the report(s) of such other auditors.

- (b) The actuarial valuation of liabilities of Edelweiss Tokio Life Insurance Company Limited (ETLIFE) for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2022 is the responsibility of ETLIFE's Appointed Actuary. The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2022 has been duly certified by the ETLIFE 's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", Ind AS 109 "Financial Instruments", the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ('IRDAI') and the Institute of Actuaries of India in concurrence with IRDAI. The auditors have relied upon the ETLIFE's Appointed Actuary's certificate for expressing their conclusion in this regard.
- (c) The actuarial valuation of liabilities of Edelweiss General Insurance Company Limited (EGICL) for Incurred But Not Reported and Incurred But Not Enough Reported claims of EGICL as at March 31, 2022 is the responsibility of EGICL's Appointed Actuary. The actuarial valuation of these liabilities has been duly certified by the EGICL's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with IRDAI. The auditors have relied on the EGICL's Appointed Actuary's certificate for expressing their conclusion in this regard.

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.

Independent Auditor's Report (*Continued*)

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 associate, 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 email confirmation 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 associate, none of the directors of the Group's companies and its associate, 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 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 associate, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company, its subsidiaries and associate 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 associate in its consolidated financial statements – Refer Note 52.1 to the consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 83 to the consolidated financial statements in respect of such items as it relates to the Group and its associate;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate, incorporated in India during the year ended March 31, 2022.

Independent Auditor's Report (*Continued*)

- iv. a) The respective managements of the Holding Company and its subsidiaries and associates 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 associates respectively that, to the best of its knowledge and belief as disclosed in the note 69(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 associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and associates ("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 its associates 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 69(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 person(s) or entity(ies), 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 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. The final dividend paid by the Holding Company, its subsidiaries, associate companies incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid during the year by the Holding Company and subsidiary Company and until the date of the audit reports of such Holding Company and Subsidiary Company incorporated in India is in accordance with section 123 of the Act.

As stated in note 76 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number:102102

UDIN: 22102102AJSYGK1192

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 Financial 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.

S. No	Name	CIN	Holding company/Sub subsidiary/ associate	Clause number of the CARO report which is unfavorable or adverse
1	Edelweiss Asset Reconstruction Company Limited	U67100MH2007PLC174759	Subsidiary	iii (c) and iii (d)
2	Edelweiss Housing Finance Limited	U65922MH2008PLC182906	Subsidiary	iii (c) , iii (d) and (xi) (a)
3	Ecap Securities & Investments Limited	U67190TG2008PLC057122	Subsidiary	xvii and ix (e)
4	Edelcap Securities Limited	U67120TG2008PLC057145	Subsidiary	xvii
5	Edel Land Limited	U74900MH2008PLC287466	Subsidiary	xvii
6	Edelweiss Global Wealth Management Limited	U67100TG2007PLC112499	Subsidiary	xvii
7	Allium Finance Private Limited	U67120MH2008PTC180229	Subsidiary	iii (c) and iii (d)
8	Edelweiss Investment Adviser Limited	U74140TG2008PLC120334	Subsidiary	iii (c), iii (d) and xvii
9	Edelweiss Retail Finance Limited	U67120MH1997PLC285490	Subsidiary	iii (c) and iii (d)
10	ECL Finance Limited	U65990MH2005PLC154854	Subsidiary	iii (c) and iii (d) and xvii
11	Edelweiss Capital Services Limited	U67190MH2021PLC355152	Subsidiary	xvii
12	Edelweiss Securities and Investments Private Limited	U65990TG2009PTC113078	Subsidiary	iii (c) and iii (d)
13	Edelweiss Rural & Corporate Services Limited	U45201TG2006PLC078157	Subsidiary	iii (c), iii (d), iii (e), iii (f), ix (d), xvii and ix (e)
14	Edelweiss Financial Services Limited	L99999MH1995PLC094641	Holding Company	iii (e) and iii (f) and ix (d) and ix (e)
15	ESL Securities Limited	U67190MH2019PLC343440	Associate	xvii and xix
16	Edelweiss Securities (IFSC) Limited	U65999GJ2016PLC094838	Associate	xvii
17	Edelweiss Broking Limited	U65100GJ2008PLC077462	Associate	iii (c), iii (e) and iii (f)

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number:102102

UDIN: 22102102AJSYGK1192

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Annexure 2 to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of Edelweiss Financial Services Limited (Continued)

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

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

Opinion

In our opinion, the Group 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.

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 21 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 22102102AJSYGK1192

Place of Signature: Mumbai

Date: May 27, 2022

Consolidated balance sheet as at 31 March 2022

(Currency: Indian rupees in millions)	Note	31-Mar-2022	31-Mar-2021
ASSETS			
Financial assets			
(a) Cash and cash equivalents	8	19,885.63	38,985.15
(b) Bank balances other than cash and cash equivalents	9	10,503.34	8,616.91
(c) Derivative financial instruments	10	685.22	2,902.03
(d) Stock in trade (Securities held for trading)	11	15,118.11	15,746.76
(e) Trade Receivables	12	4,691.71	5,060.49
(f) Loans	13	200,056.16	224,545.46
(g) Investments	14	126,274.89	113,073.02
(h) Other financial assets	15	11,035.23	12,628.07
Total financial assets		388,250.29	421,557.89
Non-financial assets			
(a) Reinsurance assets		3,432.77	3,393.36
(b) Current tax assets (net)		8,912.80	7,218.14
(c) Deferred tax assets (net)	16	10,645.61	9,584.99
(d) Investment property	17	3,034.26	3,394.63
(e) Property, Plant and Equipment	18	11,071.77	12,281.27
(f) Capital work in progress	19	0.57	7.93
(g) Intangible assets under development	20	195.70	124.17
(h) Goodwill on consolidation	21	663.35	663.35
(i) Other Intangible assets	18	1,204.17	1,467.74
(j) Other non-financial assets	22	4,466.51	3,806.66
Total non-financial assets		43,627.51	41,942.24
TOTAL ASSETS		431,877.80	463,500.13
LIABILITIES			
Financial liabilities			
(a) Derivative financial instruments	10	2,259.89	1,845.51
(b) Trade Payables	23		
i. total outstanding dues of micro enterprises and small enterprises		17.51	1.22
ii. total outstanding dues of creditors other than micro enterprises and small enterprises		12,883.76	4,893.56
(c) Insurance claims payable		345.28	194.41
(d) Debt securities	24	155,057.04	174,858.54
(e) Borrowings (other than debt securities)	25	56,550.66	94,318.19
(f) Deposits	26	15.60	96.01
(g) Subordinated Liabilities	27	15,486.53	15,087.75
(h) Other financial liabilities	28	50,573.22	45,207.17
Total financial liabilities		293,189.49	336,502.36
Non-financial liabilities			
(a) Current tax liabilities (net)		173.94	253.00
(b) Provisions	29	495.40	1,118.55
(c) Policyholders' liabilities		55,288.34	43,549.30
(d) Deferred tax liabilities (net)	16	2,166.41	2,157.62
(e) Other non-financial liabilities	30	4,641.02	3,149.35
Total non-financial liabilities		62,765.11	50,227.82
TOTAL LIABILITIES		355,954.60	386,730.18
EQUITY			
(a) Equity Share capital	31	898.20	890.90
(b) Other equity	32	64,475.96	64,880.69
Equity attributable to owners of the parent		65,374.16	65,771.59
Equity attributable to Non-Controlling Interests		10,549.04	10,998.36
TOTAL EQUITY		75,923.20	76,769.95
TOTAL LIABILITIES AND EQUITY		431,877.80	463,500.13

The accompanying notes are an integral part of the Consolidated Financial Statements.

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As per our report of even date attached

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No: 102102

Mumbai 27 May 2022

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Ananya Suneja
Chief Financial Officer

Mumbai 27 May 2022

Himanshu Kaji
Executive Director
DIN : 00009438

Tarun Khurana
Company Secretary

Consolidated statement of profit and loss for the year ended 31 March 2022

(Currency: Indian rupees in millions)	Note	For the year ended 31-Mar-2022	For the year ended 31-Mar-2021
Revenue from operations			
Interest income	33	30,454.79	40,344.01
Dividend Income		256.47	695.68
Fee and commission income	34	14,438.26	16,541.39
Net gain on fair value changes	35	7,244.43	22,208.98
Premium from insurance business (net)		16,444.53	13,246.40
Other operating revenue	36	275.56	537.14
Total revenue from operations		69,114.04	93,573.60
Other income	37	3,931.87	14,914.90
Total income		73,045.91	108,488.50
Expenses			
Finance costs	38	29,841.09	38,340.33
Impairment on financial instruments	40	422.72	12,609.16
Change in valuation of credit impaired loans		44.28	8,126.08
Employee benefits expense	39	10,642.69	16,159.12
Depreciation, amortisation and impairment on investment property	17 & 18	1,511.23	2,598.81
Change in insurance policy liability - actuarial		11,699.63	13,023.25
Policy benefits paid		5,125.88	2,763.00
Other expenses	41	12,451.13	13,406.16
Total expenses		71,738.65	107,025.91
Profit / (loss) before share in profit of associates and tax		1,307.26	1,462.59
Share in profit / (loss) of associates		966.54	(6.35)
Profit / (loss) before tax		2,273.80	1,456.24
Tax expense:	42		
Current tax		1,077.71	239.89
Deferred tax		(924.65)	(1,322.85)
Profit / (loss) for the year		2,120.74	2,539.20
Other Comprehensive Income / (loss)			
(A) (i) Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		(88.25)	69.66
Revaluation gain / (loss) through Other Comprehensive Income		(518.91)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		155.55	35.92
Subtotal (A)		(451.61)	105.58
(B) (i) Items that will be reclassified to profit or loss			
Debt Instruments through Other Comprehensive Income		(822.03)	(53.06)
Exchange differences in translating the financial statements of foreign operations		81.21	(72.34)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		(740.82)	(125.40)
Share in profit / (loss) of associate (C)		(1.94)	1.85
Other comprehensive income / (loss) (A+B+C)		(1,194.37)	(17.97)
Total comprehensive income / (loss)		926.37	2,521.23
Profit / (loss) for the year attributable to:			
Owners of the parent		1,887.84	2,653.36
Non-controlling interests		232.90	(114.16)
Other comprehensive income / (loss) for the year attributable to:			
Owners of the parent		(732.84)	11.88
Non-controlling interests		(461.53)	(29.85)
Total comprehensive income / (loss) for the year attributable to:			
Owners of the parent		1,155.00	2,665.24
Non-controlling interests		(228.63)	(144.01)
Earnings per share (Face value ₹ 1 each)			
	44		
- Basic		2.11	2.98
- Diluted		2.11	2.97

The accompanying notes are an integral part of the Consolidated Financial Statements

1 to 84

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

Rashesh Shah

Chairman & Managing Director

DIN: 00008322

Himanshu Kaji

Executive Director

DIN : 00009438

Ananya Suneja

Chief Financial Officer

Tarun Khurana

Company Secretary

Mumbai 27 May 2022

Mumbai 27 May 2022

Consolidated statement of cash flow for the year ended 31 March 2022

(Currency : Indian rupees in millions)	For the year ended 31-Mar-2022	For the year ended 31-Mar-2021
A Cash flow from operating activities		
Profit / (Loss) before tax	2,273.80	1,456.24
Adjustments for:		
Depreciation, amortisation and impairment on investment property	1,511.23	2,598.81
Expense on employee stock option plans	106.72	333.75
Impairment of Goodwill	-	432.94
Impairment on financial instruments	422.72	3,212.56
Change in valuation of credit impaired loans	44.28	8,126.08
Interest on income tax refund	(242.80)	(184.37)
Dividend Income	(256.47)	(695.68)
(Profit) / loss on sale of property, plant and equipment (net) ¹	25.25	221.61
(Profit) / loss on sale of investment property (net) ¹	-	(157.33)
Realised fair value (gain) / loss on financial instruments	(7,625.22)	(38,686.78)
Unrealised fair value (gain) / loss on financial instruments	380.78	2,642.86
Provision for policyholders liability	11,699.60	13,023.25
Finance costs	3,637.49	9,460.94
Operating cash flow before working capital changes	11,977.38	1,784.88
Adjustments for:		
Decrease / (increase) in trade receivables	(891.18)	7,991.89
Decrease / (increase) in stock-in-trade and Inventory	1,071.43	2,047.28
Decrease / (increase) in Other financial/non financial assets	1,402.09	(4,973.96)
Decrease / (increase) in Derivative financial instruments	2,779.54	(16.65)
Decrease / (increase) in loans	25,523.02	49,414.69
Increase / (decrease) in trade payables	8,006.50	(9,338.95)
Increase / (decrease) in insurance claim payable	150.90	119.89
Increase / (decrease) in other financial liabilities	6,214.60	(9,445.91)
Increase / (decrease) in Provisions	735.87	(5.14)
Increase / (decrease) in provision for policyholders' liabilities	39.40	449.23
Increase / (decrease) in other non-financial liabilities	1,491.48	(1,060.59)
Cash generated from / (used in) operations	58,501.03	36,966.66
Income taxes paid (net of refund)	(2,578.55)	(2,386.40)
Net cash generated from / (used in) operating activities - A	55,922.48	34,580.26
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles	(1,028.39)	(692.70)
Proceeds from sale of property, plant and equipment	421.37	2,053.90
(Purchase) / sale of investment property ¹	360.30	857.96
(Purchase) / sale of investments ¹	(8,703.26)	9,880.31
Dividend on investments	256.47	695.68
(Investment) / Maturity of Bank deposits	(1,886.40)	28,053.97
Net cash generated from / (used in) investing activities - B	(10,579.91)	40,849.12

Consolidated statement of cash flow for the year ended 31 March 2022 (Continued)

(Currency : Indian rupees in millions)	For the year ended 31-Mar-2022	For the year ended 31-Mar-2021
C Cash flow from financing activities		
Proceeds from issue of shares including premium and share application money	318.43	49.61
Investment by Non Controlling Interest	(809.33)	432.87
Proceeds / (repayment) from Debt securities ¹	(19,801.50)	(30,986.53)
Proceeds / (repayment) from Borrowings (other than debt securities) ¹	(37,768.60)	(38,892.36)
Proceeds / (repayment) from Deposits ¹	(80.40)	(2,072.96)
Proceeds / (repayment) from Subordinated Liabilities ¹	398.80	(8,521.06)
Dividend	(1,315.89)	-
Lease payment	(38.50)	(136.17)
Effect of change in group interest	(1,852.87)	3,581.95
Finance cost paid	(3,598.99)	(9,324.77)
Proceeds/(repayment) on ESOP/SAR charge/(reversal)	106.76	-
Net cash generated from / (used in) financing activities - C	(64,442.09)	(85,869.42)
Net increase in cash and cash equivalents (A+B+C)	(19,099.52)	(10,440.04)
Cash and cash equivalents as at the beginning of the year	38,985.15	49,425.19
Cash and cash equivalents as at the end of the year	19,885.63	38,985.15

Notes:

- Cash receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows.
- Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.
- Net cash generated from/(used in) operating activities includes interest received ₹ 30,454.79 million (Previous year ₹ 40,344.01 million) and interest paid ₹ 26,203.60 million (Previous year ₹ 28,879.39 million).
- Refer note 51 for changes in liabilities arising from financing activities.

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

Rashesh Shah

Chairman & Managing Director

DIN: 00008322

Himanshu Kaji

Executive Director

DIN : 00009438

Ananya Suneja

Chief Financial Officer

Tarun Khurana

Company Secretary

Mumbai 27 May 2022

Mumbai 27 May 2022

Consolidated statement of changes in equity

(Currency : Indian rupees in millions)

A		Equity share capital	
Particulars	For the year ended 31-Mar-2022	For the year ended 31-Mar-2021	
Balance at the beginning of the year	890.90	889.51	
Changes in equity share capital due to prior period errors	-	-	
Restated balance at the beginning of the current year	890.90	889.51	
Changes in equity share capital during the year	7.30	1.39	
Balance at the end of the year	898.20	890.90	

1. Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Edelweiss Financial Services Limited standalone financial statements, these trusts are holding 44,896,780 number of equity shares amounting to ₹ 44.90 million (Previous year ₹ 44.90 million). These are treasury shares and deducted from total outstanding equity shares.
2. Refer note 31 for detailed quantitative information including investors holding more than 5% of equity share capital
3. The above two Welfare Trust (s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.

B		Other equity															
Particulars	Share application money pending allotment	Reserves and Surplus		Reserves and Surplus			Reserves and Surplus			Other Comprehensive Income		Total attributable to owners of the parent	Non-Controlling Interest				
		Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Employee Stock Options Plan (ESOP) reserve/ 45-IC of the Stock of the National Housing Bank of India Act, 1987	Special Reserve under section 29C of the Reserve Bank Act, 1934	Employee Stock Options Plan (ESOP) reserve/ 45-IC of the Stock of the National Housing Bank of India Act, 1987	General reserve	Debt redemption reserve	Impairment Reserve	Retained earnings			Exchange differences on translating the financial statements of a foreign operation	Revaluation Reserve through Comprehensive Income	Equity instruments through Comprehensive Income	Debt instruments through Comprehensive Income
Balance at 31-Mar-2020	0.19	8,258.73	273.62	29,062.49	818.18	7,647.60	540.34	826.56	8,721.51	1,577.37	(1,554.30)	390.17	5,080.88	(1,700.00)	454.26	60,397.60	10,783.66
Profit or loss	-	-	-	-	-	-	-	-	-	-	2,653.37	-	-	-	-	2,653.37	(114.16)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	58.16	(72.31)	47.51	-	(21.48)	11.88	(29.85)
Total Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	2,711.53	(72.31)	47.51	-	(21.48)	2,665.25	(144.01)
Dividends to equity shareholders	-	-	-	-	-	-	-	-	-	-	(842.23)	-	-	-	-	(842.23)	-
Transfers to securities premium on exercise of ESOP	-	-	-	25.03	(25.03)	-	-	-	-	-	-	-	-	-	-	-	-
Issue of equity instruments on ESOP	(48.10)	-	-	46.71	-	-	-	-	-	-	(1.39)	-	-	-	-	(1.39)	-
Share application money received	49.61	-	-	-	-	-	-	-	-	-	49.61	-	-	-	49.61	-	-
ESOP Charge	-	-	-	-	139.42	-	-	-	-	-	-	-	-	-	-	139.42	-
Stock appreciation rights (SAR)	-	-	-	-	195.71	-	-	-	-	-	(71.60)	-	-	-	-	195.71	-
Transfer Under 45 -IC RBI	-	-	-	-	-	71.60	-	-	-	-	(7.46)	-	-	-	-	-	-
Transfer Under 29C NHB	-	-	-	-	-	-	7.46	-	-	-	(251.88)	-	-	-	-	-	-
Transfer under impairment reserve	-	-	-	-	-	-	-	-	-	251.88	(251.88)	-	-	-	-	-	-
Transfer under Debenture Redemption Reserve	-	-	-	-	-	-	-	-	(1,955.90)	-	1,955.90	-	-	-	-	-	-
Transfer under Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	241.14	-	(241.14)	-	-	-	-
Effect of changes in group's interest	-	198.06	(85.75)	-	-	(961.22)	-	(109.41)	-	-	3,886.58	(335.38)	(316.16)	-	-	2,276.72	358.71
Balance at 31-Mar-2021	1.70	8,456.79	187.87	29,134.23	1,128.28	6,757.98	547.80	717.15	6,765.61	1,829.25	6,067.68	(17.52)	4,571.09	(1,700.00)	432.78	64,880.69	10,998.36

Consolidated statement of changes in equity (Continued)

(Currency : Indian rupees in millions)

Particulars	Share application money pending allotment	Reserves and Surplus										Total attributable to owners of the parent	Non-Controlling Interest	
		Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Employee Stock Options Plan (ESOP) reserve/ appreciation rights (SAR)	Special Reserve under section 45-IC of the National Reserve Housing Bank of India Act, 1987	Reserve under section 29C	General reserve	Debt redemption reserve	Impairment Reserve	Retained earnings			
Balance at 31-Mar-2021	1.70	8,456.79	187.87	29,134.23	1,128.28	6,757.98	547.80	717.15	6,765.61	1,829.25	6,067.68	432.78	64,880.69	10,998.36
Profit or loss	-	-	-	-	-	-	-	-	-	-	1,887.84	-	1,887.84	232.90
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	(64.84)	(403.62)	(732.84)	(461.53)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	1,823.00	(403.62)	1,155.00	(228.63)
Dividends to equity shareholders	-	-	-	-	-	-	-	-	-	-	(709.54)	-	(709.54)	-
Transfers to securities premium on exercise of ESOP	(320.14)	-	-	110.75	(110.75)	-	-	-	-	-	-	-	-	-
Issue of equity instruments on ESOP	318.44	-	-	312.84	-	-	-	-	-	-	-	-	(7.30)	-
Share application money received	-	-	-	-	-	-	-	-	-	-	-	-	318.44	-
ESOP Charge	-	-	-	-	63.95	-	-	-	-	-	-	-	63.95	-
Stock appreciation rights (SAR)	-	-	-	-	119.64	-	-	-	-	-	-	-	119.64	-
Reversal on account of lapses of ESOP/SAR	-	-	-	-	(439.54)	-	-	-	-	-	-	-	(439.54)	-
Transfer Under 45- IC RBI	-	-	-	-	290.58	-	-	-	-	-	(290.58)	-	-	-
Transfer Under 29C NHB	-	-	-	-	-	27.62	-	-	-	-	(27.62)	-	-	-
Transfer under Impairment reserve	-	-	-	-	-	-	-	-	250.24	-	(250.24)	-	-	-
Transfer under Debenture Redemption Reserve	-	-	-	-	-	-	-	(3,221.97)	-	-	3,221.97	-	-	-
Transfer under Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	504.22	(504.22)	-	-
Effect of changes in group's interest	(430.34)	-	-	-	-	-	-	-	-	-	(383.44)	(101.51)	(905.36)	(220.69)
Balance at 31-Mar-2022	-	8,026.45	187.87	29,557.82	761.58	7,048.56	575.42	717.15	3,543.64	2,079.49	9,955.45	3,721.28	64,475.96	10,549.04

Refer note 32 for information on nature of reserves maintained at Group level

As per our report of even date attached

For S. R. Batilboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan

Partner

Membership No: 102102

Rashesh Shah

Chairman & Managing Director

DIN: 00008322

Himanshu Kaji

Executive Director

DIN : 00009438

Ananya Suneja

Chief Financial Officer

Tarun Khurana

Company Secretary

Mumbai 27 May 2022

Mumbai 27 May 2022

Notes to the consolidated financial statements

1. Background

The Company is principally engaged in providing investment banking services and holding company activities comprising of development, managerial and financial support to the business of Edelweiss group entities. The Company has its registered office at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai, India.

2. Basis of preparation of consolidated financial statements

The consolidated financial statements relate to Edelweiss Financial Services Limited ('the Company') and its subsidiaries, trusts (together 'the Group') and associates. The Group is primarily engaged in (a) agency business, which includes advisory and other fee based services, (b) Capital business which includes lending business and investment activities, (c) Life insurance and General insurance business (d) Asset reconstruction business and (e) Treasury business includes income from trading activities.

The consolidated financial statements of the Group 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 approved for issue by the Board of Directors of the Company on 27 May 2022.

These consolidated financial statements have been prepared on a historical cost basis, except for entities under liquidation/dissolution¹ and 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, certain property plant and equipment 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.

3. Presentation of financial statements

The Group presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 50.

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

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the company and or its counter parties

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

Notes to the consolidated financial statements (*Continued*)

4. Basis 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 including any controlled structured entities. The Company 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, associates and consolidated structure entities have followed different accounting policies 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 company, i.e., year ended on 31 March.

Consolidation procedure:

- a. 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.
- b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill, refer note no 5.25
- c. 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). Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (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.

Notes to the consolidated financial statements (*Continued*)

4. **Basis of consolidation: (*Continued*)**

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.

Given the level of judgement required regarding consolidation of structured entities, these considerations are described further in the significant accounting judgements in Note 6.1(c). Disclosures for investment in subsidiaries, and structured entities are provided in Note 58.

The financial statements of all subsidiaries incorporated outside India are converted on the following basis: (a) Income and expenses are converted at the average rate of exchange applicable for the period/year and (b) All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of period/year end translation is debited or credited as "Foreign Exchange Translation Reserve" forming part of Other Comprehensive Income and accumulated as a separate component of other equity.

Investment in associates:

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

The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. The Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

5. **Significant accounting policies**

5.1 Recognition of Interest, Dividend income and Donation income

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVOCI. 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 (and therefore, the amortised cost of the financial asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

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

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.1 Recognition of Interest, Dividend income and Donation income (Continued)

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets, the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

Dividend Income

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.

Donation/grants received

General donations are recognised as income in the year of receipt in the statement of profit and loss. Amount received with a specific direction from donors towards a particular project for more than a financial year is recognized as income, only to the extent of cost incurred in that financial year and balance is recorded as liability. Amounts received with a specific direction from donors that such amounts shall form a part of Corpus of the Foundation are credited as Corpus Fund and disclosed as a liability in the Balance Sheet.

5.2 Financial Instruments

5.2.1 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 marketplace. The Group recognises borrowings when funds are available for utilisation to the Group.

5.2.2 Initial measurement of financial instruments

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

5.2.3 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 profit or loss when the inputs become observable, or when the instrument is derecognised.

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.3 Classification of financial instruments

5.3.1 Financial assets:

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

- Amortised cost
- Fair value through other comprehensive income [FVOCI]
- Fair value through profit or loss [FVTPL]

The 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.

Debt financial 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.

Other than above classification of amortised cost and FVOCI, all other financial assets are initially measured at fair value and subsequently measured at FVTPL.

5.3.1.1 Amortised cost and Effective interest method

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.

5.3.1.2 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 evidence of a recent pattern of short-term profit is taking. Held-for- trading assets and liabilities are recorded and measured in the balance sheet at fair value. Financial assets designated at FVTPL, please refer note 5.3.2.2

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (Continued)

5.3 Classification of financial instruments (Continued)

5.3.1.3 Financial asset measured at FVOCI

Unrealised gains or losses on debt instruments measured at FVOCI are recognised in other comprehensive income, and on derecognition of such instrument accumulated gains or losses are recycled to profit and loss statement. Interest income on such instrument is recognised in profit and loss statements as per EIR method.

5.3.1.4 Investment in equity instruments

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

5.3.2 Financial liabilities

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

5.3.2.1 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 instrument.

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

5.3.2.2 Financial assets and Financial liabilities at fair value through profit or loss

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

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

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.3 Classification of financial instruments (Continued)

5.3.2.2 Financial assets and Financial liabilities at fair value through profit or loss (Continued)

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Group's own credit risk. Such changes in fair value are recorded in the own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

5.3.2.3 Financial guarantee:

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

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

5.3.2.4 Loan commitment

Undrawn loan commitments are commitments under which, the Group is required to provide a loan with pre-specified terms to the customer during the duration of commitment.

5.3.3 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 a group entity are recognised at the proceeds received, net of direct issue costs.

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.

Derivatives

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Group has designed a risk strategy based to cover exposure on issuance of Benchmark Linked Debentures, by entering into a derivative contracts either to minimise the loss or to earn a minimum committed income by entering into a combination of derivative contracts (say for example purchased call and put options) with a wide range of strike prices. Above strategy has been approved by the risk committee and ensures that risk is fully or partially covered, hence support to reduce the risk exposure.

Derivatives are initially recognised at fair value and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss is recognised in profit or loss immediately.

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.3 Classification of financial instruments (Continued)

5.3.3 Financial liabilities and equity instruments (Continued)

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 standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, foreign exchange rate, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Forward Rate Agreement (FRA) and Interest Rate Futures (IRF)

The Company enters into interest rate derivative transactions i.e. Forward Rate Agreement (FRA) and Interest Rate Futures (IRF) to hedge the interest rate risk arising out of highly probable forecasted future cash inflows.

A Forward Rate Agreement (“FRA”) is a forward contract to hedge the risk of movements in interest rates. In FRA contract, the Company fixes the yield on the government bond for the period till the maturity of the contract. The Company has entered into FRA to hedge interest rate risk on forecasted premium receivable from already written policies at future dates.

Forward Rate Agreement derivative contracts are over-the-counter (OTC) transactions, agreeing to buy notional value of a debt security at a specified future date, at a price determined at the time of the contract with an objective to lock in the price of an interest bearing security at a future date.

The Forward Rate Agreement (FRA) contract is valued at the difference between the market value of underlying bond at the spot reference yield taken from the SEBI approved rating agency and present value of contracted forward price of underlying bond including present value of intermediate coupon inflows from valuation date till FRA contract settlement date, at applicable INR-OIS rate curve.

Interest rate futures are standardized interest rate derivative contracts which are permitted by IRDAI to hedge risks on forecasted transactions. These are traded on a recognized stock exchange to buy or sell a notional security or any other interest-bearing instrument or an index of such instruments or interest rates at a specified future date, at a price determined at the time of the contract.

The instrument is classified as FVTPL securities and the net gain on fair value change is recognized in the Statement of Profit and Loss.

Derivatives Instruments are initially recognized at fair value at the date of entering into the derivative contracts and are subsequently re-measured to their fair value at the end of each reporting period. The Company follows Cash Flow Hedge accounting. Hedge effectiveness is ascertained at the inception of the hedge and periodically thereafter.

Notes to the consolidated financial statements *(Continued)*

5. Significant accounting policies *(Continued)*

5.3 Classification of financial instruments *(Continued)*

5.3.3 Financial liabilities and equity instruments *(Continued)*

Forward Rate Agreement (FRA) and Interest Rate Futures (IRF) *(Continued)*

At the inception of the hedge, the Company documents the relationship between the hedging instrument and the hedged item, the risk management objective, strategy for undertaking the hedge and the methods used to assess the hedge effectiveness. Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the fair value or cash flows of the hedging instrument. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter at Balance Sheet date.

The portion of fair value gain/loss on the IRD that is determined to be an effective hedge is recognized directly in appropriate account i.e. 'Fair value gain/loss on derivatives' under the head Other Comprehensive Income and accumulated under the head of Cash Flow Hedge Reserve in the Balance Sheet and the portion of IRD fair value gain/loss that gets determined as ineffective hedge or ineffective portion of effective hedge, basis the hedge effectiveness assessment is recognized in the Statement of Profit and Loss.

The accumulated gains or losses that were recognised directly in the Hedge Reserve are reclassified into Statement of Profit and Loss, in the same period during which the income from hedged forecasted cash flows affect the Statement of Profit and Loss (such as in the periods that income on the investments acquired from underlying forecasted cashflow is recognized in the Statement of Profit and Loss). In the event that all or any portion of loss or gain, recognised directly in the Hedge Reserve is not expected to be recovered in future periods, the amount that is not expected to be recovered is reclassified to the Statement of Profit and Loss. Gains or losses arising from hedge ineffectiveness, if any, are recognised in the Statement of Profit and Loss. Costs associated with derivative contracts are considered as at a point in time cost.

5.4 Reclassification of financial assets and financial 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. Financial liabilities are never reclassified.

5.5 Derecognition of financial assets and financial liabilities

5.5.1 Derecognition of financial assets due to substantial modification of terms and conditions

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

When assessing whether or not to derecognise a financial asset, amongst others, the Group considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty

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

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.5 Derecognition of financial assets and financial liabilities (*Continued*)

5.5.2 Derecognition of financial assets (other than due to substantial modification)

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

The Group has transferred the financial asset if, and only if, either:

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

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

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients

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

A transfer only qualifies for derecognition if either:

- The 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.

5.5.3 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, including modified contractual cash flow recognised as new financial liability, would be recognised in profit or loss.

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.6 Impairment of financial assets

The Group records allowance for expected credit losses for all financial assets, other than financial assets held at FVTPL, together with loan commitment and financial guarantee contracts. 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. However, if receivables contain a significant financing component, the Group chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

For all other financial assets, where ECL to be recognised, 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 has not increased significantly since initial recognition, the Group measures the loss allowance for such 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. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

The measurement of ECL is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default (EAD). The assessment of the PD and LGD is based on historical data adjusted by forward-looking information. As for the 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 borrowers, and other relevant forward-looking information.

For financial assets, 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 loss or reversal of impairment loss in the profit and loss statement with a corresponding adjustment to their carrying amount through a loss allowance account.

If a financial instrument includes both a loan (i.e. financial asset) and an undrawn commitment (i.e. loan commitment) component and the Group cannot separately identify the ECL on the loan commitment component from those on the financial asset component, the ECL on the loan commitment have been recognised together with the loss allowance for the financial asset. To the extent that the combined ECL exceed the gross carrying amount of the financial asset, the ECL have been recognised as a provision. Also, for other loan commitments and all financial guarantee contracts, the loss allowance has been recognised as a provision.

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.7 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.

5.8 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.

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

5.9 Write off

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

5.10 Forborne and modified loan

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

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.11 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 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 categorisation (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.

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.12 Revenue from contracts with customers

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

- I. Identification of contract
- II. Identification of the separate performance obligation in the contract
- III. Determination of transaction price
- IV. Allocation of transaction price to separate performance obligation and
- V. Recognition of revenue when (or as) each performance obligation is satisfied

The Group recognises revenue from the following sources:

- a. Fee income including investment banking, advisory fees and syndication fees, is accounted over the period as the customer simultaneously receives and consumes the benefits, as the services are rendered.
- b. Clearing fee income arises, when the performance obligation related to trade is executed and a valid contract is generated for the trade. Fee income is accounted for, at a point in time or over a period of time in accordance with the terms and contracts entered into between the Group and the counterparty.
- c. Brokerage income on securities and commodities broking business is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date and is reflected net of related sub-brokerage expenses, goods and service tax ("GST"), transaction charges and stock exchange expenses. Brokerage income on insurance broking business is recognised on an accrual basis at the inception of the insurance policy once the policy is issued by the insurance company based on the terms agreed with the insurance companies and is exclusive of GST.
- d. Investment management fees are recognised net of GST over the tenure in accordance with the Investment Management Agreement with Edelweiss Mutual Fund ('the mutual fund') and comply with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 based on average Assets Under Management ('AUM') confirmed by the mutual fund.
- e. Management fee from trusts declared by it for acquisition of financial assets and the same is accounted for over the tenure as per terms of the relevant trust deeds and offer document issued by the Trust. Further any upside share in excess realisation over acquisition price of financial asset is recognised at point in time basis as per terms of the relevant trust deed/offer document. Redemption incentive and recovery incentive is accounted over the period on cash basis, i.e. as and when received by the Group, based on terms of the relevant trust deeds and offer document issued by the Trust.
- f. Portfolio management fees are recognised over the tenure in accordance with portfolio management agreement entered with respective clients.
- g. Interest on delayed payments, warehousing charges and rental income are recognised as revenue on certainty of realisation.

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.12 Revenue from contracts with customers (*Continued*)

- h. Agency commission/procurement income is recorded in pursuant to terms and conditions mentioned in scope of work or agreement.
- i. Real estate advisory fee income is recognised basis the terms and conditions mentioned in the agreement.
- j. Revenue from fund management services (excluding mutual fund business) is recognised over the tenure in accordance with the terms and conditions of the investment management agreement between the Group and the Fund for which the Group acts as a fund manager.
- k. Revenue from rendering of trustee services is recognised in accordance with the terms and conditions of the Compensation Agreement between the trustee company and the fund. The amount recognised as revenue is exclusive of GST.
- l. Commodities sales are accounted as per the terms of agreement with parties.
- m. Sale during the course of import by transfer of documents of title i.e. high seas sale is booked upon transfer of documents of title to the goods in favour of buyer before the goods cross the custom frontiers of India.
- n. The Group recognises incremental costs of obtaining a contract with a customer as an asset if it expects to recover those costs. This asset is amortised to profit or loss on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.
- o. Lease rentals are recognised as income in Statement of Profit and Loss on a straight-line basis over the lease term. Costs related to operating and maintenance of investment property is recognised as expense.
- p. Insurance and other claims are recognised as revenue on certainty of realisation.
- q. Profit or loss on sale of investments is recognised on trade date basis.

5.13 Leases

Group as a lessee

The Group has applied IND AS 116 using the partial retrospective approach.

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 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.

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.13 Leases (*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 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.

Short term lease

The Group has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight-line basis over lease term.

Group as lessor

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

5.14 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.

5.15 Foreign currency transactions

The consolidated financial statements are presented in Indian Rupees which is also functional currency of the Parent. 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.

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.16 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. Benefits in respect of gratuity are funded with an Insurance company approved by Insurance Regulatory and Development Authority (IRDA).

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 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.

5.17 Share-based payment arrangements

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

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

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.18 Property, plant and equipment and right – of – use assets

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

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

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

As per the requirement of Schedule II of the Companies Act, 2013, the Group has evaluated the useful lives of the respective property, plant and equipment which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the property, plant and equipment 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 fixtures	10 years
Vehicles	8 years
Vessel (Boat)	13 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years
Solar power plant	15 years

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.

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.18 Property, plant and equipment and right – of – use assets (*Continued*)

Right-of-use assets are presented together with property and equipment in the statement of financial position – refer to the accounting policy 5.13. 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.

5.19 Intangible assets

The Group's intangible assets mainly include the value of computer software and management rights. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life.

5.20 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 recognised 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.

5.21 Cash and cash equivalents

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

5.22 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.

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.22 Provisions and other contingent liabilities (*Continued*)

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

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

5.23 Income tax expenses

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

5.23.1 Current tax

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

5.23.2 Deferred tax

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

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.

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.23 Income tax expenses (*Continued*)

5.23.2 Deferred tax (*Continued*)

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 subsidiaries expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum alternate tax (MAT)

MAT paid in a year is charged to the statement of profit and loss as current tax. The Group recognises unused MAT credit as a deferred tax asset only to the extent that it is probable that the Group will be able to utilise during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises deferred tax asset (MAT credit) as an asset, the said asset is created by way of credit to the statement of profit and loss. The Group reviews the MAT asset at each reporting date and writes down the asset to the extent that it is not probable that the Group will be able to utilise it during the specified period.

5.24 Investment properties

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.

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.25 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 as 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 tested for impairment annually or more frequently if impairment indicators exist. 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.

Business combination under common control

Common control business combinations include transactions, such as transfer of subsidiaries or businesses, between entities within a group. Group has accounted all such transactions based on pooling of interest method, which is as below:-

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities.
- The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve.

5.26 Significant accounting policies of life insurance business (Edelweiss Tokio Life Insurance Company Limited ("ETLIFE")):

a. Product classification

Insurance contract

Insurance contracts are those contracts when ETLIFE has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

As a general guideline, ETLIFE determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Such contract remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Contracts can be classified as insurance contracts after inception if insurance risk becomes significant.

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.26 Significant accounting policies of life insurance business (Edelweiss Tokio Life Insurance Company Limited (“ETLIFE”): (*Continued*)

a. Product classification (*Continued*)

Investment contract

Investment contracts are those contracts which are not insurance contract. Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant. Some insurance and investment contracts contain a discretionary participation feature (DPF), which is a contractual right to receive additional benefits as a supplement to guaranteed benefits.

Insurance and investment contracts are further classified as with DPF, Linked Business and Others. Insurance contracts and investment contracts with DPF are measured and accounted under existing accounting practices at the date of transition to Ind AS which is in accordance with Ind AS 104.

b. Revenue recognition

- Premium Income

Premium income on insurance contracts and investment contracts with DPF are recognised as income when due from policyholders. For regular premium contracts, receivables are recognised at the date when payments are due.

In respect of linked business, premium income is recognised when the associated units are allotted. Top up premiums paid by unit-linked policyholders are considered as single premium and recognised as income when the associated units are created.

Where policies lapse due to non-receipt of premiums, then all the related premium income accrued but not received from the date they are deemed to have lapsed is offset against premiums. Premium on lapsed policies is recognised as income on receipt basis on reinstatement or revival of these policies.

- Reinsurance premium ceded

Reinsurance premium ceded is accounted at the time of recognition of premium income in accordance with the treaty or in principle arrangement/agreement with the reinsurers.

- Income from Unit Linked Policies

Income from unit-linked policies, which include fund management charges, policy administration charges, mortality charges and other charges, wherever applicable, are recovered from the unit-linked funds in accordance with the terms and conditions of the policies issued and are recognised as and when due.

- Fee management charges of investment contract

Investments contract policyholders are charged fees for policy administration, investment management, surrenders or other contract services. The fees may be fixed amounts or vary with the amounts being managed and will generally be charged as an adjustment to the policyholder's balance. The fees are recognised as revenue in the period in which they are collected unless they relate to services to be provided in future periods, in which case they are deferred and recognised as and when the services are provided.

- Interest income on policy loans is recognised using effective interest rate method

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.26 Significant accounting policies of life insurance business (Edelweiss Tokio Life Insurance Company Limited (“ETLIFE”): (*Continued*)

c. Acquisition costs

Acquisition cost which are primarily relatable to the acquisition of insurance and investment contracts with DPF are expensed in the period in which they are incurred.

For investment contracts with or without DPF, acquisition costs that are directly attributable to securing an investment contract are deferred and amortised over the period in which the service is provided.

Benefits paid:

Benefits paid consists of the policy benefit and claim settlement costs, if any.

- Non-linked business

Death, rider, withdrawals and surrender claims are accounted for on receipt of intimation. Maturity, survival benefit and annuities are accounted when due.

- Linked-business

Death and rider are accounted for on receipt of intimation. Maturity claims and survival benefit are accounted for on due basis. Surrenders and withdrawals are accounted for on receipt of intimation. Amount payable on lapsed/discontinued policies are accounted for on expiry of lock in period of these policies.

- Reinsurance

Reinsurance claims receivable are accounted for in the same period as the related claim.

d. Reinsurance ceded

ETLIFE cedes reinsurance in the normal course of business, with retention limits varying by line of business. Premiums ceded and claims reimbursed are presented on a gross basis in the statement of profit and loss.

Reinsurance assets primarily include balances due from reinsurance companies for ceded insurance. Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying contract liabilities, outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the company will receive from the reinsurer. The impairment loss is recorded in the statement of Profit or loss.

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.26 Significant accounting policies of life insurance business (Edelweiss Tokio Life Insurance Company Limited (“ETLIFE”): (*Continued*))

e. Liability adequacy test

ETLIFE assesses at the end of each reporting period whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency shall be recognised in the statement of profit or loss.

f. Policyholder Liability

Insurance contract and investment contract with DPF.

Insurance and investment contract with DPF claims / liabilities are measured using the accounting policies consistent with those adopted previously under existing accounting practices.

Hence, the policyholder liabilities are calculated in accordance with the accepted actuarial practice, requirements of Insurance Act, 1938 and amendments thereafter, applicable regulations notified by the Insurance Regulatory and Development Authority of India (IRDAI), and Actuarial Practice Standards issued by the Institute of Actuaries of India.

g. Investment contracts without DPF

Liability in respect of investment contracts is recognised in accordance with Ind AS, taking into account accepted actuarial practices.

h. Unclaimed amount of policyholders

- Assets held for unclaimed amount of policyholders is created and maintained in accordance with the requirement of IRDAI Regulations and Investment Regulations, 2016 as amended from time to time.
- Unclaimed amount of policyholders’ assets grouped under other financial assets is invested in money market instruments and / or fixed deposits of scheduled banks which are valued at amortised cost.
- Income on unclaimed amount of policyholders is credited to respective unclaimed account and is accounted for on an accrual basis.
- Amount payable on account of income earned on assets held for unclaimed amount of policyholders is accounted for on an accrual basis and is disclosed net of fund management charges.
- Unclaimed amount of policyholders’ liability grouped under trade payables is determined on the basis of NAV of the units outstanding as at the valuation date.
- Amounts remaining unclaimed for a period of 10 years together with all respective accretions to the fund as per the above mentioned regulations are deposited into the Senior Citizen Welfare Fund (SCWF).

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.27 Significant accounting policies of General insurance business (Edelweiss General Insurance Company Limited “EGICL”)

Revenue recognition in general insurance business

- Premium Income

Premium income including reinsurance accepted (net of goods and service tax), is recognised as income at the commencement of risk over the contract period or the period of risk, whichever is appropriate, on a gross basis and for instalment basis, it is recognised on instalment due dates. Reinstatement premium is recorded as and when such premiums are recovered. Any subsequent revisions to premium are recognised in the year in which they occur over the remaining period of risk or contract period, as applicable. Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled. Premium received in advance represents premium received prior to the commencement of the risk.

- Reinsurance Ceded

Insurance premium on ceding of the risk is recognised in the period in which the risk commences in accordance with reinsurance arrangements with the reinsurers. Any subsequent revisions to, refunds or cancellations of premiums are recognised in the year in which they occur. Premium on excess of loss reinsurance cover is accounted as per the terms of the reinsurance arrangements. Adjustment to reinsurance premium arising on cancellation of policies is recognised in the period in which they are cancelled.

- Commission income from reinsurance ceded

Commission from reinsurance ceded is recognised as income on ceding of reinsurance premium in the period of ceding of risk. Profit commission under reinsurance treaties, wherever applicable, is recognised as income in the year of final determination of profits as confirmed by reinsurers and combined with commission on reinsurance ceded.

- Reserve for Unexpired Risk

Reserve for unexpired risk represent that part of net written premium which is attributable to and allocated to the succeeding accounting periods. Reserve for unexpired risk is calculated on net written premium on all unexpired policies at the balance sheet date based on 1/365th method for all segments, other than Health insurance policies with Health 241 Add ON cover. In Marine Hull business it is subject to a minimum of 100%.

In Health insurance policies with Health 241 Add ON cover; the unexpired risk is calculated on net written premium on all unexpired policies at the balance sheet date based on:

- a. 1/730 basis where there is no claim reported in the 1st year of policy
- b. 1/365 basis where the claim is reported in the 1st year of policy

Notes to the consolidated financial statements (*Continued*)

5. Significant accounting policies (*Continued*)

5.27 Significant accounting policies of General insurance business (Edelweiss General Insurance Company Limited - "EGICL") (*Continued*)

- Claims Incurred

Claims incurred comprise of claims paid (net of salvage and other recoveries), change in estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER). Further, claims incurred also include specific claim settlement costs comprising survey fees, legal expenses and other directly attributable costs. Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation based on internal management estimates or on estimates from surveyors/insured in the respective revenue account(s).

Estimated liability for outstanding claims at balance sheet date is recorded net of claims recoverable from / payable to co-insurers / reinsurers, salvage to the extent there is certainty of realisation and other recoveries. Estimated liability for outstanding claims is determined by the management on the basis of ultimate amounts likely to be paid on each claim, established by the management in light of past experience and progressively modified for changes as appropriate, on availability of further information and in cases where claim payment period exceeds four years based on actuarial valuation. These estimates include claim settlement costs likely to be incurred to settle outstanding claims.

IBNR reserves are provisions for claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, for claims that have been incurred but are not enough reported (IBNER). The provision for IBNR and IBNER is based on actuarial estimate duly certified by the Appointed Actuary of EGICL. The actuarial estimate is derived in accordance with relevant IRDAI regulations and Guidance Note GN 21 issued by the Institute of Actuaries of India. The Appointed Actuary has certified that the methodology and assumptions used to estimate the liability are appropriate and in accordance with guidelines and norms issued by the Institute of Actuaries of India in concurrence with the IRDAI regulations.

- Premium deficiency

Premium deficiency ('PDR') is recognised at segmental revenue account level, when the sum of expected net claim costs, related expenses and maintenance costs (related to claims handling) exceed the reserve for unexpired risks. The premium deficiency is calculated and duly certified by the Appointed Actuary.

6. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 5, 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.

Notes to the consolidated financial statements (*Continued*)

6. Critical accounting judgements and key sources of estimation uncertainty (*Continued*)

6.1 Critical judgements in applying accounting policies (*Continued*)

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.

a. 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 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.

b. 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.

c. Consolidation of structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. In the context of the Group, structured entities comprise securitisation trusts in asset reconstruction business, mutual fund schemes and alternative investment funds / schemes thereof. The Group consolidates the structured entities that it controls. When making this judgement, the Group also considers voting and similar rights available to itself and other parties, who may limit the Group's ability to control, including rights to appoint, reassign or remove members of the structured entity's key management personnel who have the ability to direct the relevant activities, the exposure to variability of returns and whether the Group has the ability to use its power to affect the amount of the Group's returns i.e. the variability of returns in relation to the total returns of the investee entity.

d. 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.

Notes to the consolidated financial statements (*Continued*)

6. Critical accounting judgements and key sources of estimation uncertainty (*Continued*)

6.1 Critical judgements in applying accounting policies (*Continued*)

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 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).

6.2 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.

a. 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.

For Investments made into Security receipts (SRs), Group uses discounted cash flow model, given that the SRs are less liquid instruments. Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, nature and value of collaterals, manner of resolution and other economic drivers. For any valuation which are based on models, Judgements and estimates are applied, which include considerations of liquidity, credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

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

- PD calculation includes historical data, assumptions and expectations of future conditions.

Notes to the consolidated financial statements (*Continued*)

6. Critical accounting judgements and key sources of estimation uncertainty (*Continued*)

6.2 Key sources of estimation uncertainty (*Continued*)

b. Impairment of financial assets (*Continued*)

- 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
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

c. Effective interest rate method

The Group's EIR methodology, as explained in Note 5.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of 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.

d. Accounting for deferred taxes

Deferred tax assets are recognised for 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.

e. 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.

f. Asset liability management

Management has made an assessment of its ability to continue and is satisfied that it has the resources to continue in business for the foreseeable future.

7. Standards issued but not yet effective

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

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

8. Cash and cash equivalents

Particulars	31-Mar-2022	31-Mar-2021
Cash in hand	31.97	35.23
Cheques in hand	295.93	231.91
Balances with banks: (refer note 1 below)		
- in Current accounts	16,590.97	24,311.51
- in fixed deposits with original maturity less than 3 months	2,966.76	14,406.50
Total	19,885.63	38,985.15

Note 1:

Pledged bank balance/fixed deposits aggregating to ₹ 3,271.32 million (previous year ₹ 802.35 million) against debt securities issued.

9. Bank Balance other than cash and cash equivalents

Particulars	31-Mar-2022	31-Mar-2021
Fixed deposits at amortised cost (refer Note 1 below)	9,583.98	8,608.72
(held as margin money or security against borrowings, debt securities and guarantees)		
In unpaid dividend accounts	919.36	8.19
Total	10,503.34	8,616.91

Note 1:

- Pledged fixed deposit aggregating to ₹ 3,484.44 million (previous year ₹ 2,275.42 million) with bank for securing credit facilities, obtaining bank guarantees, securitisation contracts and meeting margin requirement for trading in cross currency swaps and forward margin.
- Pledged fixed deposit aggregating to ₹ Nil million (previous year ₹ 5.00 million) with IRDA.
- Pledged fixed deposit aggregating to ₹ 72.66 million (previous year ₹ 73.02 million) with VAT, CST and excise authorities.
- Pledged fixed deposit aggregating to ₹ 41.88 million (previous year ₹ 41.88 million) with agriculture produce market committee for obtaining mandi license.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

10. Derivative financial instruments

31-Mar-2022	Notional amount (Units)	Fair value of asset (₹)	Notional amount (Units)	Fair value of liability (₹)
(i) Currency derivatives				
Spot and forwards	-	-	-	-
Currency Futures	20,336,139	58.71	7,234,000	3.13
Options purchased	168,942,000	158.73	-	-
Options sold	-	-	238,204,000	173.39
Less: amounts offset (refer note 10.1)	(20,336,139)	(58.71)	(245,438,000)	(176.52)
Sub total (i)		158.73		-
(ii) Interest rate derivatives				
Forwards and Interest Rate Swaps	12,650,000,000	53.61	20,852,521,074	267.16
Futures	24,596,000	1.23	13,972,000	0.48
Less: amounts offset (refer note 10.1)	(24,596,000)	(1.23)	(13,972,000)	(0.48)
Subtotal (ii)		53.61		267.16
(iii) Equity linked derivatives				
Stock Futures	9,700,015	47.70	6,088,386	39.10
Options purchased	1,087,825	71.97	-	-
Options sold (written)	-	-	1,549,875	15.15
Less: amounts offset (refer note 10.1)	(9,700,015)	(47.70)	(6,088,386)	(39.10)
Subtotal (iii)		71.97		15.15
(iv) Index linked derivatives				
Index Futures	56,811	44.92	16,050	(4.51)
Options purchased	3,387,400	380.11	279,400	32.71
Options sold (written)	-	-	2,947,950	492.69
Less: amounts offset (refer note 10.1)	(56,811)	(44.92)	(1,856,000)	(99.72)
Subtotal (iv)		380.11		421.17
(v) Embedded derivatives				
In market linked debentures	-	20.80	43,158	1,556.41
Subtotal (v)		20.80		1,556.41
(vi) Commodity derivatives				
Commodity Futures	13,000	0.00	800	0.02
Less: amounts offset (refer note 10.1)	(13,000)	(0.00)	(800)	(0.02)
Subtotal (vi)		-		-
Total		685.22		2,259.89

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

10. Derivative financial instruments (Continued)

31-Mar-2021	Notional amount (Units)	Fair value of asset (₹)	Notional amount (Units)	Fair value of liability (₹)
(i) Currency derivatives				
Spot and forwards	-	-	3,133,541	444.04
Currency Futures	12,271,000	6.15	47,286,000	8.71
Options purchased	100,816,879	125.54	-	-
Options sold	-	-	120,674,406	116.87
Less: amounts offset (refer note 10.1)	-	(6.15)	-	(569.62)
Sub total (i)		125.54		-
(ii) Interest rate derivatives				
Forwards and Interest Rate Swaps	8,005,632,250	55.01	9,649,014,150	77.86
Futures	32,000	0.01	3,502,000	0.36
Less: amounts offset (refer note 10.1)	-	(0.01)	-	(0.36)
Subtotal (ii)		55.01		77.86
(iii) Equity linked derivatives				
Stock Futures	16,733,835	106.30	15,321,173	91.53
Options purchased	2,713,226	172.25	-	-
Options sold (written)	-	-	2,325,726	31.73
Less: amounts offset (refer note 10.1)	-	(106.30)	-	(91.53)
Subtotal (iii)		172.25		31.73
(iv) Index linked derivatives				
Index Futures	224,944	18.97	466,775	16.36
Options purchased	24,195,400	2,525.44	1,402,750	204.79
Options sold (written)	-	-	22,197,475	367.90
Less: amounts offset (refer note 10.1)	-	(18.97)	-	(226.48)
Subtotal (iv)		2,525.44		362.57
(v) Embedded derivatives				
In market linked debentures	Not Applicable	23.79	Not Applicable	1,373.35
Subtotal (v)		23.79		1,373.35
(vi) Commodity derivatives				
Commodity Futures	-	-	-	-
Less: amounts offset (refer note 10.1)	-	-	-	-
Subtotal (vi)		-		-
Total		2,902.03		1,845.51

0.00 million indicates amount less than ₹ 0.01 million

Notes

- Notional amounts in the above tables refer to number of underlying equity shares in case of stock futures and options, number of underlying index units in case of index-linked derivatives, number of underlying currency units in case of currency derivatives, number of underlying government securities / bonds in case of interest rate futures, amount of notional currency in case of interest rate swaps.
- Group has designed a risk based strategy to cover exposure on issued Benchmarked Linked Debentures, by entering into a derivative contracts either to minimise the loss or to earn a minimum committed income by entering into a combination of derivative contracts (say for example purchased call and put options) with a wide range of strike prices. Above strategy has been approved by the risk committee of respective subsidiary Companies in the Group and ensures that risk is fully or partially covered, which supports to reduce the risk exposure.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

10. Derivative financial instruments (Continued)

10.1 Offsetting:

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

Financial assets subject to offsetting, netting arrangements

As at 31 March 2022:

Financial assets subject to offsetting	Offsetting recognised in the balance sheet				Netting potential not recognised in balance sheet		Assets not subject to netting arrangements		Total assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities offset	Collateral received	Assets after consideration of netting potential	Assets recognised in the balance sheet	Recognised in the balance sheet		
Derivative financial assets	742.92	152.56	590.36	51.34	71.55	610.57	94.87	685.22	705.43	
Margin placed with broker	537.15	(2.36)	539.51	-	-	539.51	-	539.51	539.51	

Financial liabilities subject to offsetting	Offsetting recognised in the balance sheet				Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements		Total liabilities	Maximum Exposure to Risk
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets offset	Collateral paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet		
Derivative financial liabilities	2,496.41	315.84	2,180.57	51.34	-	2,129.23	79.32	2,259.89	2,208.55	

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

10. Derivative financial instruments (Continued)

10.1 Offsetting: (Continued)

As at 31 March 2021:

Financial assets subject to offsetting	Offsetting recognised in the balance sheet		Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total assets	Maximum Exposure to Risk		
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities received				Collateral received	Assets after consideration of netting potential
Derivative financial assets	2,944.75	131.43	2,813.32	50.68	(5.38)	2,757.26	88.71	2,902.03	2,845.97
Cash settlement balances from clearing houses	158.11	-	158.11	-	-	158.11	-	158.11	158.11
Offset against the Margin (Refer to other financial asset Receivable from exchange / clearing house (net))	(158.11)	-	(158.11)	-	-	(158.11)	-	(158.11)	(158.11)
Margin placed with broker	652.18	0.30	651.88	-	-	651.88	-	651.88	651.88

Financial liabilities subject to offsetting	Offsetting recognised in the balance sheet		Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total liabilities	Maximum Exposure to Risk		
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets				Collateral paid	Liabilities after consideration of netting potential
Derivative financial liabilities	2,386.47	887.99	1,498.48	50.68	(10.70)	1,437.10	347.03	1,845.51	1,784.13

*As at the reporting date the amount of cash margin received that has been offset against gross derivative assets ₹ 152.56 million (Previous year ₹ 131.43 million).

As at the reporting date the amount of cash margin paid that has been offset against gross derivative liability ₹ 315.84 million (Previous year ₹ 887.99 million).

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

11. Stock in trade (Securities held for trading) at FVTPL

Particulars	31-Mar-2022	31-Mar-2021
Government Securities	10,085.12	8,636.63
Mutual Fund	1,377.90	1,136.21
Debt securities	133.65	246.93
Equity Shares	3,521.44	5,726.99
Total	15,118.11	15,746.76
Investments in India	14,431.88	15,160.89
Investments outside India	686.23	585.87
Total	15,118.11	15,746.76

Note: Stock in trade pledged with exchange is amounting to ₹ 1,404.19 million (previous year ₹ 1,477.90 million).

12. Trade Receivables

Particulars	31-Mar-2022	31-Mar-2021
Receivables considered good - secured	0.03	102.84
Receivables considered good - unsecured	2,210.47	2,430.07
Receivables which have significant increase in credit risk	434.21	275.50
Receivables - credit impaired	3,875.42	4,418.48
Gross receivables	6,520.13	7,226.89
Provision for impairment - unsecured	(20.12)	(19.85)
Allowance for expected credit losses - Receivables which have significant increase in credit risk	(52.19)	(33.66)
Provision for impairment - credit impaired	(1,756.11)	(2,112.89)
Total receivables net of provision	4,691.71	5,060.49

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

12 Trade Receivables (Continued)

12.1 Trade receivables ageing schedule

As at 31 March 2022	Outstanding for following periods from due date of receipt					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	2,208.09	2.17	0.22	0.02	-	2,210.50
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	241.91	188.37	3.75	0.18	-	434.21
(iii) Undisputed Trade Receivables – credit impaired	106.58	300.15	472.68	448.50	2,544.86	3,872.77
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	2.65	-	2.65
Gross receivables (A)	2,556.58	490.69	476.65	451.35	2,544.86	6,520.13
(i) Undisputed Trade receivables – considered good	(19.81)	(0.07)	(0.22)	(0.02)	-	(20.12)
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	(26.76)	(21.50)	(3.75)	(0.18)	-	(52.19)
(iii) Undisputed Trade Receivables – credit impaired	(40.05)	(53.41)	(90.72)	(87.51)	(1,481.77)	(1,753.46)
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	(2.65)	-	(2.65)
Total ECL Provision on receivables (B)	(86.62)	(74.98)	(94.69)	(90.36)	(1,481.77)	(1,828.42)
Total receivables net of provision = (A)-(B)	2,469.96	415.71	381.96	360.99	1,063.09	4,691.71

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

12 Trade Receivables (Continued)

12.1 Trade receivables ageing schedule (Continued)

As at 31 March 2021 Particulars	Outstanding for following periods from due date of receipt					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	1,898.64	360.06	272.11	0.86	1.24	2,532.91
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	244.29	30.34	0.63	0.24	-	275.50
(iii) Undisputed Trade Receivables – credit impaired	274.36	612.90	725.74	844.48	1,958.35	4,415.83
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	2.65	-	-	-	2.65
Gross receivables (A)	2,417.29	1,005.95	998.48	845.58	1,959.59	7,226.89
(i) Undisputed Trade receivables – considered good	(17.27)	(2.40)	(0.18)	-	-	(19.85)
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	(25.10)	(8.32)	-	(0.14)	-	(33.56)
(iii) Undisputed Trade Receivables – credit impaired	(86.48)	(224.92)	(190.69)	(309.53)	(1,299.65)	(2,111.27)
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	(0.10)	-	(0.10)
(vi) Disputed Trade Receivables – credit impaired	-	(1.62)	-	-	-	(1.62)
Total ECL Provision on receivables (B)	(128.85)	(237.26)	(190.87)	(309.77)	(1,299.65)	(2,166.40)
Total receivables net of provision = (A)-(B)	2,288.44	768.69	807.61	535.81	659.94	5,060.49

There are no unbilled or not due trade receivables as at 31 March 2022 and 31 March 2021.

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

12.2 Reconciliation of impairment allowance on trade receivables:

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as on 31-Mar-2020	2,320.24
Add/ (less): asset originated or acquired or recovered (net)	(153.84)
Impairment allowance as on 31-Mar-2021	2,166.40
Add/ (less): asset originated or acquired or recovered (net)	(337.98)
Impairment allowance as on 31-Mar-2022	1,828.42

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

13. Loans

Particulars	31-Mar-2022			31-Mar-2021		
	at amortised cost	at FVTPL	Total	at amortised cost	at FVTPL	Total
Term Loans						
Corporate and Retail Credit	226,067.34	3,361.82	229,429.16	251,307.42	2,089.30	253,396.72
Distressed Credit	12,587.17	-	12,587.17	13,223.15	-	13,223.15
Other Credit	221.69	-	221.69	154.43	-	154.43
Total Gross (A)	238,876.20	3,361.82	242,238.02	264,685.00	2,089.30	266,774.30
Less: Impairment loss allowance	42,181.86	-	42,181.86	42,228.84	-	42,228.84
Total (Net) (A)	196,694.34	3,361.82	200,056.16	222,456.16	2,089.30	224,545.46
Secured by tangible assets (Property including land, building and project receivables)	216,040.95	3,361.82	219,402.77	224,915.41	2,089.30	227,004.71
Secured by Inventories, fixed deposits and other marketable securities	6,839.83	-	6,839.83	16,610.60	-	16,610.60
Unsecured	15,995.42	-	15,995.42	23,158.99	-	23,158.99
Total Gross (B)	238,876.20	3,361.82	242,238.02	264,685.00	2,089.30	266,774.30
Less: Impairment loss allowance	42,181.86	-	42,181.86	42,228.84	-	42,228.84
Total (Net) (B)	196,694.34	3,361.82	200,056.16	222,456.16	2,089.30	224,545.46
Loans in India						
Public sector	-	-	-	-	-	-
Others	238,876.12	3,361.82	242,237.94	264,685.00	2,089.30	266,774.30
Total Gross (C)	238,876.12	3,361.82	242,237.94	264,685.00	2,089.30	266,774.30
Less: Impairment loss allowance	42,181.86	-	42,181.86	42,228.84	-	42,228.84
Total (Net) (C) (I)	196,694.26	3,361.82	200,056.08	222,456.16	2,089.30	224,545.46
Loans outside India	0.08	-	0.08	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (Net) (C) (II)	0.08	-	0.08	-	-	-
Total (C) (I) and (C) (II)	196,694.34	3,361.82	200,056.16	222,456.16	2,089.30	224,545.46

Note: Loans including Installment and Interest outstanding due from the directors amounts to ₹ Nil million (Previous year ₹ Nil million).

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

13 Loans (Continued) 13.1 Credit Quality

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal grading and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 57.7 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 57.7.

Particulars	31-Mar-2022			31-Mar-2021						
	Stage I	Stage II	Stage III ^{1,3}	POCI	Total	Stage I	Stage II	Stage III ¹	POCI	Total
Performing										
High grade	59,434.99	-	-	-	59,434.99	86,632.34	-	-	-	86,632.34
Standard grade	5.92	43,162.84	-	-	43,168.76	129.46	47,662.60	-	-	47,792.06
Non-performing										
Impaired	-	-	123,685.28	12,587.17	136,272.45	-	-	117,037.45	13,223.15	130,260.60
Total	59,440.91	43,162.84	123,685.28	12,587.17	238,876.20	86,761.80	47,662.60	117,037.45	13,223.15	264,685.00

Gross carrying amount and corresponding ECL reconciliation – Loans

Particulars	Non-credit impaired			Credit impaired			Total		
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III	POCI	POCI	
	Gross carrying amount	Allowance for ECL	Allowance for ECL	Gross carrying amount	Allowance for ECL ²	Allowance for ECL	Carrying amount (Net of Allowance for ECL)	Gross carrying amount	Allowance for ECL
Balance at 31 March 2020	150,926.41	1,994.40	61,588.96	6,763.22	83,064.39	21,576.84	12,882.28	308,462.04	30,334.46
Effect of acquisitions made during the year	47.01	-	-	-	-	-	-	47.01	-
Transfers:	-	-	-	-	-	-	-	-	-
Transfers to 12 Month ECL (Stage 1)	4,691.44	810.59	(4,648.13)	(43.31)	(7.06)	-	-	-	-
Transfers to lifetime ECL (Stage 2)	(21,024.73)	(526.76)	24,688.92	1,177.83	(3,664.19)	(651.07)	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(10,621.36)	(25.46)	(19,472.21)	(737.78)	30,093.57	763.24	-	-	-
Net re-measurement of ECL arising from transfer of stage	-	(776.89)	-	481.75	-	8,753.15	-	-	8,458.01
Net new and further lending/ (repayments) (including write-off) and sale to ARC / AIF	(37,256.97)	(195.57)	(14,494.94)	(2,487.22)	7,586.99	6,119.16	340.87	(43,824.05)	3,436.37
Balance at 31 March 2021	86,761.80	1,280.31	47,662.60	4,394.27	117,037.45	36,554.26	13,223.15	264,685.00	42,228.84

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

13 Loans (Continued)

13.1 Credit Quality (Continued)

Gross carrying amount and corresponding ECL reconciliation – Loans (Continued)

Particulars	Non-credit impaired			Credit impaired		Total	
	Stage I	Stage II	Stage III	POCI	POCI	Gross carrying amount	Allowance for ECL
	Gross carrying amount	Gross carrying amount	Gross carrying amount	Allowance for ECL ²	Carrying amount (Net of Allowance for ECL)	Gross carrying amount	Allowance for ECL
Balance at 31 March 2021	86,761.80	47,662.60	117,037.45	36,554.26	13,223.15	264,685.00	42,228.84
Effect of acquisitions made during the year	62.53	-	-	-	-	62.53	-
Transfers:							
Transfers to 12 Month ECL (Stage 1)	3,496.24	(2,936.03)	(560.21)	(80.47)	-	-	-
Transfers to lifetime ECL (Stage 2)	(5,232.67)	10,655.01	(5,422.34)	(449.67)	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(1,374.39)	(1,527.55)	2,901.94	163.48	-	-	-
Net re-measurement of ECL arising from transfer of stage	-	-	-	843.56	-	-	751.64
Net new and further lending/ (repayments) (including write-off) and sale to ARC / AIF ³	(24,272.60)	(10,691.19)	9,728.44	766.69	(635.98)	(25,871.33)	(798.62)
Balance at 31 March 2022	59,440.91	43,162.84	123,685.28	37,797.85	12,587.17	238,876.20	42,181.86

¹ This also includes stage III assets in EARC on distressed assets book, interest accrued on non-performing assets and stage III assets held by Group entities other than NBFCs on trade and general purpose advances.

² Allowance under this category also includes provision on assets as mentioned in note 1 above.

³ Refer Note 77.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

14. Investments

31-Mar-2022	Amortised cost	FVOCI	FVTPL	Designated at FVTPL	At Cost (Associates & Others)	Total
Security Receipts	-	-	33,412.56	-	-	33,412.56
Government Securities	-	15,472.21	2,127.50	9,839.45	-	27,439.16
Equity Shares	-	-	16,296.63	-	20,215.69	36,512.32
Debt securities	1,195.63	5,091.71	5,023.67	2,731.65	-	14,042.66
AIF Fund	-	11.76	9,142.67	-	-	9,154.43
Mutual Fund	-	-	2,539.08	-	-	2,539.08
Preference Shares	-	-	1,142.22	-	-	1,142.22
Others	668.03	-	1,259.80	923.07	-	2,850.90
Total	1,863.66	20,575.68	70,944.13	13,494.17	20,215.69	127,093.33
Investments in India	1,863.66	20,563.92	70,647.88	13,494.17	20,215.69	126,785.32
Investments outside India	-	11.76	296.25	-	-	308.01
Total	1,863.66	20,575.68	70,944.13	13,494.17	20,215.69	127,093.33
Less - Impairment Loss allowance	-	11.76	806.68	-	-	818.44
Total	1,863.66	20,563.92	70,137.45	13,494.17	20,215.69	126,274.89

31-Mar-2021	Amortised cost	FVOCI	FVTPL	Designated at FVTPL	At Cost (Associates & Others)	Total
Security Receipts	-	-	37,478.90	-	-	37,478.90
Government Securities	-	13,671.98	1,256.67	8,125.37	-	23,054.02
Equity Shares	-	-	12,227.69	-	17,166.31	29,394.00
Debt securities	1,305.81	3,159.10	3,771.26	1,715.85	-	9,952.02
AIF Fund	-	11.28	8,263.39	-	-	8,274.67
Mutual Fund	-	-	2,053.87	-	-	2,053.87
Preference Shares	-	15.83	1,771.44	-	-	1,787.27
Others	-	-	1,184.65	885.04	-	2,069.69
Total	1,305.81	16,858.19	68,007.87	10,726.26	17,166.31	114,064.44
Investments in India	1,305.34	16,772.57	67,786.68	10,726.26	17,166.31	113,757.16
Investments outside India	0.47	85.62	221.19	-	-	307.28
Total	1,305.81	16,858.19	68,007.87	10,726.26	17,166.31	114,064.44
Less - Impairment Loss allowance	-	11.28	980.14	-	-	991.42
Total	1,305.81	16,846.91	67,027.73	10,726.26	17,166.31	113,073.02

Note: Investments pledged with bank, exchange, brokers and against debts securities issued is amounting to ₹ 48,717.19 million (previous year ₹ 32,309.69 million)

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

14. Investments (Continued)

14.1 Investments measured at FVOCI

Credit quality of assets

The table below shows the gross carrying amount of the Group's investments measured at FVOCI by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 57.7

31-Mar-2022

Particulars	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 2)	Gross carrying amount (Stage 3)	Gross carrying amount Total
High grade	19,018.93	-	-	19,018.93
Standard grade	1,544.99	-	-	1,544.99
Individually impaired	-	-	11.76	11.76
Total	20,563.92	-	11.76	20,575.68

31-Mar-2021

Particulars	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 2)	Gross carrying amount (Stage 3)	Gross carrying amount Total
High grade	16,183.92	-	-	16,183.92
Standard grade	-	-	-	-
Individually impaired	-	-	674.27	674.27
Total	16,183.92	-	674.27	16,858.19

Reconciliation of gross carrying amount and corresponding ECL for investments measured at FVOCI

Particulars	31-Mar-2022			
	Gross Carrying Amount (Stage 1)	12 months ECL allowance (Stage 1)	Gross Carrying Amount (Stage 3)	12 months ECL allowance (Stage 3)
Gross carrying amount - opening balance	16,183.92	0.12	674.27	11.16
New assets originated or purchased	9,777.99	49.92	0.13	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon) net	(6,684.00)	(50.04)	(662.64)	0.60
Interest income during the year	1,286.01	-	-	-
Foreign Exchange	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Impact of year end ECL of exposures transferred between stages during the year	-	-	-	-
Gross carrying amount - closing balance	20,563.92	-	11.76	11.76

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

14. Investments (Continued)

14.1 Investments measured at FVOCI (Continued)

Reconciliation of gross carrying amount and corresponding ECL for investments measured at FVOCI (Continued)

Particulars	31-Mar-2021			
	Gross Carrying Amount (Stage 1)	12 months ECL allowance (Stage 1)	Gross Carrying Amount (Stage 3)	12 months ECL allowance (Stage 3)
Gross carrying amount - opening balance	14,235.58	0.12	819.25	438.94
New assets originated or purchased	7,978.49	-	-	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon) net	(7,108.47)	-	(156.26)	(24.45)
Interest income during the year	1,119.84	-	-	-
Foreign Exchange	(30.24)	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	(11.28)	-	11.28	(11.28)
Impact of year end ECL of exposures transferred between stages during the year	-	-	-	(392.05)
Gross carrying amount - closing balance	16,183.92	0.12	674.27	11.16

14.2 Investments measured at amortised cost

The table below shows the gross carrying amount of the Group's investments measured at amortised cost by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 57.7

Particulars	31-Mar-2022 Gross carrying amount (Stage 1)	31-Mar-2021 Gross carrying amount (Stage 1)
High grade	1,863.66	1,305.81
Standard grade	-	-
Individually impaired	-	-
Total	1,863.66	1,305.81

Reconciliation of gross carrying amount for investments measured at amortised cost

Particulars	31-Mar-2022 Gross carrying amount (Stage 1)	31-Mar-2021 Gross carrying amount (Stage 1)
Gross carrying amount - opening balance	1,305.81	243.86
New assets originated or purchased	247,632.65	126,739.93
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	(247,076.31)	(125,677.98)
Changes to contractual cash flows due to modifications not resulting in derecognition	1.51	-
Amounts written off	-	-
Transfer to Stage 1	-	-
Transfer to Stage 2	-	-
Transfer to Stage 3	-	-
Gross carrying amount - closing balance	1,863.66	1,305.81

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

15. Other financial assets

Particulars	31-Mar-2022	31-Mar-2021
Receivable from Trust	32.58	6,252.87
Receivable from exchange / clearing house (net)	1,994.41	448.43
Deposits placed with/ for exchange/ depositories	111.86	130.79
Margin placed with broker	5,142.77	2,859.51
Rental deposits	134.99	191.85
Deposits- others	91.96	79.38
Reinsurance receivables	577.21	364.34
Unclaimed amount of policyholders	28.67	29.57
Receivable on account of sale of investments	590.66	-
Others	2,330.12	2,271.33
Total	11,035.23	12,628.07

16. Deferred tax assets and liabilities

Deferred tax assets (net)	31-Mar-2022	31-Mar-2021
Provision for expected credit losses	2,310.64	2,592.26
Unused tax losses / credits	8,739.24	7,854.43
Employee benefits obligations	58.66	58.37
Fair valuation of Financial Assets	726.44	592.35
Fair valuation of Derivatives	(22.50)	5.34
Property, Plant and Equipment and Intangible assets	(882.66)	(1,073.22)
Adjustment of effective interest rate on Borrowings	(284.21)	(444.54)
Total	10,645.61	9,584.99

Deferred tax liabilities (net)	31-Mar-2022	31-Mar-2021
Provision for expected credit losses	95.14	(28.73)
Unused tax losses / credits	(109.09)	-
Employee benefits obligations	(18.95)	(19.51)
ESOP Perquisite	(4.01)	(4.01)
Fair valuation of Financial Assets	676.04	611.72
Property, Plant and Equipment and Intangible assets	1,422.99	1,492.04
Adjustment of effective interest rate on Borrowings	3.27	7.41
Special Reserve u/s 36(1)(viii)	101.02	98.70
Total	2,166.41	2,157.62

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

17. Investment property

Particulars	Gross Block			Depreciation and impairment			Net Block			
	As at 01-Apr-21	Additions during the year	Deductions/ adjustments during the year	As at 31-Mar-22	As at 01-Apr-21	Impairment charge / (reversals) for the year	Charge for the year	Deductions/ adjustments during the year	As at 31-Mar-22	As at 31-Mar-21
Investment Property										
Land	1,408.62	-	-	1,408.62	18.27	-	-	-	18.27	1,390.35
Real Estate	2,676.00	240.03	649.59	2,266.44	671.72	(50.08)	0.89	-	622.53	1,643.91
Total	4,084.62	240.03	649.59	3,675.06	689.99	(50.08)	0.89	-	640.80	3,034.26
Particulars	Gross Block			Depreciation and impairment			Net Block			
	As at 01-Apr-20	Additions during the year	Deductions/ adjustments during the year	As at 31-Mar-21	As at 01-Apr-20	Impairment charge / (reversals) for the year	Charge for the year	Deductions/ adjustments during the year	As at 31-Mar-21	As at 31-Mar-20
Investment Property										
Land	1,408.62	-	-	1,408.62	18.27	-	-	-	18.27	1,390.35
Real Estate	3,445.13	272.10	1,041.23	2,676.00	378.21	348.69	-	55.18	671.72	2,004.28
Total	4,853.75	272.10	1,041.23	4,084.62	396.48	348.69	-	55.18	689.99	3,394.63
Fair value of investment properties										
Property									31-Mar-22	31-Mar-21
Land									2,256.90	2,256.90
Real estate property									3,120.13	3,767.76
Total									5,377.03	6,024.66

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

18. Property, plant and equipment and intangibles

Particulars	Gross Block			Depreciation and amortisation			Net Block			
	As at 01-Apr-2021	Additions/ adjustments during the year	Revaluation adjustment, if any	Deductions/ adjustments during the year	As at 31-Mar-2022	Charge for the year	Impairment/ (reversal) of impairment	Deductions/ adjustments during the year	As at 31-Mar-2022	As at 31-Mar-2022
a) Property, Plant and Equipments										
Land	236.79	-	-	-	236.79	-	-	-	-	236.79
Flat and Building*	11,575.19	424.61	(504.22)	183.16	11,312.42	716.03	(4.20)	16.13	1,305.27	10,007.15
Right to use (ROU) - Flat and Building	1,360.66	178.50	-	189.60	1,349.56	703.22	217.97	33.21	887.98	461.58
Leasehold Premises	60.31	14.70	-	12.35	62.66	38.24	10.36	8.02	40.58	22.08
Plant and Equipment	343.71	20.53	-	60.97	303.27	198.95	38.01	56.25	180.71	122.56
Furniture and Fixtures	259.39	53.92	-	33.41	279.90	150.19	26.38	25.54	151.03	128.87
Vehicles	42.84	2.73	-	33.70	11.87	30.89	3.22	26.84	7.27	4.60
Office equipment	303.04	8.71	-	76.04	235.71	244.34	24.42	66.43	202.33	33.38
Vessel (Boat)	4.85	-	-	0.01	4.84	0.98	0.29	-	1.27	3.57
Computers	491.86	52.95	-	102.68	442.13	449.19	55.47	90.87	413.79	28.34
Solar Power Equipment	62.07	-	-	0.04	62.03	33.87	5.33	0.02	39.18	22.85
Total (A)	14,740.71	756.65	(504.22)	691.96	14,301.18	2,459.44	1,097.48	323.31	3,229.41	11,071.77
b) Intangibles										
Software	1,965.01	283.46	-	199.74	2,048.73	1,240.64	412.94	149.97	1,503.61	545.12
Trademark/ Design and Copyright/ Asset Management Rights	790.87	-	-	81.82	709.05	47.50	50.00	47.50	50.00	659.05
Total (B)	2,755.88	283.46	-	281.56	2,757.78	1,288.14	462.94	197.47	1,553.61	1,204.17
Total (A+B)	17,496.59	1,040.11	(504.22)	973.52	17,058.96	3,747.58	1,560.42	520.78	4,783.02	12,275.94

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

18. Property, plant and equipment and intangibles (Continued)

Particulars	Gross Block			Depreciation and amortisation			Net Block		
	As at 01-Apr-2020	Additions/ adjustments during the year	Revaluation adjustment, if any	Deductions/ adjustments during the year	As at 31-Mar-2021	Charge for the year	Impairment/ (reversal) of impairment during the year	As at 31-Mar-2021	As at 31-Mar-2021
a) Property, Plant and Equipments									
Land	236.79	-	-	-	236.79	-	-	-	236.79
Leasehold Land	0.63	-	-	0.63	-	-	0.63	-	-
Flat and Building*	11,740.37	-	-	165.18	11,575.19	67.18	610.05	609.57	10,965.62
Right to use (ROU) - Flat and Building	2,687.20	252.57	-	1,579.11	1,360.66	623.35	442.14	703.22	657.44
Leasehold Premises	281.48	0.33	-	221.50	60.31	102.78	42.47	38.24	22.07
Plant and Equipment	196.87	177.51	-	30.67	343.71	114.90	84.05	198.95	144.76
Furniture and Fixtures	330.18	28.32	-	99.11	259.39	142.18	44.37	150.19	109.20
Vehicles	76.04	8.66	-	41.86	42.84	38.97	21.66	30.89	11.95
Office equipment	394.92	48.38	-	140.26	303.04	246.36	52.34	244.34	58.70
Vessel (Boat)	4.85	-	-	-	4.85	0.89	0.13	0.98	3.87
Computers	1,022.83	167.45	-	698.42	491.86	656.04	243.92	449.19	42.67
Solar Power Equipment	62.07	-	-	-	62.07	27.64	6.23	33.87	28.20
Total (A)	17,034.23	683.22	-	2,976.74	14,740.71	2,020.92	1,547.36	2,459.44	12,281.27
b) Intangibles									
Software	2,705.22	571.85	-	1,312.06	1,965.01	1,172.73	688.31	1,240.64	724.37
Trademark/ Design and Copyright/Asset Management Rights	756.55	34.32	-	-	790.87	33.05	14.45	47.50	743.37
Total (B)	3,461.77	606.17	-	1,312.06	2,755.88	1,205.78	702.76	1,288.14	1,467.74
Total (A+B)	20,496.00	1,289.39	-	4,288.80	17,496.59	3,226.70	2,250.12	3,747.58	13,749.01

*pledged against debt securities and borrowings.

Notes

The Group management approved revaluation of owned flats and buildings classified under property, plant and equipment after assessing the valuation made by duly appointed independent valuer. Accordingly, the Group has recognised the revaluation loss of ₹ 385.14 million (net of tax) in other comprehensive income for the year ended 31 March 2022.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

19. Capital Work in Progress (CWIP)

(a) CWIP aging schedule

As at 31 March 2022

Particulars	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	0.57	-	-	-	0.57
Projects temporarily suspended	-	-	-	-	-
Total	0.57	-	-	-	0.57

As at 31 March 2021

Particulars	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	7.93	-	-	-	7.93
Projects temporarily suspended	-	-	-	-	-
Total	7.93	-	-	-	7.93

(b) There are no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

20. Intangible assets under development

(a) Intangible assets under development aging schedule

As at 31 March 2022

Particulars	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	138.34	57.36	-	-	195.70
Projects temporarily suspended	-	-	-	-	-
Total	138.34	57.36	-	-	195.70

As at 31 March 2021

Particulars	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	122.72	1.45	-	-	124.17
Projects temporarily suspended	-	-	-	-	-
Total	122.72	1.45	-	-	124.17

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

20. Intangible assets under development (Continued)

(b) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan: As at 31 March 2022

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Digital Lending Platform (DLP)*	125.00	-	-	-	125.00
Total	125.00	-	-	-	125.00

As at 31 March 2021

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project	-	-	-	-	-
Total	-	-	-	-	-

*The subsidiary of the Company is developing a Digital Lending Platform (DLP) for automation of retail loan origination process. The original projected cost of the software was estimated at ₹ 95.00 million with a variation of 10%. During the development phase, Co - Lending Model (CLM) module was identified as an additional module for development, accordingly the project cost is revised and estimated to be ₹ 125.00 million. Further, timeline for completion of the project has been revised from November 2021 to end of financial year 2023.

21. Goodwill on consolidation

Particulars	31-Mar-22	31-Mar-21
Balance at the beginning of the year	663.35	1,723.41
Add:- Goodwill arising on acquisitions	-	-
Less:- Goodwill derecognised / impaired	-	(1,060.06)
Balance at the end of year	663.35	663.35

The recoverable amount of subsidiaries/associates is based on its value in use. The value in use is estimated using discounted cash flows. Cash flows is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using pre-tax discount rate. Operating margins and growth rates for the five year cash flow projections have been estimated based on past experience and after considering the financial budgets/forecasts provided by the management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry and have been based on historical data from both external and internal sources.

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

22. Other non-financial assets

Particulars	31-Mar-22	31-Mar-21
Input tax credit	1,972.00	1,595.28
Prepaid expenses	1,911.60	1,877.84
Vendor Advances	211.12	191.22
Advances to employees	9.38	9.56
Deposits	18.86	19.94
Other assets	343.55	112.82
Total	4,466.51	3,806.66

23. Trade Payables

Particulars	31-Mar-22	31-Mar-21
Total outstanding dues of micro enterprises and small enterprises (MSME)	17.51	1.22
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,883.76	4,893.56
Total	12,901.27	4,894.78

23.1 Trade payables ageing schedule

As at 31 March 2022		Outstanding for following periods from due date of payment						Total
Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	17.50	0.01	-	-	17.51	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,966.64	-	10,776.53	31.74	81.00	27.85	12,883.76	
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-	
Total	1,966.64	-	10,794.03	31.75	81.00	27.85	12,901.27	

As at 31 March 2021		Outstanding for following periods from due date of payment						Total
Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) Total outstanding dues of micro enterprises and small enterprises	0.08	-	1.14	-	-	-	1.22	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,389.71	-	3,005.70	305.47	96.52	96.16	4,893.56	
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-	
Total	1,389.79	-	3,006.84	305.47	96.52	96.16	4,894.78	

23.2 Trade Payables includes ₹ 17.51 million (Previous Year ₹ 1.22 million) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. Interest paid by the Group during the year to “Suppliers” registered under this Act is ₹ Nil million (Previous year: ₹ 0.003 million). The aforementioned is based on the responses received by the Group to its inquiries with suppliers with regard to applicability under the said Act.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

24. Debt securities

Particulars	31-Mar-22	31-Mar-21
Non-Convertible Debentures (at amortised cost)	130,203.34	151,894.75
Compulsory Convertible Debentures (at amortised cost)	9,450.18	9,443.98
Non-Convertible Debentures (designated at fair value through profit or loss)	7,887.95	8,750.76
Commercial paper (at amortised cost)	7,515.57	4,769.05
Total (refer Note 1 below)	155,057.04	174,858.54
(i) Debt securities in India	155,057.04	174,858.54
(ii) Debt securities outside India	-	-
Total	155,057.04	174,858.54

Note 1:

Out of the above, ₹ 19,088.20 million as at 31 March 2022 (Previous Year ₹ 14,971.91 million) are unsecured. For secured debt, the Group has provided collateral in the nature of Pari Passu charge of immovable property, receivable from financing business, securities held for trading, investments, property (excluding intangible assets) and other assets.

Debt Securities - as at 31 March 2022

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
8.00 - 8.99%	7,549.16	22.10	7,657.86	15,229.12
9.00 - 9.99%	2,371.99	18,942.67	17,496.14	38,810.80
10.00 - 10.99%	4,393.97	2,817.98	9,331.34	16,543.29
11.00 - 11.99%	-	11,250.00	-	11,250.00
14.00 - 14.99%	-	6,500.00	-	6,500.00
19.00 - 19.99%	210.00	402.50	2,177.50	2,790.00
Zero Coupon Debentures	1,036.06	695.34	59.84	1,791.24
Various (benchmark linked)	19,831.69	13,105.66	9,528.06	42,465.41
Accrued Interest and EIR	-	-	-	10,227.00
Total*	35,392.87	53,736.25	46,250.74	145,606.86

* Compulsory Convertible Debentures amounting to ₹ 9,450.18 million not considered for maturity pattern.

Debt Securities - as at 31 March 2021

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
8.00 - 8.99%	14,519.05	2,820.65	7,657.88	24,997.58
9.00 - 9.99%	10,097.30	17,183.86	16,419.20	43,700.36
10.00 - 10.99%	14,070.00	4,075.62	8,583.70	26,729.32
11.00 - 11.99%	-	11,250.00	-	11,250.00
19.00 - 19.99%	210.00	420.00	2,870.00	3,500.00
22.00 - 22.99%	2,250.00	-	-	2,250.00
Zero Coupon Debentures	688.95	1,495.86	303.16	2,487.97
Various (benchmark linked)	13,457.63	18,637.96	7,176.42	39,272.01
Accrued Interest and EIR	-	-	-	11,227.32
Total*	55,292.93	55,883.95	43,010.36	165,414.56

* Compulsory Convertible Debentures amounting to ₹ 9,443.98 million not considered for maturity pattern.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

25. Borrowings (other than debt securities) at amortised cost

Particulars	31-Mar-22	31-Mar-21
Secured		
Term loans		
(Secured against investments in debt securities and stock-in-trade (securities held for trading) and charge on receivables of financing business, cash and cash equivalents, other assets and corporate guarantee)		
from banks	39,893.68	66,551.55
from other parties	1,623.24	8,305.71
Bank overdraft	2,492.22	3,107.03
(Secured by pledge of fixed deposits, property, trade receivables and charge on receivables of financing business)		
Tri party REPO - TREPS facilitates borrowing and lending of funds, in Tri party REPO arrangement (Secured by pledge of Government Securities)	4,511.54	8,103.90
Working capital demand loan (secured by charge on receivables from financing business, cash and cash equivalents and property, plant and equipments)	8,030.00	8,250.00
Unsecured		
Loans repayable on demand - from banks	-	-
	56,550.66	94,318.19
Borrowings in india	56,550.66	94,318.19
Borrowings outside india	-	-
Total	56,550.66	94,318.19

Following is the repayment terms of term loans:

Term loans from Banks - Secured as at 31 March 2022

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
7.00 - 7.99%	461.74	538.85	-	1,000.59
8.00 - 8.99%	5,906.53	5,875.12	219.88	12,001.53
9.00 - 9.99%	12,978.28	5,561.99	100.00	18,640.26
10.00 - 10.99%	5,432.46	2,156.72	56.25	7,645.43
11.00 - 11.99%	193.75	-	-	193.75
12.00 - 12.99%	-	515.00	-	515.00
Accrued Interest and EIR	-	-	-	(102.87)
Total	24,972.75	14,647.67	376.13	39,893.68

Term loans from Banks - Secured as at 31 March 2021

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
7.00 - 7.99%	363.09	601.19	247.05	1,211.33
8.00 - 8.99%	6,804.57	8,167.22	1,531.34	16,503.13
9.00 - 9.99%	19,739.32	18,037.66	2,919.45	40,696.43
10.00 - 10.99%	3,749.38	3,672.98	-	7,422.36
11.00 - 11.99%	494.40	312.49	46.88	853.77
14.00 - 14.99%	100.00	-	-	100.00
Accrued Interest and EIR	-	-	-	(235.47)
Total	31,250.76	30,791.54	4,744.72	66,551.55

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

25. Borrowings (other than debt securities) at amortised cost (Continued)

Term loans from Others - Secured as at 31 March 2022

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
4.00 - 4.99%	119.28	298.32	57.80	475.40
6.00 - 6.99%	5.33	11.10	-	16.43
7.00 - 7.99%	60.61	185.94	291.30	537.85
8.00 - 8.99%	59.31	118.81	115.22	293.35
10.00 - 10.99%	299.00	-	-	299.00
Accrued Interest and EIR	-	-	-	1.21
Total	543.53	614.17	464.32	1,623.24

Term loans from Others - Secured as at 31 March 2021

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
4.00 - 4.99%	119.28	318.08	197.08	634.44
5.00 - 5.99%	650.00	-	-	650.00
6.00 - 6.99%	4.35	11.60	5.30	21.25
8.00 - 8.99%	37.68	54.79	41.01	133.48
9.00 - 9.99%	93.78	250.08	757.55	1,101.41
10.00 - 10.99%	2,767.00	2,824.00	175.00	5,766.00
Accrued Interest and EIR	-	-	-	(0.87)
Total	3,672.09	3,458.55	1,175.94	8,305.71

26. Deposits (at amortised cost)

Particulars	31-Mar-22	31-Mar-21
Inter Corporate Deposit	15.60	96.01
Total	15.60	96.01
Inter Corporate Deposits in india	15.60	96.01
Inter Corporate Deposits outside india	-	-
Total	15.60	96.01

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

27. Subordinated liabilities (at amortised cost)

Unsecured	31-Mar-22	31-Mar-21
Non-convertible subordinated debt	14,316.31	13,925.28
Perpetual debt	1,150.58	1,151.00
Preference share capital	19.64	11.47
Total	15,486.53	15,087.75
Subordinated liabilities in india	15,486.53	15,087.75
Subordinated liabilities outside india	-	-
Total	15,486.53	15,087.75

Terms and condition related to subordinate liabilities:

Subordinated Liabilities – 31 March 2022

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
9.00 - 9.99%	-	-	2,699.74	2,699.74
10.00 - 10.99%	-	200.00	3,230.51	3,430.51
11.00 - 11.99%	500.00	3,498.00	125.54	4,123.54
14.00 - 14.99%	-	19.64	-	19.64
Various (benchmark linked)	-	2,735.80	550.00	3,285.80
Accrued Interest and EIR	-	-	-	1,927.31
Total	500.00	6,453.44	6,605.79	15,486.53

Subordinated Liabilities – 31 March 2021

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
9.00 - 9.99%	-	-	2,760.00	2,760.00
10.00 - 10.99%	-	-	3,370.23	3,370.23
11.00 - 11.99%	-	500.00	3,648.00	4,148.00
14.00 - 14.99%	-	11.47	-	11.47
Various (benchmark linked)	-	2,685.80	600.00	3,285.80
Accrued Interest and EIR	-	-	-	1,512.25
Total	-	3,197.27	10,378.23	15,087.75

28. Other financial liabilities (at amortised cost unless otherwise specified)

Particulars	31-Mar-22	31-Mar-21
Payable to exchange / clearing house (net)	269.71	42.13
Book overdraft	85.29	542.18
Accrued salaries and benefits	3,405.77	3,575.91
Provision for short sale at fair value	889.70	529.70
Reinsurance payable	692.42	220.78
Rental deposits	156.44	75.74
Retention money payable	12.60	15.92
Unclaimed dividends	8.60	8.19
Security receipts held by outsiders	1,825.64	2,745.74
Derivative liability	2,290.53	2,239.47
Lease liability payable	566.01	800.22
Payable on account of securitisation	10,056.89	9,913.20
Financial liability associated to financial assets that are not derecognised	23,682.88	19,436.96
Other liabilities	6,630.74	5,061.03
Total	50,573.22	45,207.17

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

29. Provisions

Particulars	31-Mar-22	31-Mar-21
Provision for employee benefits and related costs		
Gratuity	222.47	176.71
Compensated absences	110.33	67.66
Others	162.60	874.18
Total	495.40	1,118.55

30. Other non-financial liabilities

Particulars	31-Mar-22	31-Mar-21
Income received in advance	2,997.86	1,434.41
Statutory dues	822.17	1,102.86
Advances from customers	11.32	35.64
Proposal deposit from insurance business	226.19	273.22
Others	583.48	303.22
Total	4,641.02	3,149.35

31. Equity share capital

Particulars	As at 31-Mar-2022		As at 31-Mar-2021	
	No of shares	Amount	No of shares	Amount
Authorised :				
Equity Shares of ₹ 1 each	1,230,000,000	1,230.00	1,230,000,000	1,230.00
Preference shares of ₹ 5 each	4,000,000	20.00	4,000,000	20.00
	1,234,000,000	1,250.00	1,234,000,000	1,250.00
Issued, Subscribed and Paid up:				
Equity Shares of ₹ 1 each	943,097,965	943.10	935,798,077	935.80
Less: Shares held by Edelweiss Employees Incentives and Welfare Trust (Refer note 1)	(7,301,510)	(7.30)	(7,301,510)	(7.30)
Less: Shares held by Edelweiss Employees Welfare Trust (Refer note 1)	(37,595,270)	(37.60)	(37,595,270)	(37.60)
Total	898,201,185	898.20	890,901,297	890.90

A. Reconciliation of number of shares (Before deducting treasury shares)

Particulars	As at 31-Mar-2022		As at 31-Mar-2021	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	935,798,077	935.80	934,409,002	934.41
Shares issued during the year:				
-Under Employee Stock Options Plans (ESOPs)	7,299,888	7.30	1,389,075	1.39
Outstanding at the end of the year	943,097,965	943.10	935,798,077	935.80

Note:

- Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Edelweiss Financial Services Limited standalone financial statements and have been accordingly carried forward in consolidated financial statements. These trusts are holding 44,896,780 number of equity shares amounting to ₹ 44.90 million (Previous year ₹ 44.90 million). These are deducted from total outstanding equity shares.
- The above two Employee Welfare Trust(s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

31. Equity share capital (Continued)

B. Terms/rights attached to equity shares :

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

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

C. Details of shares held by promoters in the Company

As at 31-Mar-2022

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	%of total shares	% Change during the year
Rashesh Chandrakant Shah	145,601,730	-	145,601,730	15.44%	0.00%
Venkatchalam A Ramaswamy	58,126,560	-	58,126,560	6.16%	0.00%
Vidya Rashesh Shah	31,031,200	-	31,031,200	3.29%	0.00%
Aparna T Chandrashekar	12,210,000	-	12,210,000	1.29%	0.00%
Kaavya Venkat Arakoni	11,790,000	-	11,790,000	1.25%	0.00%
Neel Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Sneha Sripad Desai	1,025,000	-	1,025,000	0.11%	0.00%
Shilpa Urvish Mody	950,000	-	950,000	0.10%	0.00%
Arakoni Venkatachalam Ramaswamy	50,000	-	50,000	0.01%	0.00%
Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust)	38,750,000	-	38,750,000	4.11%	0.00%
Spire Investment Advisors LLP	3,200,000	-	3,200,000	0.34%	0.00%
Sejal Premal Parekh	950,000	-	950,000	0.10%	0.00%
Avanti Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Total	307,684,490	-	307,684,490	32.62%	0.00%

As at 31-Mar-2021

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	%of total shares	% Change during the year
Rashesh Chandrakant Shah	145,301,730	300,000	145,601,730	15.56%	0.21%
Venkatchalam A Ramaswamy	58,026,560	100,000	58,126,560	6.21%	0.17%
Vidya Rashesh Shah	33,031,200	(2,000,000)	31,031,200	3.32%	(6.05%)
Aparna T Chandrashekar	12,210,000	-	12,210,000	1.30%	0.00%
Kaavya Venkat Arakoni	11,790,000	-	11,790,000	1.26%	0.00%
Neel Rashesh Shah	-	2,000,000	2,000,000	0.21%	0.00%
Sneha Sripad Desai	1,025,000	-	1,025,000	0.11%	0.00%
Shilpa Urvish Mody	950,000	-	950,000	0.10%	0.00%
Arakoni Venkatachalam Ramaswamy	50,000	-	50,000	0.01%	0.00%
Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust)	38,750,000	-	38,750,000	4.14%	0.00%
Spire Investment Advisors LLP	3,200,000	-	3,200,000	0.34%	0.00%
Sejal Premal Parekh	950,000	-	950,000	0.10%	0.00%
Avanti Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Total	307,284,490	400,000	307,684,490	32.88%	(5.67%)

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

Particulars	As at 31-Mar-2022		As at 31-Mar-2021	
	No of shares	% holding	No of shares	% holding
Rashesh Shah	145,601,730	15.44%	145,601,730	15.56%
Venkatchalam Ramaswamy	58,126,560	6.16%	58,126,560	6.21%
Bih Sa	48,257,748	5.12%	48,257,748	5.16%
Total	251,986,038	26.72%	251,986,038	26.93%

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

32. Other equity

Particulars	31-Mar-22	31-Mar-21
Share application money pending allotment	-	1.70
Capital reserve	8,026.45	8,456.79
Capital redemption reserve	187.87	187.87
Securities premium reserve	29,557.82	29,134.23
ESOP/SAR reserve	761.58	1,128.28
Special reserve under section 45-IC of the Reserve Bank of India Act, 1934	7,048.56	6,757.98
Reserve under section 29C of the National Housing Bank Act, 1987	575.42	547.80
General reserve	717.15	717.15
Debenture redemption reserve	3,543.64	6,765.61
Impairment reserve	2,079.49	1,829.25
Retained earnings	9,955.45	6,067.68
Foreign exchange translation reserve	(37.82)	(17.52)
Revaluation reserve through other comprehensive income	3,721.28	4,571.09
Equity instruments through other comprehensive income	(1,700.00)	(1,700.00)
Debt instruments through other comprehensive income	39.07	432.78
Total	64,475.96	64,880.69

32.1 Capital reserve

Capital reserve represents the gains of capital nature which is not freely available for distribution.

32.2 Capital redemption reserve

The Group has recognised capital redemption reserve on buy back of equity share capital.

32.3 Securities premium reserve

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

32.4 ESOP/SAR reserve

ESOP and SAR options outstanding represents the amount transferred to reserves pursuant to the "ESOP 2011" and "SAR 2019" schemes.

32.5 Statutory reserve u/s 45-IC of The Reserve Bank of India Act, 1934

Every non-banking financial company shall create a reserve fund and transfer therein 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.

32.6 Statutory reserve u/s 29C of The National Housing Bank Act, 1987

In terms of Section 29C of the National Housing Bank Act, 1987 every housing finance institution which is a company is required to create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account before any dividend is declared. Housing Finance Companies (HFCs), are permitted to withdraw from the said reserve fund, the excess amount credited (in excess of the statutory minimum of 20%) in the previous years for any business purposes subject to suitable disclosure in the balance sheet and in the case of HFCs which have transferred only the statutory minimum in the previous years to selectively permit them to withdraw from the reserve fund only for the purpose of provisioning for non-performing assets subject to the conditions that there is no debit balance in the profit and loss account and that the reason for such withdrawal are stated explicitly in the balance sheet.

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

32. Other equity (*Continued*)

32.7 General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

32.8 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.

32.9 Impairment reserve

RBI notification on Implementation of Indian Accounting Standards, dated 13 March 2020 requires NBFC/ARC subsidiaries within Group are to recognise impairment reserves where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning)

32.10 Retained earnings

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

32.11 Foreign exchange translation reserve

The exchange differences arising out of year end translation of Group entities having functional currency other than Indian Rupees is debited or credited to this reserve.

32.12 Revaluation Reserve through other comprehensive income

Group has decided to change to revaluation model from cost model of accounting for a class of asset (i.e. flats and building). Similarly, group entities have also changed their existing model for Flats and building to align with the Group policy.

32.13 FVOCI equity investments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised

32.14 FVOCI debt investments

The Group recognises changes in the fair value of debt instruments held with business objective of collect and sell in other comprehensive income. These changes are accumulated within the FVOCI debt investments within equity. The Group transfers amounts from this reserve to the statement of profit and loss when the debt instrument is sold.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

33. Interest income

For the year ended 31 March 2022

Particulars	Amortised cost	FVTPL	FVOCI	Total
Interest on loans	22,133.27	519.28	-	22,652.55
Interest income from investments	1,592.88	3,648.01	1,256.52	6,497.41
Interest on deposits with Banks	825.09	-	-	825.09
Other interest income	479.74	-	-	479.74
Total	25,030.98	4,167.29	1,256.52	30,454.79

For the year ended 31 March 2021

Particulars	Amortised cost	FVTPL	FVOCI	Total
Interest on loans	34,478.42	-	-	34,478.42
Interest income from investments	66.57	1,442.70	1,098.09	2,607.36
Interest on deposits with Banks	2,719.33	-	-	2,719.33
Other interest income	538.90	-	-	538.90
Total	37,803.22	1,442.70	1,098.09	40,344.01

34. Fee and commission income

Particulars	2021-22	2020-21
Income from broking	14.24	3,760.65
Advisory and other fees	14,424.02	12,780.74
Total	14,438.26	16,541.39

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

Particulars	2021-22	2020-21
Service transferred at a point in time	2,014.15	6,335.85
Service transferred over time	12,424.11	10,205.54
Total revenue from contract with customers	14,438.26	16,541.39

35. Net gain on fair value changes

Particulars	2021-22	2020-21
Net gain /(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Investment at FVTPL	1,661.29	7,915.59
Derivatives at FVTPL	4,389.83	5,637.64
Others		
Other financial instruments	1,193.31	8,655.75
Total Net gain/(loss) on fair value changes	7,244.43	22,208.98
Fair Value changes:		
Realised gain/(loss)	7,591.76	9,399.36
Unrealised gain/(loss)	(347.33)	12,809.62
Total	7,244.43	22,208.98

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

36. Other operating revenue

Particulars	2021-22	2020-21
Warehousing income	54.68	411.42
Delayed payment charges	-	81.11
Income from training centre	23.32	12.02
Rental income	197.56	32.59
Total	275.56	537.14

37. Other income

Particulars	2021-22	2020-21
Donation income	222.20	299.61
Interest on income tax refund	242.80	184.37
Profit on sale of subsidiaries (net) (Refer Note 63)	3,072.37	13,992.27
Miscellaneous income	394.50	438.65
Total	3,931.87	14,914.90

38. Finance cost (at amortised cost unless otherwise stated)

Particulars	2021-22	2020-21
Interest on deposits	11.46	51.55
Interest on borrowings (other than debt securities)	7,745.72	11,660.20
Interest on debt securities	18,358.31	22,432.93
Interest on debt securities (at fair value through profit or loss)	1,026.37	1,196.99
Interest on subordinated liabilities	1,072.23	1,963.28
Other interest expense	1,627.00	1,035.38
Total	29,841.09	38,340.33

39. Employee benefits expense

Particulars	2021-22	2020-21
Salaries and wages	9,982.70	15,165.23
Contribution to provident and other funds	437.16	619.73
Expense on employee stock option scheme/stock appreciation rights	120.73	335.14
Staff welfare expenses	102.10	39.02
Total	10,642.69	16,159.12

40. Impairment on financial instruments

Particulars	2021-22	2020-21
On loans	844.44	11,326.93
On investments	(327.26)	1,145.60
On trade receivables	(94.46)	136.63
Total	422.72	12,609.16

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

41. Other expenses

Particulars	2021-22	2020-21
Advertisement and business promotion	1,952.85	1,506.55
Auditors' remuneration (Refer note 41(a))	115.92	107.58
Commission and brokerage	2,073.67	1,437.39
Communication	170.65	401.89
Computer software and other expenses	751.52	1,142.71
Commission to non-executive directors	14.00	16.00
Contribution towards donations and corporate social responsibility	265.03	477.93
Dematerialisation charges and stock exchange expenses	77.22	159.71
Directors' sitting fees	13.46	12.68
Insurance	37.10	64.24
Legal and professional fees	3,114.70	3,160.25
Membership and subscription	106.26	173.42
Mutual fund expenses	117.73	118.17
Office expenses	300.43	392.18
Printing and stationery	29.60	71.82
Rates and taxes	788.01	1,372.53
Rent and electricity charges	193.18	330.61
Repairs and maintenance - others	72.45	72.92
Security transaction tax	381.69	459.68
Seminar and conference expenses	44.76	22.74
Stamp duty	122.08	215.07
Travelling and conveyance	239.70	255.82
Warehousing charges	55.00	193.44
Selling and distribution expenses	648.89	515.15
Miscellaneous expenses	739.98	504.07
Loss on sale/ write-off of property, plant and equipments (net)	25.25	221.61
Total	12,451.13	13,406.16

41. (a) Auditors' remuneration

Particulars	2021-22	2020-21
As Auditors	114.69	106.53
Towards reimbursement of expenses	1.23	1.05
Total	115.92	107.58

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

42. 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	1,084.60	1,553.13
Adjustment in respect of current income tax of prior years	(6.89)	(1,313.24)
Deferred tax relating to origination and reversal of temporary differences	(924.65)	(1,322.85)
Total tax expense	153.06	(1,082.96)
Total current tax	1,077.71	239.89
Total deferred tax	(924.65)	(1,322.85)

42.1. 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 is, as follows:

Particulars	2021-22	2020-21
Profit / (Loss) before tax	1,307.26	1,462.59
Tax rate	25.17%	25.17%
Income tax expense calculated based on above tax rate	329.04	368.13
Adjustment in respect of income tax of prior years	(6.89)	(1,313.24)
Effect of income not subject to tax	(81.69)	(8,113.46)
Effect of non-deductible expenses	116.06	848.92
Impact of certain items being taxed at different rates	(1,412.28)	(26.09)
Impact of tax rate changes	271.31	263.26
Write-down / reversal of write down of deferred tax assets on unused tax credits and unused tax losses (net)	(1,709.19)	(194.24)
Effect of non-recognition of deferred tax asset on current-year losses	2,635.76	7,570.43
Different tax rates of subsidiaries	23.99	(1,206.36)
Others	(13.05)	719.69
Tax expense recognised in profit and loss	153.06	(1,082.96)

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

43. Components of deferred tax

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

31-Mar-22	Opening deferred tax asset/ (liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total Movement	Closing deferred tax asset/ (liability)
Provision for expected credit losses	2,620.99	(386.21)	0.12	-	(19.40)	(405.49)	2,215.50
Unused tax losses / credits	7,854.43	993.90	-	-	-	993.90	8,848.33
Employee benefits obligations	77.88	(13.27)	20.38	-	(7.38)	(0.27)	77.61
ESOP Perquisite	4.01	-	-	-	-	-	4.01
Fair valuation of Financial Assets	(19.37)	68.50	1.27	-	-	69.77	50.40
Fair valuation of Derivatives	5.34	(27.84)	-	-	-	(27.84)	(22.50)
Property, Plant and Equipment and Intangible assets	(2,565.26)	127.42	133.78	-	(1.59)	259.61	(2,305.65)
Adjustment of effective interest rate on Borrowings	(451.95)	164.47	-	-	-	164.47	(287.48)
Special Reserve u/s 36(1)(viii)	(98.70)	(2.32)	-	-	-	(2.32)	(101.02)
Total	7,427.37	924.65	155.55	-	(28.37)	1,051.83	8,479.20

31-Mar-21	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)
Provision for expected credit losses	4,027.81	(1,362.50)	-	-	(44.32)	(1,406.82)	2,620.99
Unused tax losses / credits	5,278.95	3,317.04	-	-	(741.56)	2,575.48	7,854.43
Employee benefits obligations	87.61	27.56	(10.48)	-	(26.81)	(9.73)	77.88
ESOP Perquisite	4.01	-	-	-	-	-	4.01
Fair valuation of Financial Assets	7.74	60.41	(0.20)	-	(87.32)	(27.11)	(19.37)
Fair valuation of Derivatives	668.13	(662.79)	-	-	-	(662.79)	5.34
Property, Plant and Equipment and Intangible assets	(2,786.60)	29.42	46.60	(24.39)	169.71	221.34	(2,565.26)
Adjustment of effective interest rate on Borrowings	(366.63)	(85.53)	-	-	0.21	(85.32)	(451.95)
Special Reserve u/s 36(1)(viii)	-	(0.76)	-	(97.94)	-	(98.70)	(98.70)
Total	6,921.02	1,322.85	35.92	(122.33)	(730.09)	506.35	7,427.37

Recognition of deferred taxes are evaluated by Board in respective board meetings of Group companies.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

43. Components of deferred tax (Continued) 43.1. Deductible temporary differences, unused tax losses and unused tax credits on which deferred tax asset is not recognised in balance sheet As at 31-Mar-2022

Financial Year to which the loss related to	Deductible temporary differences		Unused tax losses						Unused tax credits		
	Amount	Expiry year-financial year	Unabsorbed depreciation financial year	Amount	Unabsorbed long term capital losses financial year	Amount	Unabsorbed business losses financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year
FY 2021-22	416.26	Not applicable	No expiry	-	FY 2029-30	5,650.13	FY 2029-30	3,555.25	57.49	No expiry	-
FY 2021-22	-	-	No expiry	-	-	25.32	FY 2026-27	25.32	-	-	-
FY 2020-21	9,914.55	Not applicable	No expiry	4,203.57	FY 2028-29	5,884.09	FY 2028-29	10,135.30	23.59	No expiry	-
FY 2020-21	-	-	-	-	-	22.45	FY 2025-26	22.45	-	-	-
FY 2019-20	1,773.80	Not applicable	No expiry	-	-	5,102.15	FY 2027-28	5,139.60	18.90	No expiry	-
FY 2019-20	-	-	-	-	-	13.76	FY 2024-25	13.76	-	-	-
FY 2018-19	55.32	Not applicable	No expiry	-	-	3,401.02	FY 2026-27	3,446.83	-	-	-
FY 2018-19	-	-	-	-	-	10.37	FY 2023-24	10.37	-	-	-
FY 2018-19	-	-	-	-	-	398.65	No expiry	398.65	-	-	-
FY 2017-18	84.56	Not applicable	No expiry	-	-	2,708.44	FY 2025-26	2,724.51	-	-	-
FY 2017-18	-	-	-	-	-	167.53	No expiry	167.53	-	-	-
FY 2016-17	-	-	No expiry	-	-	2,162.11	FY 2024-25	2,162.93	-	-	-
FY 2016-17	-	-	-	-	-	-	FY 2021-22	-	-	-	-
FY 2015-16	-	-	No expiry	-	-	1,686.29	FY 2023-24	1,687.15	-	-	-
FY 2014-15	-	-	-	-	-	604.13	FY 2022-23	604.13	-	-	-
FY 2013-14	-	-	-	-	-	-	FY 2021-22	-	-	-	-
Total	12,244.49			4,203.57		27,836.44		30,093.78			99.98

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

43. Components of deferred tax (Continued) 43.1. Deductible temporary differences, unused tax losses and unused tax credits on which deferred tax asset is not recognised in balance sheet (Continued) As at 31-Mar-2021

Financial Year to which the loss related to	Deductible temporary differences		Unused tax losses						Unused tax credits		
	Amount	Expiry year-financial year	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	
FY 2020-21	4,487.92	Not applicable	64.49	No expiry	3,821.98	FY 2028-29	17,088.74	FY 2028-29	20,975.21	23.59	No expiry
FY 2020-21	-	-	-	-	-	-	21.73	FY 2025-26	21.73	-	-
FY 2019-20	1,773.80	Not applicable	37.45	No expiry	-	-	8,506.08	FY 2027-28	8,543.53	18.90	No expiry
FY 2019-20	-	-	-	-	-	-	10.08	FY 2024-25	10.08	-	-
FY 2018-19	55.32	Not applicable	52.85	No expiry	-	-	3,405.07	FY 2026-27	3,457.92	-	-
FY 2018-19	-	-	-	-	-	-	13.68	FY 2023-24	13.68	-	-
FY 2018-19	-	-	-	-	-	-	387.50	No expiry	387.50	-	-
FY 2017-18	84.56	Not applicable	20.01	No expiry	-	-	2,922.43	FY 2025-26	2,942.44	-	-
FY 2017-18	-	-	-	-	-	-	667.80	No expiry	667.80	-	-
FY 2016-17	-	-	1.66	No expiry	-	-	2,388.56	FY 2024-25	2,390.22	-	-
FY 2016-17	-	-	-	-	-	-	73.44	FY 2021-22	73.44	-	-
FY 2015-16	-	-	0.87	No expiry	-	-	1,686.29	FY 2023-24	1,687.16	-	-
FY 2014-15	-	-	-	-	-	-	604.13	FY 2022-23	604.13	-	-
FY 2013-14	-	-	-	-	-	-	650.59	FY 2021-22	650.59	-	-
Total	6,401.60		177.33		3,821.98		38,426.12		42,425.43	42.49	

44. Earnings per share (EPS)

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:

Particulars	2021-22	2020-21
Profit/(loss) for the year attributable to owners of the parent	1,887.84	2,653.36
Weighted average number of equity shares for calculating basic EPS	893,981,653	889,951,721
Number of dilutive potential equity shares	792,995	3,799,386
Weighted average number of equity shares for calculating diluted EPS	894,774,648	893,751,107
Earnings per share (EPS) (Face value ₹ 1 each)		
Basic earnings share (in ₹)	2.11	2.98
Dilutive earning per share (in ₹)	2.11	2.97

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

46. Transfer of Financials Asset

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

Particulars	2021-22	2020-21
Securitisations		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	9,691.07	9,136.85
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	9,376.04	8,495.41
Fair value of assets	10,256.62	8,972.13
Fair value of associated liabilities	9,529.05	8,509.85
Net position at fair value	727.57	462.28

47. Unconsolidated structured entities

The Group has exposure to certain unconsolidated structured entities being securitisation trusts, alternative investment funds and similar funds. The Group is involved in setting up of these structured entities and generally, acts as the investment manager. However, the Group can be removed by certain specified majority of the investors. Further, the Group does not have significant exposure to variability of returns and its remuneration is commensurate to the services provided. Therefore, these structured entities are not consolidated by the Group.

The following tables show the carrying amount of the Group's recorded interest in its consolidated balance sheet as well as the maximum exposure to risk (as defined in below) due to these exposures in the unconsolidated structured entities:

Particulars	31-Mar-22			Maximum exposure ¹
	Securitisations trusts	Alternative Investment Funds	Total	
Loans	918.28	-	918.28	918.28
Trade Receivables	3,996.28	609.81	4,606.09	4,606.09
Investments	36,776.04	2,991.06	39,767.10	39,767.10
Total Assets	41,690.60	3,600.87	45,291.47	45,291.47
Off-balance sheet exposure	-	662.00	662.00	662.00
Size of the structured entity ¹	392,910.96	317,696.58	710,607.54	-
Income from the structured entity	3,267.58	3,098.32	6,365.90	-

Particulars	31-Mar-21			Maximum exposure ¹
	Securitisations trusts	Alternative Investment Funds	Total	
Loans	923.29	-	923.29	923.29
Trade Receivables	4,386.02	96.46	4,482.48	4,482.48
Investments	47,730.65	4,386.46	52,117.11	52,117.11
Total Assets	53,039.96	4,482.92	57,522.88	57,522.88
Off-balance sheet exposure	-	2,379.10	2,379.10	2,379.10
Size of the structured entity ¹	406,080.17	352,502.15	758,582.32	-
Income from the structured entity	5,939.40	1,932.18	7,871.58	-

¹ In the above table, the size of the structured entity refers to the corpus in case of securitisation trusts and to the assets under management in case of alternative investment funds. For loans, trade receivables and investments in structured entities, the carrying value reflects the Group's maximum exposure to loss.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

48. Disclosure of interest in other entities:

1. Details of non wholly owned subsidiaries that have material non-controlling interests.

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests held by non-controlling interests	Profit/(loss) allocated to non-controlling interests	
			31-Mar-22	31-Mar-21
Edelweiss Asset Reconstruction Company Limited	India	40.18%	1,014.73	745.50
Edelweiss Tokio life insurance Company Limited	India	34.00%	(948.07)	(1,012.82)

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

Edelweiss Asset Reconstruction Company Limited	As at 31-Mar-2022	As at 31-Mar-2021
Financial assets	60,210.54	58,950.25
Non-financial assets	577.91	377.45
Financial liabilities	33,653.68	36,285.22
Non-financial liabilities	2,378.22	822.62
Equity attributable to owners of the company	17,099.89	15,516.48
Non-controlling interest	7,656.66	6,703.38

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	8,992.70	8,673.60
Total income	8,992.70	8,673.82
Total expenses	5,563.07	6,221.57
Profit / (loss) before tax	3,429.63	2,452.25
Tax expense	902.91	595.93
Profit / (loss) for the year	2,526.72	1,856.32
Total comprehensive income / (loss)	2,523.20	1,855.79
Profit / (loss) for the year attributable to owners of the parent	1,511.99	1,110.82
Profit / (loss) for the year attributable non-controlling interests	1,014.73	745.50

Edelweiss Tokio life insurance Company Limited	As at 31-Mar-2022	As at 31-Mar-2021
Cash flows (used) / generated from operating activities	9,905.03	7,971.82
Cash flows (used) / generated from investing activities	(877.07)	3,272.35
Cash flows (used) / generated from financial activities	(7,256.37)	(13,034.00)
Net cash inflow/(outflow)	1,771.59	(1,789.83)

Edelweiss Tokio life insurance Company Limited	As at 31-Mar-2022	As at 31-Mar-2021
Financial assets	60,448.75	47,249.24
Non-financial assets	4,707.40	4,963.33
Financial liabilities	4,371.77	3,822.91
Non-financial liabilities	54,590.19	43,028.79
Equity attributable to owners of the company	4,088.17	2,734.04
Non-controlling interest	2,106.02	2,626.83

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

48. Disclosure of interest in other entities: (Continued)

1. Details of non wholly owned subsidiaries that have material non-controlling interests. (Continued)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2021
Revenue from operations	19,008.52	18,636.09
Total income	19,027.24	18,663.74
Total expenses	21,086.81	20,730.71
Profit / (loss) before tax	(2,059.57)	(2,066.97)
Tax expense	-	-
Profit / (loss) for the year	(2,059.57)	(2,066.97)
Total comprehensive income / (loss)	(3,010.04)	(2,127.44)
Profit / (loss) for the year attributable to owners of the parent	(1,111.50)	(1,054.15)
Profit / (loss) for the year attributable non-controlling interests	(948.07)	(1,012.82)
Cash flows (used) / generated from operating activities	5,452.67	4,870.33
Cash flows (used) / generated from investing activities	(9,059.31)	(4,943.81)
Cash flows (used) / generated from financial activities	3,683.05	(116.15)
Net cash inflow/(outflow)	76.41	(189.63)

2. Details of associate*

Edelweiss Securities Limited - Consolidated (w.e.f. 27 March 2021)	As at 31-Mar-2022	As at 31-Mar-2021
Financial assets	101,999.97	70,180.71
Non-financial assets	3,966.75	2,672.95
Financial liabilities	85,832.39	56,149.71
Non-financial liabilities	1,005.85	1,076.60
Total equity	19,128.48	15,627.35

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	16,093.95	12,901.13
Total income	16,195.19	12,984.06
Total expenses	13,170.45	11,315.77
Profit / (loss) before tax	3,024.74	1,668.29
Other exceptional items	6,326.35	(5,912.77)
Profit / (loss) before tax and after exceptional items	9,351.09	(4,244.48)
Tax expense	779.76	583.56
Profit / (loss) for the year	8,571.33	(4,828.04)
Total comprehensive income / (loss)	8,571.53	(4,679.03)
Share in profit / (loss) of associates	966.54	(6.35)
Share in profit / (loss) of associates in other comprehensive income	(1.94)	1.85
Cash flows (used) / generated from operating activities	(14,252.50)	(9,896.95)
Cash flows (used) / generated from investing activities	(1,529.78)	(931.95)
Cash flows (used) / generated from financial activities	22,093.20	7,335.92
Net cash inflow/(outflow)	6,310.92	(3,492.98)

* Refer Note 58

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

49. Retirement benefit plan

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

Amount of ₹ 341.89 million (Previous year: ₹ 474.00 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:

Particulars	2021-22	2020-21
Current service cost	81.38	124.82
Interest on defined benefit obligation	5.43	10.09
Past service cost	-	2.28
Exchange rate adjustment	0.11	(0.06)
Total included in 'Employee benefits expense'	86.92	137.13

Movement in Other Comprehensive Income:

Particulars	2021-22	2020-21
Balance at start of year (Loss)/ Gain		
Re-measurements on define benefit obligation (DBO)	(31.48)	(74.75)
a. Actuarial (Loss)/ Gain from changes in financial assumptions	(1.53)	(14.80)
b. Actuarial (Loss)/ Gain from experience over the past year	(35.86)	(6.74)
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	12.49	90.00
Effect of acquisition/ (divestiture)	1.56	9.93
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)	(32.40)	(35.12)
Balance at end of year (Loss)/ Gain	(87.22)	(31.48)

Balance sheet

Reconciliation of defined benefit obligation (DBO) :

Particulars	2021-22	2020-21
Present value of DBO at the beginning of the year	488.67	729.60
Acquisition/ (Divestiture)	(1.04)	(337.04)
Interest cost	23.91	41.85
Current service cost	81.38	124.82
Benefits paid	(92.21)	(94.32)
Past service cost	-	2.28
Actuarial (gain)/loss	37.39	21.54
Transfer (out)/in	0.63	-
Exchange Rate Adjustment	0.11	(0.06)
Present value of DBO at the end of the year	538.84	488.67

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

49. Retirement benefit plan (Continued)

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

Reconciliation of fair value of plan assets:

Particulars	2021-22	2020-21
Fair value of plan assets at the beginning of the year	434.78	573.50
Contributions by Employer	76.00	93.49
Benefits paid	(91.06)	(94.32)
Interest income	20.90	32.42
Acquisition/ (Divestiture)/Curtailment	-	(260.31)
Return on plan asset excluding amount included in net interest on the net defined benefit liability/ (asset)	12.49	90.00
Fair value of plan assets at the end of the year	453.11	434.78

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

Particulars	2022	2021	2020	2019	2018
Present value of DBO	(538.84)	(488.67)	(729.60)	(625.53)	(487.60)
Fair value of plan assets at the end of the year	453.11	434.78	573.50	506.53	348.42
Net Liability	(85.73)	(53.89)	(156.10)	(119.00)	(139.18)
Less: Effect of limiting net assets to asset ceiling	(83.01)	(47.36)	(11.56)	(6.45)	(5.96)
Liability recognised in the balance sheet	(168.74)	(101.25)	(167.66)	(125.45)	(145.14)

Experience adjustments:

	2022	2021	2020	2019	2018
On plan liabilities: loss / (gain)	35.86	6.74	(34.66)	18.12	(13.07)

Principal actuarial assumptions at the balance sheet date:

Particulars	2021-22	2020-21
Discount rate	6%	5%
Salary escalation	7%	7%
Employees attrition rate	16%	25%
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	98%	98%
Cash and cash equivalents	2%	2%
Total	100%	100%

Sensitivity Analysis for 2022:

Assumptions	Discount rate		Future salary increases	
	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Sensitivity Level				
Impact on defined benefit obligation	(23.84)	26.07	25.49	(23.77)

Sensitivity Analysis for 2021:

Assumptions	Discount rate		Future salary increases	
	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Sensitivity Level				
Impact on defined benefit obligation	(29.55)	31.78	30.84	(29.26)

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

50. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	As at 31-Mar-2022			As at 31-Mar-2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
(a) Cash and cash equivalents	19,885.63	-	19,885.63	38,985.15	-	38,985.15
(b) Bank balances other than cash and cash equivalents	7,427.14	3,076.20	10,503.34	5,659.64	2,957.27	8,616.91
(c) Derivative financial instruments	685.22	-	685.22	2,902.03	-	2,902.03
(d) Stock in trade (securities held for trading)	15,100.07	18.04	15,118.11	15,727.80	18.96	15,746.76
(e) Trade Receivables	2,885.67	1,806.04	4,691.71	3,057.13	2,003.36	5,060.49
(f) Loans	59,488.45	140,567.71	200,056.16	55,199.99	169,345.47	224,545.46
(g) Investments	38,155.80	88,119.09	126,274.89	34,977.31	78,095.71	113,073.02
(h) Other financial assets	6,912.51	4,122.72	11,035.23	11,423.86	1,204.21	12,628.07
Total financial assets (A)	150,540.49	237,709.80	388,250.29	167,932.91	253,624.98	421,557.89
Non-financial assets						
(a) Reinsurance assets	-	3,432.77	3,432.77	-	3,393.36	3,393.36
(b) Current tax assets (net)	520.88	8,391.92	8,912.80	1,221.48	5,996.66	7,218.14
(c) Deferred tax assets (net)	0.20	10,645.41	10,645.61	7.46	9,577.53	9,584.99
(d) Investment property	-	3,034.26	3,034.26	-	3,394.63	3,394.63
(e) Property, Plant and Equipment	8.96	11,062.81	11,071.77	0.09	12,281.18	12,281.27
(f) Capital work in progress	0.57	-	0.57	7.93	-	7.93
(g) Intangible assets under development	36.33	159.37	195.70	1.32	122.85	124.17
(h) Goodwill	-	663.35	663.35	-	663.35	663.35
(i) Other Intangible assets	124.48	1,079.69	1,204.17	-	1,467.74	1,467.74
(j) Other non- financial assets	1,574.44	2,892.07	4,466.51	1,719.00	2,087.66	3,806.66
Total non-financial assets (B)	2,265.86	41,361.65	43,627.51	2,957.28	38,984.96	41,942.24
TOTAL ASSETS (C = A+B)	152,806.35	279,071.45	431,877.80	170,890.19	292,609.94	463,500.13

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

50. Maturity analysis of assets and liabilities (Continued)

Particulars	As at 31-Mar-2022			As at 31-Mar-2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES						
Financial liabilities						
(a) Derivative financial instruments	2,044.07	215.82	2,259.89	1,620.56	224.95	1,845.51
(b) Trade Payables	12,760.67	140.60	12,901.27	4,396.63	498.15	4,894.78
(c) Insurance claims payable	345.28	-	345.28	194.41	-	194.41
(d) Debt securities	35,392.87	119,664.17	155,057.04	55,292.93	119,565.61	174,858.54
(e) Borrowings (other than debt securities)	40,550.03	16,000.63	56,550.66	54,383.78	39,934.41	94,318.19
(f) Deposits	15.60	-	15.60	96.01	-	96.01
(g) Subordinated Liabilities	500.00	14,986.53	15,486.53	-	15,087.75	15,087.75
(h) Other financial liabilities	13,327.54	37,245.68	50,573.22	10,406.75	34,800.42	45,207.17
Total financial liabilities (D)	104,936.06	188,253.43	293,189.49	126,391.07	210,111.29	336,502.36
Non-financial liabilities						
(a) Current tax liabilities (net)	147.85	26.09	173.94	237.28	15.72	253.00
(b) Provisions	178.93	316.47	495.40	975.43	143.12	1,118.55
(c) Provision for policyholders' liabilities	-	55,288.34	55,288.34	-	43,549.30	43,549.30
(d) Deferred tax liabilities (net)	-	2,166.41	2,166.41	0.38	2,157.24	2,157.62
(e) Other non-financial liabilities	4,403.27	237.75	4,641.02	3,135.67	13.68	3,149.35
Total non-financial liabilities (E)	4,730.05	58,035.06	62,765.11	4,348.76	45,879.06	50,227.82
TOTAL LIABILITIES (F = D+E)	109,666.11	246,288.49	355,954.60	130,739.83	255,990.35	386,730.18
NET TOTAL ASSETS / (LIABILITIES) (C-F)	43,140.24	32,782.96	75,923.20	40,150.36	36,619.59	76,769.95

51. Changes in liabilities arising from financing activities

Particulars	01-Apr-21	Cash flows	Changes in fair values	Exchange difference	Others**	31-Mar-22
Borrowings*	284,360.49	(60,850.69)	-	-	3,600.03	227,109.83
Total liabilities from financing activities	284,360.49	(60,850.69)	-	-	3,600.03	227,109.83

Particulars	01-Apr-20	Cash flows	Changes in fair values	Exchange difference	Others**	31-Mar-21
Borrowings*	366,573.39	(89,797.69)	-	-	7,584.79	284,360.49
Total liabilities from financing activities	366,573.39	(89,797.69)	-	-	7,584.79	284,360.49

* Comprises of Debt securities, Deposits, Subordinated Liabilities and other borrowings.

** Refers to interest expense for the year incurred by entities other than non-banking financial companies in the group.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

52. Contingent liabilities, commitments and leasing arrangements:

52.1 Contingent liabilities and commitments

a) Contingent liabilities

- o Taxation matters in respect of which appeal is pending ₹ 1,079.99 million (Previous year: ₹ 1,175.54 million).
- o Litigation pending against Group amounts to ₹ 326.67 million (Previous year: ₹ 259.51 million).
- o Claims not acknowledged as debt ₹ 2.54 million (Previous year: ₹ 2.54 million).

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.

Note - The Group's pending litigations mainly comprise of claims against the 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 Group believes that the outcome of these proceedings will not have a materially adverse effect on the Group financial position and results of operations.

Corporate/other guarantee not acknowledged as debt:

Corporate/other guarantee given by the Company on behalf of its associate companies and to third party which is outstanding as at 31 March 2022 and 31 March 2021 is given below:

Particulars	As at 31 March 2022	As at 31 March 2021
Guarantee to trustees and others for non convertible debentures and other borrowings	13.98	14.59
Guarantee to Banks for loan taken	895.00	695.00
Total	908.98	709.59

b) Commitments

- o Undrawn committed credit lines subject to meeting of conditions, ₹ 1,303.43 million as at balance sheet date (Previous year: ₹ 5,401.60 million).
- o Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 261.37 million (Previous year: ₹ 178.60 million).
- o Uncalled liabilities on investments ₹ 3,860.55 million (Previous year: ₹ 4,126.35 million).

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

52. Contingent liabilities, commitments and leasing arrangements: (Continued)

52.2. Leases

1) 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	800.22	2,398.43
Addition / disposal during year	60.78	(1,454.82)
Accretion of interest	69.27	93.26
Lease payment for the year	(364.26)	(236.65)
Closing balance as at	566.01	800.22

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

Particulars	Mar-22	Mar-21
Depreciation on ROU of assets	217.97	215.25
Reversal of lease pre-closure	(131.23)	52.83
Interest cost	69.64	93.26
Expenses related to short term lease	76.32	213.70

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

(A) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise

Mr. Rashesh Shah
Mr. Venkatchalam Ramaswamy
Ms. Vidya Shah
Ms. Aparna T.C.

(B) Key Management Personnel

Mr. Rashesh Shah - Chairman
Mr. Venkatchalam Ramaswamy - Vice Chairman & Executive Director
Mr. Himanshu Kaji - Executive Director
Mr. Rujan Panjwani - Executive Director
Mr. S. Ranganathan - Chief Financial Officer (up to 31 October 2020)
Mr. Sarju Simaria - Chief Financial Officer (w.e.f. 01 November 2020 upto 28 February 2022)
Ms. Ananya Suneja - Chief Financial Officer (from 01 March 2022)
Mr. Tarun Khurana (from 23 April 2021)
Mr. B. Renganathan (upto 23 April 2021)

(C) Relatives of individuals exercising significant influence and relatives of KMP, with whom transactions have taken place

Ms. Kaavya Venkat
Ms. Shilpa Mody
Ms. Sejal Premal Parekh
Mr. A V Ramaswamy
Ms. Sneha Sripad Desai
Mr. Neel Shah
Ms. Avanti Shah
Ms. Shabnam Panjwani

(D) Enterprises over which Promoter / KMPs / Relatives exercise significant influence, with whom transactions have taken place

Spire Investment Advisors LLP
Mabella Investment Adviser LLP
Shah Family Discretionary Trust
Kenai Advisors LLP

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

53. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)

(E) Associates with whom transactions have taken place

Edelweiss Securities Limited (w. e. f. 27th March 2021)

Subsidiaries of Edelweiss Securities Limited

Edelweiss Finance & Investments Limited

Edelweiss Broking Limited

Edelweiss Custodial Services Limited

Edelweiss Securities (Hong Kong) Private Limited

Edelweiss Investment Advisors Private Limited

Edelweiss Financial Services Inc

Edelweiss Financial Services (UK) Limited

Edelweiss Securities (IFSC) Limited

ESL Securities Limited

(F) Independent Directors

Mr. Berjis Desai (upto 6 November 2021)

Mr. Biswamohan Mahapatra

Mr. Kunnasagaran Chinniah

Mr. Navtej S. Nandra

Mr. P N Venkatachalam

Mr. Ashok Kini

Dr. Ashima Goyal

(G) Other Directors

Ms. Anita M George (upto 13 July 2020)

Transactions and balances with Related Parties:

Sr. No	Nature of Transaction	Related Party Name	31-Mar-22	31-Mar-21
1	Short term loans given to	Mr. Venkatchalam Ramaswamy	-	12.37
		Ms. Aparna T. C.	178.01	649.72
		Mabella Investment Advisor LLP	291.29	1,036.39
		Kenai Advisors LLP	44.51	36.88
2	Redemption of Preferenc Share (including premium and dividend)	Mr. Rujan Panjwani	-	3.84
		Ms. Shabnam Panjwani	-	1.67
3	Short term loans given repaid by	Mr. Venkatchalam Ramaswamy	-	22.12
		Ms. Aparna T. C.	197.81	412.97
		Mabella Investment Advisor LLP	562.28	1,063.09
		Kenai Advisors LLP	0.01	37.09
		Mr. S. Ranganathan	-	5.00
4	Dividend paid on Equity Shares	Mr. Rashesh Shah	211.12	-
		Mr. Venkatchalam Ramaswamy	84.28	-
		Ms. Vidya Shah	45.00	-
		Shah Family Discretionary Trust	56.19	-
		Spire Investment Advisors LLP	4.64	-
		Ms. Aparna T. C.	17.70	-
		Ms. Kaavya Venkat	17.10	-
	Mr. Rujan Panjwani	16.97	-	

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

53. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)

Transactions and balances with Related Parties: (Continued)

Sr. No	Nature of Transaction	Related Party Name	31-Mar-22	31-Mar-21
4	Dividend paid on Equity Shares (Continued)			
		Mr. Himanshu Kaji	4.28	-
		Ms. Sneha Sripad Desai	1.49	-
		Ms. Shilpa Mody	1.38	-
		Ms. Sejal Premal Parekh	1.38	-
		Ms. Shabnam Panjwani	0.93	-
		Mr. A V Ramaswamy	0.07	-
		Mr. Navtej S. Nandra	11.56	-
		Ms. Avanti Shah	2.90	-
		Mr. P. N. Venkatachalam	0.39	-
		Mr. Neel Shah	2.90	-
		Mr. Tarun Khurana	0.09	-
		Mr. Kunnasagaran Chinniah	0.29	-
		Mr. B. Renganathan	0.08	-
5	Interest income on loan from			
		Mr. Venkatchalam Ramaswamy	-	0.23
		Ms. Aparna T. C.	24.21	24.72
		Mabella Investment Advisor LLP	31.59	69.93
		Kenai Advisors LLP	0.31	1.37
		Mr. S. Ranganathan	-	0.21
6	Remuneration to			
		Mr. Rashesh Shah	86.77	11.48
		Mr. Rujan Panjwani	62.06	11.29
		Mr. Himanshu Kaji	41.59	10.77
		Mr. Venkatchalam Ramaswamy	65.58	9.36
		Ms. Shabnam Panjwani	2.83	8.29
		Ms. Vidya Shah	31.21	1.84
		Mr. Sarju Simaria	18.42	4.55
		Mr. S. Ranganathan	-	5.79
		Mr. Tarun Khurana	7.50	-
		Ms. Ananya Suneja	21.99	-
		Mr. B. Renganathan	2.64	9.03
7	Sitting fees paid to			
		Mr. Berjis Desai	0.28	0.52
		Mr. Biswamohan Mahapatra	0.98	0.86
		Mr. Kunnasagaran Chinniah	2.74	1.66
		Mr. Navtej S. Nandra	1.08	0.78
		Mr. P N Venkatachalam	2.14	2.20
		Mr. Dr. Ashima Goyal	0.12	0.12
		Mr. Ashok Kini	0.12	0.30

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

53. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)

Transactions and balances with Related Parties: (Continued)

Sr. No	Nature of Transaction	Related Party Name	31-Mar-22	31-Mar-21
8	Commission paid to	Mr. Berjis Desai	2.00	0.50
		Mr. Biswamohan Mahapatra	2.00	0.50
		Mr. Kunnasagaran Chinniah	4.50	0.50
		Mr. Navtej S. Nandra	4.50	0.50
		Mr. P N Venkatachalam	3.00	0.50
		Dr. Ashima Goyal	2.00	0.50
		Mr. Ashok Kini	2.00	0.50
		Ms. Vidya Shah	2.00	-
9	Branding fees received from	Edelweiss Securities Limited	40.48	0.34
10	Commission and brokerage paid to	Edelweiss Securities Limited	384.59	0.48
		Edelweiss Broking Limited	132.34	-
11	Other service charges paid to	Edelweiss Custodial Services Limited	308.85	0.15
		Edelweiss Securities Limited	0.05	-
12	Shared Premises Cost paid to	Edelweiss Broking Limited	2.10	-
		Edelweiss Custodial Services Limited	13.19	-
13	Commission and brokerage received from	Edelweiss Finance & Investments Limited	14.24	0.08
14	Insurance Premium Income	Edelweiss Broking Limited	65.99	-
		Edelweiss Custodial Services Limited	5.56	-
		Edelweiss Finance & Investments Limited	11.76	-
		Edelweiss Securities (IFSC) Limited	0.23	-
		Edelweiss Securities Limited	17.06	-
		ESL Securities Limited	2.94	-
15	Business support service charges from	Edelweiss Broking Limited	2.97	-
		Edelweiss Custodial Services Limited	0.26	-
		Edelweiss Finance & Investments Limited	0.87	-
		Edelweiss Securities Limited	268.18	-
		ESL Securities Limited	0.04	-
16	Investments in Debt securities	Edelweiss Broking Limited	504.19	-
		ESL Securities Limited	64.63	-
		Edelweiss Finance & Investments Limited	0.29	-
17	Purchase of Securities	Edelweiss Finance & Investments Limited	860.08	-
		Edelweiss Securities Limited	1,958.44	-
18	Redemption of investment	Edelweiss Finance & Investments Limited	219.97	-

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

53. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)

Transactions and balances with Related Parties: (Continued)

Sr. No	Nature of Transaction	Related Party Name	31-Mar-22	31-Mar-21
19	Corporate Guarantee support fee income	Edelweiss Finance & Investments Limited	1.44	0.02
20	Rating Support Fees Income	Edelweiss Broking Limited	0.02	-
		Edelweiss Custodial Services Limited	0.03	-
		Edelweiss Finance & Investments Limited	0.13	-
		Edelweiss Securities Limited	0.03	-
21	Rental income from	Edelweiss Broking Limited	2.61	-
		Edelweiss Custodial Services Limited	166.89	-
		Edelweiss Finance & Investments Limited	0.23	-
		Edelweiss Securities Limited	12.93	-
22	Cost reimbursement received from	Edelweiss Broking Limited	5.44	3.31
		Edelweiss Custodial Services Limited	9.68	5.94
		Edelweiss Finance & Investments Limited	1.75	0.69
		Edelweiss Securities Limited	22.08	1.99
		ESL Securities Limited	0.10	0.05
		Edelweiss Investment Advisors Pte. Limited	17.35	-
		Edelweiss Securities (IFSC) Limited	-	0.18
23	Cost reimbursement paid to	Edelweiss Broking Limited	405.46	0.06
		Edelweiss Custodial Services Limited	26.86	0.03
		Edelweiss Securities Limited	396.46	2.78
		Edelweiss Finance & Investments Limited	0.96	-
24	Equity segment payin	Edelweiss Securities Limited	49,791.67	616.32
		Edelweiss Finance & Investments Limited	17,178.40	-
25	Equity segment payout	Edelweiss Securities Limited	47,856.85	1,192.42
		Edelweiss Finance & Investments Limited	15,522.07	-
26	ESOP/SAR charges received from	Edelweiss Custodial Services Limited	-	0.01
		Edelweiss Securities Limited	-	0.53
		ESL Securities Limited	-	0.07
		Edelweiss Finance & Investments Limited	1.00	-
		Edelweiss Investment Advisors Pte. Limited	0.65	-
27	ESOP/SAR charges paid to	Edelweiss Custodial Services Limited	1.02	-
		Edelweiss Securities Limited	114.30	-
		ESL Securities Limited	0.24	-
		Edelweiss Broking Limited	6.96	-

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

53. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)

Transactions and balances with Related Parties: (Continued)

Sr. No	Nature of Transaction	Related Party Name	31-Mar-22	31-Mar-21
28	Fee & commision expenses paid to	Edelweiss Broking Limited	189.33	9.15
		Edelweiss Financial Services Inc.	163.78	-
		Edelweiss Securities Limited	25.20	2.10
		Edelweiss Custodial Services Limited	-	0.84
29	Financial charges paid to	Edelweiss Broking Limited	1,164.32	-
30	Purchase of property, plant and equipments	Edelweiss Broking Limited	0.12	-
		Edelweiss Custodial Services Limited	0.15	-
		Edelweiss Finance & Investments Limited	1.93	-
		Edelweiss Securities Limited	1.05	-
31	Sale of property, plant and equipments	Edelweiss Broking Limited	0.59	5.64
		Edelweiss Custodial Services Limited	0.00	0.14
		Edelweiss Finance & Investments Limited	1.25	-
		Edelweiss Investment Advisors Pte. Limited	0.12	-
		Edelweiss Securities Limited	7.69	-
		ESL Securities Limited	0.14	-
32	Donation received from	Edelweiss Custodial Services Limited	30.10	-
		Edelweiss Finance & Investments Limited	3.23	-
		Edelweiss Securities Limited	3.35	-
33	Interest income on loan from	Edelweiss Broking Limited	43.86	0.10
		Edelweiss Finance & Investments Limited	162.73	4.25
34	Interest income on margin placed with	Edelweiss Custodial Services Limited	18.12	0.16
35	Interest expense on margin shortfall paid to	Edelweiss Custodial Services Limited	-	4.16
36	Interest income on debt & securities	Edelweiss Finance & Investments Limited	20.83	-
37	Interest expense on debt & securities	Edelweiss Finance & Investments Limited	4.18	0.27
38	Loans and advances given that are repaid	Edelweiss Broking Limited	2,200.00	120.00
		Edelweiss Finance & Investments Limited	3,355.00	-
39	Loans and advances given during the year	Edelweiss Broking Limited	2,200.00	-

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

53. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)

Transactions and balances with Related Parties: (Continued)

Sr. No	Nature of Transaction	Related Party Name	31-Mar-22	31-Mar-21
40	Margin placed with	Edelweiss Custodial Services Limited	73,319.06	7,781.02
		Edelweiss Broking Limited	480.54	-
		Edelweiss Securities Limited	100.50	-
41	Margin placed by	Edelweiss Finance & Investments Limited	-	5.13
42	Margin repaid by	Edelweiss Custodial Services Limited	73,509.70	6,898.95
		Edelweiss Broking Limited	479.48	-
		Edelweiss Securities Limited	86.00	-
43	Margin repaid to	Edelweiss Finance & Investments Limited	106.64	0.13
		Edelweiss Custodial Services Limited	0.47	-
44	Sale of securities to	Edelweiss Finance & Investments Limited	3,971.87	10.58
		Edelweiss Broking Limited	630.38	-
45	Security deposit received from	Edelweiss Custodial Services Limited	148.87	-
		Edelweiss Securities Limited	7.33	-
46	Security deposit repaid to	Edelweiss Custodial Services Limited	64.43	-

Transactions and balances with Related Parties:

Sr. No	Balances	Related Party Name	31-Mar-22	31-Mar-21
Balances with Related Parties				
1	Short Term Loan Given to	Ms. Aparna T. C.	223.06	242.87
		Mabella Investment Advisor LLP	225.16	496.16
		Kenai Advisors LLP	44.50	0.01
2	Non convertible debentures held by	Edelweiss Broking Limited	550.00	-
		Edelweiss Finance & Investments Limited	176.39	-
3	Investment in Equity Shares of	Edelweiss Securities Limited	2,428.59	124.52
4	Investments in Debt securities	Edelweiss Finance & Investments Limited	1.77	-
5	Accrued interest income on margin placed with	Edelweiss Custodial Services Limited	6.59	7.91
6	Accrued interest expenses on debentures issued to	Edelweiss Finance & Investments Limited	0.04	0.28
7	Contract liability	Edelweiss Broking Limited	92.77	-
8	Contract Asset	Edelweiss Financial Services Inc.	515.92	-

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

53. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)

Transactions and balances with Related Parties: (Continued)

Sr. No	Balances	Related Party Name	31-Mar-22	31-Mar-21
9	Corporate guarantee given to	Edelweiss Custodial Services Limited	8,950.00	14,500.00
		Edelweiss Finance & Investments Limited	139.77	145.79
10	Interest accrued on loan give to	Edelweiss Broking Limited	-	2.01
		Edelweiss Finance & Investments Limited	-	7.32
11	Margin placed by	Edelweiss Finance & Investments Limited	-	5.00
12	Margins receivable from clients	Edelweiss Custodial Services Limited	1,277.96	1,537.02
		Edelweiss Securities Limited	0.10	-
13	Debentures issued to	Edelweiss Finance & Investments Limited	-	90.38
14	Short term loans given to	Edelweiss Finance & Investments Limited	-	3,355.00
15	Trade & other payable to	Edelweiss Broking Limited	362.26	55.35
		Edelweiss Custodial Services Limited	279.67	73.83
		Edelweiss Finance & Investments Limited	1,841.51	22.64
		Edelweiss Financial Services Inc.	0.45	0.70
		Edelweiss Securities (IFSC) Limited	0.03	0.06
		Edelweiss Securities Limited	129.49	82.00
		ESL Securities Limited	1.00	1.97
16	Trade and other receivable from	Edelweiss Broking Limited	27.25	55.71
		Edelweiss Custodial Services Limited	23.31	9.31
		Edelweiss Finance & Investments Limited	1.91	11.82
		Edelweiss Financial Services Inc.	-	0.03
		Edelweiss Financial Services (UK) Limited	0.02	0.02
		Edelweiss Investment Advisors Pte. Limited	0.70	3.07
		Edelweiss Securities (Hong Kong) Private Limited	-	0.04
		Edelweiss Securities (IFSC) Limited	-	0.01
		Edelweiss Securities Limited	64.63	398.40
ESL Securities Limited	2.74	5.93		

0.00 million indicates amount less than ₹ 0.01 million

Notes:

Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and provision made for bonus which are provided for group of employees on an overall basis. These are included on cash basis.

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

54. Capital management

The Group manages the capital structure by a balanced mix of debt and equity. The Group's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The Group maintains sound capitalisation both from an economic and regulatory perspective. The Group continuously monitors and adjusts overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives. These perspectives include specific capital requirements from rating agencies.

Capital structure includes infusion in the form of equity and structured debt from strategic business partners in certain of Group's subsidiaries to fund expansion and assist in achieving expected growth in the competitive market.

No changes were made in the objectives, policies or processes during the financial years ended 31 March 2022 and 31 March 2021.

This framework is adjusted based on underlying the macro-economic factors affecting business environment, financial market conditions and interest rates environment. Group monitors capital using debt-equity ratio, which is total debt divided by total equity.

Particulars	31-Mar-22	31-Mar-21
Total Debt	227,109.83	284,360.49
Equity	75,923.20	76,769.95
Net Debt to Equity	2.99	3.70

Total debt = Debt securities + Borrowings (other than debt securities) + Deposits + Subordinated Liabilities

55. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans

Edelweiss Financial Services Limited ("EFSL" hereafter), has recognised share based payment expenses for the years ended 31 March 2022 and 31 March 2021 based on fair value as on the grant date calculated as per option pricing model. The grants represent equity-settled options under the Employee Stock Option Plans and Stock Appreciation Rights Plans (hereafter referred to as, "ESOP 2011" and "SAR 2019" or "ESOPs" "SARs").

The EFSL has granted ESOPs under the two plans viz., ESOP 2011 & SAR 2019 to its employees on an equity-settled basis as tabulated below. The ESOPs/SARs provide a right to its holders (i.e., Edelweiss group employees) to purchase one EFSL share for each option at a pre-determined strike price on the expiry of the vesting period. The ESOP/SAR hence represents an European call option that provides a right but not an obligation to the employees of the Edelweiss group to exercise the option by paying the strike price at any time on completion of the vesting period, subject to an outer boundary on the exercise period.

EFSL has granted stock options to employees of the Edelweiss group on an equity-settled basis as tabulated below.

Particulars	SAR 2019	ESOP 2011
Dates of grant	Varying	Varying
Option Type	Equity settled	Equity settled
No. of outstanding options at 31 March 2022	10,914,200	7,182,488
No. of outstanding options at 31 March 2021	16,780,500	18,260,651
No. of Equity shares represented by an option	1 share for 1 option	1 share for 1 option
Fair Value per option	Varies as per the grant date	Varies as per the grant date
Exercise Price	Varies as per the grant date	Varies as per the grant date
Vesting Period	2-6 years	1-4 years
Vesting Conditions	Service	Service

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

55. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (Continued)

The vesting of options is subject to the employee's continued employment with the Edelweiss group. The ESOPs shall vest as follows:

Particulars	SAR 2019	ESOP 2011
Duration from grant date	% options vesting	% options vesting
12 months from the grant date	-	25.00%
24 months from the grant date	33.33%	25.00%
36 months from the grant date	-	25.00%
48 months from the grant date	33.33%	25.00%
60 months from the grant date	-	-
72 months from the grant date	33.34%	-
Total	100.00%	100.00%

Plan description

Plan Name	Grant Date	Vesting Conditions	Term of Options	Payout
ESOP Plan 2011	Various	As specified in tables above	1-4 years	Equity settled
SAR Plan 2019	Various	As specified in tables above	2-6 years	Equity settled

Movement of number of Options for FY 2021-22 and 2020-21

Number of options	2021-22			2020-21		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Outstanding at the start of the year	16,780,500	18,260,651	35,041,151	11,230,000	21,126,689	32,356,689
Granted during the year*	-	-	-	6,425,500	1,956,500	8,382,000
Exercised during the year	-	(6,627,263)	(6,627,263)	-	(1,970,150)	(1,970,150)
Lapsed/ cancelled during the year	(5,866,300)	(4,450,900)	(10,317,200)	(875,000)	(2,852,388)	(3,727,388)
Outstanding at the end of the year*	10,914,200	7,182,488	18,096,688	16,780,500	18,260,651	35,041,151
Exercisable at the end of the year	-	4,030,525	4,030,525	-	11,542,051	11,542,051

*Includes, SAR 2019 345,050, ESOP Nil (Previous year SAR 2019 515,000, ESOP 2011 Nil) approved but not granted.

Weighted Average Exercise Price for FY 2021-22 and 2020-21

Weighted Average Exercise Price (₹)	31-Mar-22		31-Mar-21	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Outstanding at the start of the year	132.90	132.00	178.75	131.80
Granted during the year	-	-	61.00	61.00
Exercised during the year	-	44.70	-	35.10
Lapsed/ cancelled during the year	150.57	196.21	166.29	161.03
Outstanding at the end of the year	123.38	172.77	132.90	132.00
Exercisable at the end of the year	NA	191.57	NA	110.14
Weighted Average Share price at the exercise date	NA	44.81	NA	35.17

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

55. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (Continued)

Outstanding Options as at 31 March 2022 and 31 March 2021

Particulars	31-Mar-22		31-Mar-21	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options outstanding	10,914,200	7,182,488	16,780,500	18,260,651
Weighted average strike price (₹)	123.38	172.77	132.90	132.00
Weighted average remaining lifetime of options (in years)	2.33	0.39	2.70	0.45
Number of employees covered under the scheme	152	210	182	326

Options granted during FY 2021-22 and 2020-21

Particulars	31-Mar-22		31-Mar-21	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options granted	-	-	6,425,500	1,956,500
Weighted average strike price (in ₹)	NA	NA	61.00	61.00
Weighted average remaining lifetime of options (in years)	NA	NA	4.00	3.50
Number of employees covered under the scheme	NA	NA	155	115
Weighted Average Fair value per option (in ₹)	NA	NA	28.23	27.24
Weighted Average Intrinsic value per option (in ₹)	NA	NA	-	-

Assumptions for Fair Value for FY 2021-22 and 2020-21

Particulars	31-Mar-22		31-Mar-21	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Weighted average share price (in ₹)	123.12	175.10	132.93	133.01
Weighted average strike price (in ₹)	123.38	172.77	132.90	132.00
Weighted average remaining lifetime of options (in years)	2.33	0.39	2.70	0.45
Expected volatility (% p.a.)	56% - 72% p.a.	35% - 72% p.a.	56% - 72% p.a.	35% - 72% p.a.
Risk-free discount rate (% p.a.)	4.3% - 6.9% p.a.	4.3% - 7.8% p.a.	4.3% - 6.9% p.a.	4.3% - 8.5% p.a.
Expected dividend yield (% p.a.)	0.7% - 2.4% p.a.	0.4% - 2.4% p.a.	0.7% - 2.4% p.a.	0.4% - 3.1% p.a.

Other Disclosure

Particulars	31-Mar-22			31-Mar-21		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Charges during the year due to share based payments *	81.64	39.09	120.73	195.72	139.42	335.14
Liability due for share based payments	264.88	496.70	761.58	344.64	783.64	1,128.28
Intrinsic value of the liability above	2.50	16.06	18.56	6.51	33.76	40.27

* includes all group companies including associates

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement

56.1. 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, as explained in Note 56.4

56.2. Valuation governance :

The Group's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Group including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However Finance department is responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards

56.3. Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy. Exchange traded and OTC derivatives are at gross amount i.e. before offsetting margin money. The impact of offsetting is explained in note 10.1.

Particulars	31-Mar-22			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets)				
Exchange-traded derivatives	466.91	100.70	-	567.61
OTC derivatives	-	249.37	-	249.37
Embedded derivatives in market-linked debentures issued	-	-	20.80	20.80
Total derivative financial instruments (assets)	466.91	350.07	20.80	837.78
Stock-in-trade				
Government Securities	10,085.12	-	-	10,085.12
Debt Securities	124.07	7.81	1.77	133.65
Mutual Fund	1,377.90	-	-	1,377.90
Equity Instruments	1,063.39	-	2,458.05	3,521.44
Preference Shares	-	-	-	-
Stock-in-trade	12,650.48	7.81	2,459.82	15,118.11

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued)

56.3. Assets and liabilities by fair value hierarchy (Continued)

Particulars	31-Mar-22			
	Level 1	Level 2	Level 3	Total
Investments				
Government securities	9.28	27,429.88	-	27,439.16
Debt securities	-	9,824.99	3,022.04	12,847.03
Mutual fund units	2,539.08	-	-	2,539.08
Security receipts	-	-	33,406.65	33,406.65
Units of AIF	-	340.06	8,629.24	8,969.30
Equity instruments	13,287.93	1,763.96	617.34	15,669.23
Preference Shares	-	-	1,142.22	1,142.22
Others	1,190.22	928.78	63.87	2,182.87
Total investments measured at fair value	17,026.51	40,287.67	46,881.36	104,195.54
Loans and other financial assets measured at fair value	-	-	3,361.82	3,361.82
Property Plant and equipment	-	-	10,871.00	10,871.00
Total financial assets measured at fair value on a recurring basis	30,143.90	40,645.55	63,594.80	134,384.25

Particulars	31-Mar-21			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets)				
Exchange-traded derivatives	2,625.87	206.24	-	2,832.11
OTC derivatives	-	177.56	-	177.56
Embedded derivatives in market-linked debentures issued	-	-	23.79	23.79
Total derivative financial instruments (assets)	2,625.87	383.80	23.79	3,033.46
Stock-in-trade				
Government Securities	8,636.63	-	-	8,636.63
Debt Securities	181.88	12.90	52.15	246.93
Mutual Fund	1,136.21	-	-	1,136.21
Equity Instruments	5,721.59	-	5.40	5,726.99
Preference Shares	-	-	-	-
Stock-in-trade	15,676.31	12.90	57.55	15,746.76
Investments				
Government securities	90.17	22,963.85	-	23,054.02
Debt securities	502.63	7,423.21	1,562.76	9,488.60
Mutual fund units	2,053.87	-	-	2,053.87
Security receipts	-	-	37,472.98	37,472.98
Units of AIF	19.51	-	8,075.93	8,095.44
Equity instruments	9,763.01	1,058.71	642.35	11,464.07
Preference Shares	28.15	-	1,759.12	1,787.27
Others	958.17	-	226.48	1,184.65
Total investments measured at fair value	13,415.51	31,445.77	49,739.62	94,600.90
Loans and other financial assets measured at fair value	-	-	2,089.30	2,089.30
Property Plant and equipment	-	-	12,245.20	12,245.20
Total financial assets measured at fair value on a recurring basis	31,717.69	31,842.47	64,155.46	127,715.62

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued)

56.3. Assets and liabilities by fair value hierarchy (Continued)

Particulars	31-Mar-22			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	548.18	46.82	-	595.00
OTC derivatives	-	424.32	-	424.32
Embedded derivative liabilities in market-linked debentures	-	-	1,556.41	1,556.41
Non convertible debentures issued	-	-	7,887.95	7,887.95
Short sales	889.70	-	-	889.70
Total financial liabilities measured at fair value on a recurring basis	1,437.88	471.14	9,444.36	11,353.38

Particulars	31-Mar-21			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	658.50	68.33	-	726.83
OTC derivatives	-	633.32	-	633.32
Embedded derivative liabilities in market-linked debentures	-	-	1,373.35	1,373.35
Non convertible debentures issued	-	-	8,750.76	8,750.76
Short sales	529.70	-	-	529.70
Total financial liabilities measured at fair value on a recurring basis	1,188.20	701.65	10,124.11	12,013.96

56.4. Fair valuation techniques :

Government debt securities

Government debt securities are financial instruments issued by sovereign governments and include both long term bonds and short-term bills with fixed or floating rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification. In life insurance business, CRISIL security level prices are considered.

Debt securities

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

Security receipts

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

Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

56. Fair Value Measurement *(Continued)*

56.4. Fair valuation techniques : *(Continued)*

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. 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.

Loans measured at fair value through profit or loss

Loans are segregated, as far as possible, into portfolios of similar characteristics. Fair values are based on observable market transactions, when available. When they are unavailable, fair values are estimated using valuation models incorporating range of input assumptions. Group has determine fair value with help of internal valuation team and independent valuer on case to case basis. Valuation is based on discounted cash flow, comparable transaction market price, market research and marked trend as considered appropriate.

Derivatives

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

OTC derivatives:

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

Exchange traded derivatives

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

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 2 instruments.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued)

56.5. Transfer between Level 1 and level 2

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

56.6. 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-Mar-22				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	196,694.34	201,433.75	-	-	201,433.75
Financial liabilities					
Debt securities	147,169.09	147,297.65	43,931.97	92,514.16	10,851.52
Borrowing (other than debt securities)	56,550.66	56,547.01	2,348.81	16,253.96	37,944.24
Subordinated liabilities	15,486.53	14,771.71	-	14,771.71	-
Off-balance sheet items					
Loan commitments	3,317.84	2,562.86	-	-	2,562.86

Particulars	31-Mar-21				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	222,456.16	218,056.84	-	-	218,056.84
Financial liabilities					
Debt securities	166,107.78	174,989.81	38,382.72	110,816.61	25,790.48
Borrowing (other than debt securities)	94,318.19	94,321.42	233.27	27,121.11	66,967.04
Subordinated liabilities	15,087.75	15,037.27	-	15,037.27	-
Off-balance sheet items					
Loan commitments	5,235.05	4,729.19	-	-	4,729.19

56.7. Valuation methodologies of financial instruments not measured at fair value:

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques as explained in Notes 56.4

Financial assets at amortised cost

The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued Debt

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

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued) 56.8. Movement in level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value.

Particulars	Financial assets						Financial liabilities		
	Security Receipts	Equity & Preference	Debt Securities	AIFs	Loans classified as FVTPL	Derivative financial assets	Others	Derivative financial liabilities	Non-convertible debentures issued
As at 31-Mar-2021	37,472.98	2,406.87	1,614.91	8,075.93	2,089.30	23.79	226.48	1,373.35	8,750.76
Purchases	22,710.86	2,290.84	2,378.78	3,796.52	1,590.71	-	63.88	-	-
Sales*	(30,030.76)	(976.39)	(798.00)	(4,000.51)	(971.51)	-	(226.49)	-	-
Issuance	-	-	-	-	-	20.78	-	104.41	-
Settlements	-	-	-	-	-	(15.78)	-	(543.73)	(927.86)
Gain / Loss	3,253.57	496.29	(171.88)	757.30	653.32	(7.99)	-	622.38	65.05
As at 31-Mar-2022	33,406.65	4,217.61	3,023.81	8,629.24	3,361.82	20.80	63.87	1,556.41	7,887.95
Unrealised Gain / Loss	(1,135.68)	526.63	(171.88)	1,220.86	427.69	(7.99)	-	343.50	1,614.23
As at 31-Mar-2020	42,646.81	3,420.33	581.91	4,269.90	5,479.21	2,637.76	-	735.01	10,779.73
Purchases	11,911.63	1,842.88	2,257.71	7,654.59	33.75	-	226.48	-	-
Sales*	(14,351.91)	(2,942.62)	(1,201.43)	(4,166.90)	(111.44)	(1.35)	-	(50.41)	-
Issuance	-	-	-	-	-	23.92	-	507.89	-
Settlements	-	-	-	(48.09)	-	(1,774.13)	-	(626.42)	(2,187.03)
Gain / Loss	(2,733.55)	86.28	(23.28)	366.43	(3,312.22)	(862.41)	-	807.28	158.06
As at 31-Mar-2021	37,472.98	2,406.87	1,614.91	8,075.93	2,089.30	23.79	226.48	1,373.35	8,750.76
Unrealised Gain / Loss	(3,853.54)	(34.18)	(75.19)	219.88	(3,268.54)	(757.40)	-	(583.66)	1,604.11

*includes financial assets & financial liabilities derecognised

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued) 56.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data.

As at 31 March 2022

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Investments in security receipts	Net asset value method	NAV per security receipt	₹ 842 to ₹ 945 per security receipt	5%	89.59	5%	(89.59)
	Discounted projected cash flow	Cash Flow	₹ 437,984 million	5%	2,181.06	5%	(4,436.55)
		Discount rates	12% to 22%	50 basis point	(1,354.66)	50 basis point	3,072.79
Investments in units of AIF	Net Asset approach	Fair value of underlying investments	₹ 9,074.67 million	5%	453.73	5%	(453.73)
			NAV per unit ₹ 685.69 - ₹ 10,773	5%	7.63	5%	(7.63)
			NAV per unit ₹ 1,142.04 - ₹ 12,292.40	5%	11.47	5%	(11.47)
			₹ 177 to ₹ 1,441,892 per Unit	5%	158.18	5%	(158.18)
			₹ 29 to ₹ 36 per Unit	5%	10.39	5%	(10.39)
Investments in unquoted equity shares and preference shares categorised at Level 3	Comparable transaction and P/E of share	Fair value per share	₹ 216,133 per share	5%	1.08	5%	(1.08)
			₹ 42.85 per share	5%	5.37	5%	(5.37)
			₹ 69 to ₹ 216,133 per share	5%	28.66	5%	(28.66)
			₹ 8 to ₹ 120 per share	5%	0.00	5%	(0.00)
			₹ 8 to ₹ 216,132 per share	5%	20.95	5%	(20.95)
			₹ 4,802 per unit	5%	14.79	5%	(14.79)
			₹ 3,168 per shares	5%	122.90	5%	(122.90)
			₹ 2 to ₹ 12,240 per share	5%	14.47	5%	(14.47)
				5%	0.05	5%	(0.05)
				5%		5%	

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

56. **Fair Value Measurement (Continued)**
 56.9. **Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data. (Continued)**

As at 31 March 2022 (Continued)

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Loans classified as FVTPL	Comparable transaction and P/E	Discounting rate	15% - 20%	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets docs not have a significant impact in its value	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets docs not have a significant impact in its value
Warrants	Comparable transaction and P/E	Fair value of underlying investments		5%	-	5%	-
Debt investments classified at FVTPL	Discounted cash flow	Expected future cash flows	₹ 376,333 to ₹ 10,004,509 per NCD	5%	143.82	5%	(143.82)
	Comparable transaction and P/E	Fair value per instrument	₹ 10,000 per NCD	5%	3.00	5%	(3.00)
	Fair value of index	Price per debenture	₹ 120,834 to ₹ 164,682 per debenture	5%	0.09	5%	(0.09)

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued)
56.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data. (Continued)

As at 31 March 2022 (Continued)

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Embedded derivatives in market-linked debentures issued (Assets/ liability) (net)	Fair value of index Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Index levels Nifty level Risk-adjusted discount rate	- ₹ 17,464.75 million 4.50% to 6%	5% 5% 1%	(52.38) 121.50 11.90	5% 5% 1%	52.38 (111.40) (11.90)
Debt Securities (Liability)	Discounted projected cash flow	Cash Flow	₹ 118,118.32 million	5,905.92	20.06	(5,905.92)	(20.06)
		Discount rates	12%	0.50%	(4.31)	0.50%	4.31
Land, Flats and Buildings	Discounted projected cash flow	Cash Flow Discount rates	- 12%	5% 50 basis point	- -	5% 50 basis point	- -

0.00 indicates amount less than ₹ 0.01 million

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued) 56.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data. (Continued)

As at 31 March 2021

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Investments in security receipts	Net asset value method	NAV per security receipt	₹ 850 to ₹ 987 per security receipt	5%	91.77	5%	(91.77)
	Discounted projected cash flow	Cash Flow Discount rates	₹ 397,158.71 million 12%	5% 50 basis point	2,254.42 (278.82)	5% 50 basis point	(2,251.65) 286.70
Investments in units of AIF	Net Asset approach	Fair value of underlying investments	₹ 92,370.10 million	5%	412.22	5%	(412.22)
			₹ 14 to ₹ 2,30,419 per Unit	5%	234.33	5%	(234.33)
			NAV per unit ₹1,307.98 - ₹ 10,015	5%	0.38	5%	(0.38)
			₹ 249.80 million	5%	12.49	5%	(12.49)
Investments in unquoted equity shares and preference shares categorised at Level 3	Comparable transaction and P/E share	Fair value per share	₹ 1,080 per shares	5%	29.49	5%	(29.49)
			₹ 135 to ₹ 209,453 per share	5%	10.48	5%	(10.48)
			₹ 2 to ₹ 34,418 per share	5%	1.05	5%	(1.05)
			₹ 209,453 per share	5%	11.06	5%	(11.06)
			₹ 3,591 per unit	5%	5.37	5%	(5.37)
			₹ 42.85 per share	5%	58.47	5%	(58.47)
			₹ 50 to ₹ 209,453 per share	5%	4.13	5%	(4.13)
	5%	0.05	5%	(0.05)			

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued) 56.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data.

As at 31 March 2021 (Continued)

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Loans classified as FVTPL	Comparable transaction and P/E	Discounting rate	15% - 20%	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets docs not have a significant impact in its value	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets docs not have a significant impact in its value
Warrants	Comparable transaction and P/E	Fair value of underlying investments		5%	5.60	5%	(5.60)
Debt investments classified at FVTPL	Discounted cash flow	Discount rate	17.47%	5%	(1.00)	5%	1.00
		Expected future cash flows	₹ 1,398,496 per NCD	5%	9.30	5%	(9.30)
		Fair value per instrument	₹ 9,869,011 per NCD	5%	67.25	5%	(67.25)
		Fair value per instrument	₹ 10,000 per NCD	5%	2.00	5%	(2.00)
Fair value of index		Price per debenture	₹ 103,424 to ₹ 108,423 per debenture	5%	2.61	5%	(2.61)

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued) 56.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data. (Continued)

As at 31 March 2021 (Continued)

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Embedded derivatives in market-linked debentures issued (Assets/ liability) (net)	Fair value of index Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Index levels Nifty level Risk-adjusted discount rate	₹ 14,690.70 million 4.50% to 6%	5% 5% 1%	(56.87) 77.70 17.70	5% 5% 1%	56.87 (64.30) (16.60)
Debt Securities (Liability)	Discounted projected cash flow	Cash Flow Discount rates	₹ 143,272.94 million 12%	7,163.65 0.50%	340.15 (98.85)	(7,163.65) 0.50%	(340.15) 101.31
Land, Flats and Buildings	Discounted projected cash flow	Cash Flow Discount rates	- 12%	5% 50 basis point	- - 50 basis point	5% - 50 basis point	- -

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

57. Risk Management

57.1. Introduction and risk profile

The Edelweiss Group (“The Group”) provides a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. The Group’s products and services span multiple asset classes and consumer segments across domestic and global geographies. The Group’s key lines of business can broadly be classified as below:

- o Capital
- o Agency
- o Insurance (Life and General)
- o Asset reconstruction
- o Treasury

The Group’s diversified businesses act as an inherent risk management mechanism from an overall perspective. However, the prevailing market environment and ongoing operations expose the Group to various risks like credit, market, liquidity, compliance, technology amongst others. As the Group is regulated, the presence of various regulators in the financial industry - from RBI to NHB to SEBI to IRDA also exposes it to regulatory and reputation risks.

57.2. Risk management strategy:

The strategy at an execution level is supported by -

1. Three-tiered risk management structure to manage and oversee risks
2. Board and Executive Level Committees to review and approve risk exposures
3. Risk Management framework to ensure each risk the Group is exposed to is given due importance and managed through a well-defined framework and guidelines
4. Standard Operating Procedures and Product approval framework to ensure risks are mitigated at operational level
5. Adequate segregation of duties to ensure multi-layered checks and balances
6. Exception reporting framework to ensure process and policy deviations are adequately addressed

57.3. Risk management structure

To support the risk strategy and ensure effective risk management, the Group has a “Three-tiered risk management structure” to ensure that there are enough defences available to control all types of risk issues. The risk structure is enumerated below:

1. **Three lines of defense** - for accountability, oversight, and assurance
 - o **Respective Businesses** - the first line of defence; they own and manage risks and are responsible for implementation of the risk management framework
 - o **Business Risk teams** - the second line of defence; they are responsible for overseeing risk events and defining the risk management framework
 - o **Internal audit** - the third line of defence; they provide independent assurance of risk management framework implementation

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

57. Risk Management (*Continued*)

57.3. Risk management structure (*Continued*)

2. **Board and Executive level Committees** - for overseeing the risk management. The current Risk Management Committees are
 - o Board Risk Committee
 - o Investment and Credit Committees

The Board Risk Committee is the overseeing body for Risk Management. The Committee meets at regular intervals to review the risk profile of the Company.

The Investment and Credit Committee serve as the nodal bodies for all credit related decisions. Respective businesses have formulated its own Investment and Credit Committees depending upon the scale of the exposure.

Risk management framework

The businesses in the Group have a Risk Framework, which describes the risk management approach and provides clear accountability for managing risk considered appropriate for the Business. The framework is subject to continuous evaluation based on existing internal as well external environment.

The current risk framework covers :

- o Business Risk
- o Credit Risk
- o Market Risk
- o Liquidity Risk
- o Regulatory Risk
- o Reputation Risk
- o Technology Risk
- o Operational and Process Risk
- o Fraud Risk
- o People Risk
- o Physical and Infrastructure Risk

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

57. Risk Management (*Continued*)

57.3. Risk management structure (*Continued*)

Risk management framework (*Continued*)

The Businesses in the Group use different types of tools and techniques for mitigating risk, depending upon the type of risk and quantum. For example:

- o Financial risks are mitigated through counterparty and client assessment before any exposure is taken, and defined product/ program level risk limits to ensure exposure does not exceed risk appetite. The Committee based approval mechanism is adopted to ensure that high exposures are approved with adequate representation and that there is no bias in approvals.
- o Non-financial risks viz technology, operational, fraud, etc are mitigated through process documentation defining clear ownership for each activity, having adequate system/process level controls like maker-checker, reconciliation, testing and reviews.
- o Enterprise level risks viz. reputation, compliance, regulatory, etc are controlled through policies and framework, educating employees through training and risk socialisation sessions.

57.4. Risk management framework of General Insurance ("EGICL")

Governance framework

The core of the EGICL risk philosophy lies in the identification, measurement, monitoring and management of risk. EGICL believe risk management is a continuous, vital process that is an inalienable part of EGICL DNA. The Governance structure can thus be seen from three focal points:

1. The Business Users would form the First Line of defence. First Line of defence would ensure that risk and control environment is established into their day to day activities.

This line of defence would also:

- A. Implement proactive and reactive risk management tools in their processes
 - B. Review their processes for adequacy of effectiveness of controls
 - C. Report on the level of the risks and effectiveness of controls to the second line of defence on periodic basis
 - D. Respond to Regulatory/ Operational/ Business changes quickly and keep the second line of defence informed on the developments.
2. Risk Management, and Compliance team forms part of the Second Line of Defence. The second line of defence is oversight function and would provide direction and guidance to the first line of defence for implementation of EGICL's Board driven policies. Second line of defence would also monitor implementation efficiency of these policies and provide overall oversight to the business processes and risks.
 3. Independent consultants/assurance providers like internal auditors, external auditors, statutory auditors, regulatory auditors etc. forms third line of defence and provides independent assurance. consultants/assurance providers will have direct access to the Board of EGICL. The Statutory and Regulatory auditors would have independence as per Statutory and Regulatory assurance framework of the country.

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

57. Risk Management (*Continued*)

57.4. Risk management framework of General Insurance ("EGICL") (*Continued*)

Governance framework (*Continued*)

The Insurance Regulatory and Development Authority (IRDAI) vide its circular number IRDA/F&A/GDL/CG/100/05/2016 dated 18 May 2016 has issued Guidelines on Corporate Governance for the Insurance Sector. Basis the circular, the following committees form part of the overall risk governance framework:

- o Risk Management Committee
- o Audit Committee
- o Investment Committee
- o Policyholder protection Committee

The Risk Management Committee is responsible for periodic review of the risk management process to ensure that the process initiatives are aligned to the desired objectives. EGICL has Chief Risk Officer who is responsible for the implementation and monitoring of the framework. Further, the key policies adopted under the Risk Framework are as under:

- o Underwriting Policy
- o Investment Policy
- o Asset Liability Management Policy
- o Reinsurance Program
- o Information Security Policy
- o Outsourcing Policy
- o Anti Fraud Policy
- o Financial authority Matrix

Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the EGICL is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that EGICL maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of EGICL are subject to regulatory requirement within the jurisdiction it operates.

Asset liability management (ALM) framework

The ALM policy adopted by EGICL helps in:

- o Understanding all risks requiring the coordination of assets and liabilities
- o Quantify interest rate risks and equity risks
- o Quantify the extent of mismatch between the assets and liabilities and thereby prescribe appropriate measures to bridge the gap

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

57. Risk Management (*Continued*)

57.4. Risk management framework of General Insurance ("EGICL") (*Continued*)

Asset Valuation:

The analysis is carried out at an LOB level as per the IRDAI guidelines. If reserves held under any line of business fall below 5% of the total reserves as at the given valuation date the corresponding line of business is excluded for the ALM exercise.

Liability profiling:

The technical reserves consist of:

1. Unearned Premium Reserves (UPR)
2. Premium Deficiency Reserve (PDR)
3. Incurred But Not Reported (IBNR) reserves
4. Outstanding claims reserves

UPR and PDR can be apportioned basis the policy term outstanding. Outstanding claims reserves and IBNR will be apportioned basis the expected reserve utilisation. Where data is available the reserving techniques like Chain Ladder method can provide significant inputs on the development profile for the claims. Where data is not available, industry benchmarks or assumptions related to the claims profile will be made to arrive at the suitable run off pattern for the liabilities. The emerging claims experience will be periodically reviewed by the actuarial department to take into account any changes in the same.

Insurance risk

The principal risk, EGICL faces under insurance contracts, is that the actual claims payments or the timing thereof differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of EGICL is to ensure that sufficient reserves are available to cover these liabilities.

EGICL has developed a risk strategy to manage the risks appropriately. EGICL's risk management strategy is to establish measures and controls which will assist in prevention, detection and management of risks for strong risk management system. Such risk management system will identify risk at macro as well as micro level on ongoing basis.

The risk identification, assessment and evaluation activity is followed by defining appropriate action items for ensuring effective management of the risks. EGICL mitigates the risks by careful selection of the underwriting strategy, reinsure a part of the risk with various reinsurers, diversification of all insurance contracts and acquiring business from all parts of the Country.

The main Insurance Risks that EGICL is exposed to are as follows:

- I. Product Pricing Risk: The loss ratios are assumed at the time of pricing the product. There is a risk of not pricing the products adequately due to model error/ data selection or biases / lack of relevant data or inadequate underwriting assumptions leading to losses greater than anticipated.
- II. Fraud Risk - Excessive, invalid, duplicate or fraudulent claims
- III. Reinsurance Risk - EGICL enters into reinsurance agreements in order to mitigate insurance Risk. However, this leads to default Risk from the reinsurer at the time of claim payment or also concentration risk if all the Risk is insured to one reinsurer.

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

57. Risk Management (*Continued*)

57.4. Risk management framework of General Insurance (“EGICL”) (*Continued*)

Insurance risk (*Continued*)

- IV. Investment Risk - Risk of loss arising from actual returns being different than expected. Credit risk due to investee enterprise defaulting on its debt payments.
- V. Expense Risk - Risk of loss arising from expense experience being different than expected
- VI. Concentration Risk - EGICL faces concentration Risk by selling business to specific geography or by writing only single line business etc.

Control Measures:

EGICL has set up Risk Management framework to continuously monitor EGICL’s experience with regard to parameters like loss ratios and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal.

EGICL has entered into a separate agreement with reinsurers to cover the catastrophic risks to hedge against catastrophic events leading to higher than expected claim payouts.

EGICL has been taking efforts so as to mitigate concentration risk through diversification. However, EGICL may still be exposed to channel concentration risk.. The EGICL business is spread across various key states in India to minimise any geographical concentration, accordingly, it also insulates EGICL from impact of catastrophic risk.

57.5. Risk management framework of Life Insurance business (“ETLIFE”)

a. Governance framework

The primary objective of the ETLIFE’s risk and financial management framework is to protect the ETLIFE’s shareholders as well as policyholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

ETLIFE has an effective Risk Management Framework in place which provides for risk identification, risk assessment and evaluation, monitoring, tracking and feedback mechanism framework to identify, evaluate business risks and opportunities.

ETLIFE has a risk balancing approach and follows the process of risk evaluation, monitoring and control. ETLIFE has structured and uniform method of risk monitoring and control through the Risk and Control Self- Assessment (RCSA) Framework.

ETLIFE continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors has overall responsibility for the establishment and oversight of ETLIFE’s risk management framework. This is supplemented with the clear organizational structure and documented delegated authorities and responsibilities from the board of directors to various executive management committees.

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

57. Risk Management (*Continued*)

57.5. Risk management framework of Life Insurance business ("ETLIFE") (*Continued*)

b. Capital management objectives, policies and approach

The primary source of capital used by ETLIFE is Equity. ETLIFE's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analysis. The process is ultimately subject to approval by the Board.

ETLIFE has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To comply with the insurance capital requirements that the IRDAI require. In this respect, the IRDAI has prescribed minimum solvency ratio of 150% (refer note on Capital Management for solvency ratio);
- To maintain the required level of stability of ETLIFE, thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders.
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities, taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

In reporting, financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. ETLIFE's Capital Management Policy for its business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives and maintain a health solvency ratio.

c. Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the ETLIFE is satisfactorily managing affairs for the benefits of policyholders. At the same time, regulators are also interested in ensuring that ETLIFE maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of ETLIFE are subject to regulatory requirement within the jurisdiction it operates.

d. Asset liability management (ALM) framework

Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The main risk that ETLIFE faces, due to the nature of its investments and liabilities, is interest rate risk. ETLIFE manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance and investment contracts. The principal technique of ETLIFE's ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of liabilities, a separate portfolio of assets is maintained.

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

57. Risk Management (*Continued*)

57.5. Risk management framework of Life Insurance business (“ETLIFE”) (*Continued*)

ETLIFE’s ALM is:

- Integrated with the management of the financial risks associated with ETLIFE’s other financial assets and liabilities not directly associated with insurance and investment contracts.
- As an integral part of the insurance risk management policy, to ensure in each period sufficient cash flow is available to meet liabilities arising from insurance and investment contracts.

ETLIFE undertakes Asset Liability Management to reduce interest rate risk. The Company uses expected future cashflows from already written policies and investments to assess the interest rate risk.

The ETLIFE enters into interest rate derivative contracts, solely to hedge the residual interest rate risk.

The Derivatives are financial instruments which attempt to mimic the economic performance of an underlying asset, security or portfolio. Interest rate derivatives include forward rate agreement, interest rate futures and Interest rate swaps.

ETLIFE uses Forward Rate agreements and Interest rate futures to minimise the exposure to fluctuations in interest rates on plan assets and liabilities. ETLIFE has a Board approved Derivative policy covering strategic objectives, limits, regulatory and operational framework. It underscores risks inherent in a derivative contract along with a system for measurement and accounting in order to have effective monitoring and control.

Hedge effectiveness is determined based on the principles laid down in the Guidance note on Derivatives issued by The Institute of Chartered Accountants of India and relevant applicable Ind-AS. ETLIFE uses regression analysis to determine Hedge effectiveness. If the hedge is ineffective, then the movement in the Fair Value is charged to the Profit and Loss Account. However, if the hedge is effective, further the effective and ineffective portion of the movement in the Fair Value of the Underlying and the derivative instrument is determined by the currency Offset method. The effective portion is transferred to ‘Fair Value change’ account in Balance Sheet and Ineffective portion is transferred to Profit and Loss account.

a. Insurance risk

ETLIFE’s lines of business are Participating Life (Individual), Non-Participating Life (Individual and Company) and Unit Linked Life (Individual and Company). ETLIFE has presence in Non-Participating Health (Individual), Non-participating Non-linked Variable Insurance (Company), Participating Pension (Individual), Unit Linked Pension (Individual) and Non-Participating Annuity (Individual) business as well. By nature of the business, ETLIFE underwrites risks and provides financial protection. In doing so, ETLIFE is exposed to various risks.

The principal risk, ETLIFE faces under insurance contracts, is that the actual claims and benefit payments or the timing thereof differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of ETLIFE is to ensure that sufficient reserves are available to cover these liabilities.

ETLIFE has developed a risk strategy to manage the risks appropriately. ETLIFE’s risk management strategy is to establish measures and controls which will assist in prevention, detection and management of risks for strong risk management system. Such risk management system will identify risk at macro as well as micro level on ongoing basis.

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

57. Risk Management (*Continued*)

57.5. Risk management framework of Life Insurance business (“ETLIFE”) (*Continued*)

a. Insurance risk (*Continued*)

The risk identification, assessment and evaluation activity is followed by defining appropriate action items for ensuring effective management of the risks. An action item for all the high risks is defined with clear owners and timelines. ETLIFE mitigates the risks by careful selection of the underwriting strategy, reinsure a part of the risk with various reinsurers, diversification of all insurance contracts and acquiring business from all parts of the Country.

b. Life Insurance Contracts and Investment Contracts with and without Discretionary Participation Features:

Ind AS 104 ‘Insurance Contracts’ requires ETLIFE to separate the Financial Instruments (investment contracts) from insurance contracts under specified conditions.

Insurance contracts are those contracts where ETLIFE has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. Insurance and investment contracts are further classified as being either with or without DPF. DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are likely to be a significant portion of the total contractual benefits.

As a general guideline by IRDAI, ETLIFE classifies contract under insurance contract and investment contracts with DPF, if the benefit payable on death is higher by at least 5% of the premium at any time during the life of the contract for other than unit linked products.

All other contracts are classified under Investment Contracts.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Investment contracts, however, can be reclassified as insurance contracts after inception if insurance risk becomes significant.

c. The main Insurance Risks that ETLIFE is exposed to are as follows:

- i. Persistency Risk - Risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected
- ii. Mortality Risk - Risk of loss arising due to policyholder mortality experience being different than expected
- iii. Investment Risk - Risk of loss arising from actual returns being different than expected
- iv. Expense Risk - Risk of loss arising from expense experience being different than expected
- v. Reinsurance Risk – ETLIFE enters into reinsurance agreements in order to mitigate insurance Risk. However, this leads to default Risk from the reinsurer at the time of claim payment or also concentration risk if all the Risk is insured to one reinsurer.
- vi. Concentration Risk - ETLIFE faces concentration Risk by selling business to specific geography or by writing only single line business etc.

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

57. Risk Management (*Continued*)

57.5. Risk management framework of Life Insurance business ("ETLIFE") (*Continued*)

c. The main Insurance Risks that ETLIFE is exposed to are as follows: (*Continued*)

Control Measures:

ETLIFE has set up Risk Management framework to continuously monitor the ETLIFE's experience with regard to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal. Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into re-insurance agreements with multiple re-insurers. ETLIFE has entered into a separate agreement with reinsurers to cover the catastrophic risks under Individual and Group business to hedge against catastrophic events leading to higher than expected claim payouts.

ETLIFE has been taking efforts so as to mitigate concentration risk through diversification however ETLIFE may still be exposed to channel concentration risk as company is in 12th year of operation and all the channels are not yet fully developed. ETLIFE has been acquiring business from all the parts of India and thus has little geographical concentration. It also insulates ETLIFE from impact of catastrophic risk. ETLIFE has a Board approved Risk Management Policy covering underwriting, claims and reserving for policy liabilities. ETLIFE has a detailed claims processing manual in place.

The large claims are referred to ETLIFE's Claims Committee.

Operational risks:

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The ETLIFE, cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the ETLIFE is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the ETLIFE's strategic planning and budgeting process. Operational risk: A risk arising from this category is resultant of inadequate or failed internal processes and controls, poor corporate governance or from external events such as sudden disasters crippling the operations of the ETLIFE.

Operational risks within the Company are categorized into 6 (six) types namely:

- Fraud
- Execution, delivery and process management
- Business disruption and system failures
- Clients, products and business practices
- Damage to physical assets
- Employment practices and workplace safety

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

57. Risk Management (*Continued*)

57.5. Risk management framework of Life Insurance business (“ETLIFE”) (*Continued*)

Operational risks: (*Continued*)

Risk control and mitigation plan forms important part of the risk management processes within the ETLIFE . The ETLIFE’s management ensures oversight on the risks by reviewing data, processes and by performing model checks at regular frequencies. The Operational risk impact within the ETLIFE is rated basis frequency and severity matrix. Frequency and severity matrix is further utilized for evaluation of the risk which in turn helps in prioritization. The ETLIFE , to ensures that complete data is being processed, reconciles number of policies, premium and sum assured. The same is done by comparing Data Conversion System (DCS) output and on-off movement data as obtained from policy administration system. The risk management team conducts an independent root cause analysis of operational risk incidents. Root cause analysis is followed by actual and potential risk exposure assessment. The root cause analysis helps to identify inadequacies in the control measures for known risks or identify new risks which need to be addressed. The resultant learning is then used to improve processes systematically.

57.6. Excessive risk concentration

The relevant businesses in the Group have diversified business model acts as an inherent mechanism to avoid excessive concentrations of risk.

Single and Group level borrower limits for wholesale lending and program level limits for retail lending have been defined as a proactive risk measure to avoid excess credit concentration. The relevant businesses in the Group monitor these limits as part of its regular monitoring activity. Additionally, the risk team of relevant businesses in the Group also keep track of Group, Industry, Collateral, Geography level exposure concentrations. These concentrations are periodically by the relevant businesses in the Group and also discussed in the Credit Committee, so as to avoid further exposures or reduce exposures to sector/industry/group/geography under stress.

57.7. Credit risk

Credit risk is the risk of financial loss the Group may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial /contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. The Business in the Group has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Business in the Group.

The Business in the Group manages its credit risk through a multi-layered approach as given below:

- 1) Review by the respective Board Risk Committee;
- 2) The Investment Committees (IC) for approving all credit related decisions, beyond certain levels delegated to Credit Committees. Further, individual loan specific limits as well as concentration limits are also approved by the IC and reviewed on a periodic basis;
- 3) The Business risk team is responsible for industry and portfolio level monitoring and stress testing;
- 4) Business risk does day to day client level monitoring; and
- 5) Independent verification of all client accounts, adherence to policies and frameworks are carried out by internal audit team.

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

57. Risk Management (*Continued*)

57.7. Credit risk (*Continued*)

The counterparty, client assessment is done before any exposure is taken. Assessment covers all the aspects of risk like Borrower profile, financials, and adequacy of collateral, promoter strength, repayment capability and cash flow generation. Discussions are held with independent risk and compliance teams both at Business in the Group before the credit proposals are put forward to the Committees for approval. The Business in the Group have committee-based approval process mechanism to ensure high exposures are approved with adequate representation from Compliance, Credit, Legal and other relevant teams and there is no biasness.

The relevant Business in the Group has separate credit origination and appraisal processes for wholesale, distressed and retail segments. For wholesale and distressed segment, the relevant Business in the Group adopt underwriting standards for different client segment based on risk parameter and availability of security. The relevant Business in the Group for Retail segment, adopt underwriting standards both at product and portfolio level.

The Credit monitoring is very important part of managing credit risk. Accordingly, the Business in the Group have independent monitoring of credit exposures and associated risks.

The asset quality review is also performed on a regular basis by the Risk Committees of the relevant Business in the Group. The quality credit portfolio is also presented to the Board Risk Committee on a quarterly basis the relevant Business in the Group.

The Business in the Group applies the expected credit loss model for recognising impairment loss. For the purpose of measuring lifetime expected credit loss ('ECL') the relevant Business in the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Business in the Group have devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. Accordingly, the loans are classified into various stages for different type of business. For non-distress credit business they are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. Further, ECL also takes into account forward looking factors like GDP growth, interest rates etc. along with historical trends.

The relevant Business in the Group determine that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

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 (or credit-adjusted EIR for purchased or originated credit impaired financial assets). Expected Credit Loss computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- o An unbiased and probability weighted amount that evaluates a range of possible outcomes;
- o Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;
- o The time value of money.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.7. Credit risk (Continued)

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

The relevant Business in the Group have internal grading that is based on days past due (dpd) as specified below:

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

Significant increase in credit risk (SICR)

In all cases when the borrower becomes 90 days past due, Business in the Group considers a financial instrument as default category and classify such financial instrument as Stage 3 (credit-impaired) for ECL calculations.

Classification of assets from stage 1 to stage 2 has been carried out based on SICR criterion. The Financial Instrument (Customer accounts) which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These Financial Instrument (Customer accounts) have been classified as Stage 2 assets. As a part of a qualitative assessment of whether a customer is in default, the Business in the Group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Business in 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.

The respective Business in the Group management evaluates the credit situation continuously and the current credit assessment of borrowers is based on the following factors including many factors such as;

1. Whether there is actual or expected significant change in the credit situation which entails significant increase in credit risk.
2. Whether there is existing or forecasted adverse changes in borrower's business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
3. Based on information available at present, whether in the longer term current adverse changes created by Covid-19 in economic and business conditions can reduce the ability of the borrower to fulfil its obligations.
4. Whether there are any significant changes in the expected performance and behavior of the borrower.
5. Whether there are expected changes in the loan documentation, including an expected breach of contract that might lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the loan.

Reasonable and supportable information that is forward-looking and that is available without undue cost or effort is used by management to assess changes in credit risk. However, considering that the current economic situation is continuously evolving, the management shall apply on regular basis any favorable or detrimental change to the borrower profiles and accordingly factor in macro/micro variables that shall represent the evolved inherent credit risk.

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

57. Risk Management (*Continued*)

57.7. Credit risk (*Continued*)

Probability of Default

Probability of Default (PD) is an estimate of likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the relevant Business in the Group. While arriving at PD, the relevant Business in the Group also ensures that the factors that affects the macro-economic trends are considered to a reasonable extent, wherever necessary. The Business in the Group calculates 12 months PD by taking in account the past historical trends of loan portfolio and its credit performance. In case of assets where there is significant increase in credit risk/credit impaired assets, lifetime PD has been applied.

Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Workout LGD is widely considered to be the most flexible, transparent and logical approach to build an LGD model. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding 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 Business in the Group, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Business in the Group provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

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

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount
Undrawn Credit Line = Difference between the total amount which the Business in 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.

Purchased or originated credit impaired (POCI)

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. This population includes the recognition of a new financial instrument following a renegotiation where concessions have been granted for economic or contractual reasons relating to the borrower's financial difficulty, that otherwise would not have been considered.

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

57. Risk Management (*Continued*)

57.7. Credit risk (*Continued*)

Forward looking adjustments

A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

To fulfil the above requirement Business in the Group have incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. Keeping in mind Ind AS requirements around obtaining reliable and supportable information, without incurring undue cost or effort-based on advice of risk committee members and economic experts and consideration of a variety of external actual and forecast information, the Business in the Group formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

Data sourcing:

The Group Company is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long-term average.

External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters.

Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Business in the Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses.

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

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

57. Risk Management (*Continued*)

57.7. Credit risk (*Continued*)

57.7.1. Overview of modified and forborne loans

From a risk management point of view, once an asset is forborne or modified, the respective Business in the Group for distressed assets continues to monitor the exposure until it is completely and ultimately derecognised.

The table below includes Stage 2 and 3 assets that were modified and, therefore, treated as forborne during the year, with the related modification loss suffered by the Group.

Particulars	2021-22	2020-21
Amortised costs of financial assets modified during the year	5,133.90	7,101.90
Net modification gains	178.61	(117.69)

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.7. Credit risk (Continued)

57.7.2. Analysis of risk concentration

The following table shows the risk concentration by industry for the components of the balance sheet. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Group's internal grading system and year-end stage classification are further disclosed in Note 13.1.

Industry analysis - Risk concentration for 31-Mar-22

Components	Financial services	Government	Manufacturing	Retail and wholesale	Oil & gas	Services	Others	Total
Cash and bank balances	30,388.97	-	-	-	-	-	-	30,388.97
Derivative financial instruments	685.22	-	-	-	-	-	-	685.22
Stock in trade	4,779.90	10,085.12	40.02	39.25	-	171.34	2.48	15,118.11
Trade receivables	1,344.37	-	1,165.77	1,961.81	-	81.95	137.81	4,691.71
Loans	3,840.40	-	8,633.86	166,600.88	-	9,969.04	11,011.98	200,056.16
Investments	49,447.47	28,952.11	22,843.26	12,731.67	62.26	6,638.00	5,600.12	126,274.89
Other financial assets	10,677.54	-	2.93	337.97	-	-	16.79	11,035.23
Total	101,163.87	39,037.23	32,685.84	181,671.58	62.26	16,860.33	16,769.18	388,250.29
Other Commitments	-	-	-	55.59	-	-	-	55.59

Industry analysis - Risk concentration for 31-Mar-21

Components	Financial services	Government	Manufacturing	Retail and wholesale	Oil & gas	Services	Others	Total
Cash and bank balances	47,221.29	-	-	-	-	380.77	-	47,602.06
Derivative financial instruments	2,902.03	-	-	-	-	-	-	2,902.03
Stock in trade	2,618.02	8,636.63	1,155.70	64.03	6.13	957.39	2,308.86	15,746.76
Trade receivables	187.01	-	1,511.81	1,645.94	-	1,534.72	181.01	5,060.49
Loans	6,465.87	-	8,038.79	192,014.37	-	5,556.99	12,469.44	224,545.46
Investments	43,610.86	24,134.57	24,830.00	11,723.49	21.71	5,414.37	3,338.02	113,073.02
Other financial assets	11,811.78	287.84	-	250.51	-	3.79	274.15	12,628.07
Total	114,816.86	33,059.04	35,536.30	205,698.34	27.84	13,848.03	18,571.48	421,557.89
Other Commitments	-	-	-	1,340.64	-	-	-	1,340.64

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.7. Credit risk (Continued)

57.7.3. Collateral and other credit enhancements

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

Particulars	Maximum exposure to credit risk		Principal type of collateral
	31 March 2022	31 March 2021	
Financial assets			
Loans:			
Retail Loans and Wholesale loans	183,885.48	209,078.58	Equity shares and Mutual fund units, Bonds, Property; book receivables, Land, real estate property securities, and Tangible assets , Inventories, fixed deposits & other marketable securities,Surrender Value of the Policy
Distressed assets	12,587.17	13,223.15	Tangible assets
Other credits	221.69	154.43	
Trade receivables	4,691.71	5,060.49	Equity shares, fixed deposits and bank guarantees, Securities etc.
Debt instruments and other investments at amortised cost	1,863.66	1,305.81	Government security and Book debts (including Highly liquid Central/State Government securities & high rated Corporate Bonds)
Total financial assets at amortised cost	203,249.71	228,822.46	
Derivative financial instruments	685.22	2,902.03	Margin money
Financial assets at FVTPL	73,499.27	69,117.03	Tangible assets, Warrants
Financial instrument designated at fair value through profit or loss	13,494.17	10,726.26	Tangible assets and Highly liquid Central/State Government securities, high rated Corporate Bonds and liquid Mutual fund units
Total financial instruments at fair value through profit or loss	87,678.66	82,745.32	
Debt instruments at fair value through OCI	20,563.92	16,846.91	Government security and Book debts
Total debt instruments at fair value through OCI	20,563.92	16,846.91	
Other commitments (max exposure)	1,422.26	5,301.84	Property, book receivables, Tangible Assets, Equity Shares, Mutual Fund units, Land, Office Space, Flats, Bungalow, Penthouse, Row house and Commodities.
Total (net)	312,914.55	333,716.53	

Above also includes unsecured financial assets.

The Group has not entered in to any credit derivative to mitigate above credit risk.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.7. Credit risk (Continued)

57.7.4. Fair value of collateral held for stage 3 assets

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the expected value of the collateral is greater than the LGD, even in if the future value of collateral is forecast using multiple economic scenarios.

As at 31-Mar-2022

Particulars	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans	123,685.28	37,797.85	85,887.43	97,161.93
Debt instruments at fair value through OCI	-	-	-	-
Total financial assets at amortised cost	123,685.28	37,797.85	85,887.43	97,161.93
Loan commitments	128.94	1.68	127.26	6.53
Total	123,814.22	37,799.53	86,014.69	97,168.46

As at 31-Mar-2021

Particulars	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans	117,037.45	36,554.26	80,483.19	92,949.13
Debt instruments at fair value through OCI	674.27	11.16	663.11	663.11
Total financial assets at amortised cost	117,711.72	36,565.42	81,146.06	93,612.24
Loan commitments	138.98	1.40	137.58	20.28
Total	117,850.70	36,566.82	81,283.64	93,632.52

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

57. Risk Management (*Continued*)

57.8 Liquidity risk and funding management

Liquidity risk emanates from the mismatches existing on the balance sheet due to differences in maturity and repayment profile of assets and liabilities. These mismatches could either be forced in nature due to market conditions or created with an interest rate view. Such risk can lead to a possibility of unavailability of funds to meet upcoming obligations arising from liability maturities. To avoid such a scenario, Edelweiss has ensured maintenance of a Liquidity Cushion in the form of Fixed Deposits, Mutual Funds, Cash, G-Sec, etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 10-12% of the borrowings is sought to be maintained through such assets. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern. There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds. Funding is raised through diversified sources including Banks, Retail issue, Mutual Funds, ECB, Sub Debt etc to maintain a healthy mix.

Group has a Liquidity Contingency Policy in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario. A detailed set of activities have been defined to be executed during stress scenario

57.8.1. Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial liabilities, financial assets, derivatives and financial commitments as at 31 March.

The tables have been drawn up based on the undiscounted cash flows i.e. the tables include both interest and principal cashflows. The contractual maturity with respect to financial liabilities is based on the earliest date on which the Group can be required to pay. To the extent that interest flows are at floating rate, the undiscounted amount is derived based on the interest rates in force at the balance sheet date. Further, with regards to amounts payable in currencies other than Indian Rupees, the amounts are determined based on the spot exchange rates at the balance sheet date. The analysis with respect to financial assets is based on expected maturities. All derivatives which are entered into for trading purposes are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given based on undiscounted cash flows.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.8 Liquidity risk and funding management (Continued)

57.8.1. Analysis of financial liabilities, financial assets, derivatives and financial commitments 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	9,048.39	2,771.13	1,053.84	27.91	-	12,901.27
Borrowings (other than debt securities)	18,486.76	4,546.33	19,461.08	7,806.22	10,265.31	60,565.70
Debt securities	14,169.96	6,906.39	18,722.33	82,636.98	61,983.53	184,419.19
Subordinated financial liabilities	1,454.78	61.92	297.69	6,344.60	13,290.60	21,449.59
Deposits	15.60	-	-	-	-	15.60
Other financial liabilities	7,750.74	3,875.40	1,528.17	11,635.22	27,849.30	52,638.83
Total undiscounted non-derivative financial liabilities	50,926.23	18,161.17	41,063.11	108,450.93	113,388.74	331,990.18
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	22,623.02	836.38	2,070.68	5,922.44	18.16	31,470.68
Stock-in-trade	12,634.20	2,465.87	-	0.25	17.79	15,118.11
Trade receivables	2,508.80	828.74	1,514.46	1,596.52	-	6,448.52
Loans	27,568.74	8,989.44	34,594.79	77,095.05	135,564.66	283,812.68
Investments at fair value through profit or loss	13,365.86	4,245.47	14,463.47	21,062.51	54,267.80	107,405.11
Investments at FVOCI	546.58	274.59	1,076.70	4,433.23	49,259.79	55,590.89
Investments at amortised cost	898.44	-	961.30	2,304.08	124.52	4,288.34
Other financial assets	5,589.80	3,873.21	58.62	911.16	615.63	11,048.42
Total undiscounted non-derivative financial assets	85,735.44	21,513.70	54,740.02	113,325.24	239,868.35	515,182.75
Derivatives	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	(503.95)	-	-	-	-	(503.95)
Other net settled derivatives	(546.98)	0.11	(258.94)	(190.56)	(51.19)	(1,047.56)
Total	(1,050.93)	0.11	(258.94)	(190.56)	(51.19)	(1,551.51)
Commitments	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Undrawn loan and other commitments	1,835.23	131.82	2,705.33	11,423.24	-	16,095.62

The Group has undrawn lines of credit available aggregating ₹ 5,300.71 million as at 31 March 2022 to meet any possible liquidity shortfall.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.8 Liquidity risk and funding management (Continued)

57.8.1. Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities (Continued)

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	2,865.23	714.42	1,025.60	197.80	91.73	4,894.78
Borrowings (other than debt securities)	34,791.55	12,343.26	19,934.53	38,318.34	6,300.57	111,688.25
Debt securities	7,343.32	14,710.24	42,818.97	79,343.38	81,349.29	225,565.20
Subordinated financial liabilities	315.25	67.82	1,702.04	6,014.60	13,835.67	21,935.38
Deposits	96.01	-	-	-	-	96.01
Other financial liabilities	6,024.38	3,297.94	1,628.46	9,706.66	26,603.03	47,260.47
Total undiscounted non-derivative financial liabilities	51,435.74	31,133.68	67,109.60	133,580.78	128,180.29	411,440.09

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	40,452.74	199.98	1,844.94	520.77	5,247.99	48,266.42
Stock-in-trade	13,739.20	1,758.68	320.03	4.50	14.46	15,836.87
Trade receivables	2,103.50	840.16	1,294.20	3,188.03	-	7,425.89
Loans	50,966.15	13,240.26	31,178.66	95,561.14	111,405.20	302,351.41
Investments at fair value through profit or loss	2,987.74	8,970.79	14,660.91	45,522.82	69,474.74	141,617.00
Investments at FVOCI	458.59	175.60	1,066.74	2,447.63	41,652.72	45,801.28
Investments at amortised cost	350.48	82.55	868.92	-	418.39	1,720.34
Other financial assets	10,915.54	300.00	145.04	530.21	737.36	12,628.15
Total undiscounted non-derivative financial assets	121,973.94	25,568.02	51,379.44	147,775.10	228,950.86	575,647.36

Derivatives	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	1,696.86	-	-	-	-	1,696.86
Other net settled derivatives	151.67	(12.69)	(427.72)	(662.08)	(39.91)	(990.73)
Total	1,848.53	(12.69)	(427.72)	(662.08)	(39.91)	706.13

Commitments	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Undrawn loan and other commitments	3,838.13	118.14	4,144.86	938.99	323.20	9,363.32

The Group has undrawn lines of credit available aggregating ₹ 5,856.88 million as at 31 March 2021 to meet any possible liquidity shortfall.

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

57. Risk Management (*Continued*)

57.9. 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. The Group separates its exposure to market risks between trading and non-trading portfolios.

Exposure to market risk

Interest rate risk - The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

ALCO is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of interest rate risk.

Foreign exchange risk - Our foreign exposure is limited to capital investment in our Group entities outside India and profits/loss generated by these entities. The Treasury Unit aggregates the foreign exchange exposure emerging out these outflows/inflows and the same is hedged to ensure we do not run any foreign exchange risk in our books. Positions are regularly monitored by the Treasury Unit and rebalanced based on the inflow and outflow of funds.

Equity price risk - The Treasury and Balance Sheet Management Units effectively evaluates various risks involved in underlying assets in trading and non-trading books respectively

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 Group's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's statement of profit and loss and equity. The sensitivity to profit before tax is the effect of the assumed changes in interest rates on the profit before tax for the year, based on the floating rate financial assets and financial liabilities held at reporting date. Thus, the sensitivity analysis has been prepared assuming the amount of the floating-rate financial liability and financial assets outstanding at the end of the year was outstanding for the whole year. The sensitivity of equity is calculated by revaluing the fixed rate FVOCI, including the effect at reporting date for the effects of the assumed changes in interest rates.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.9. Market Risk: (Continued)

Currency of item	2021-22					
	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	25.00	(281.18)	(580.83)	25.00	281.16	580.83
INR	5.00	(116.27)	-	5.00	116.27	-

Currency of item	2020-21					
	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	25.00	(264.82)	(423.24)	25.00	264.82	423.24
INR	5.00	0.15	-	5.00	(0.15)	-

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 year.

Currency	2021-22					
	Increase in exchange rate (%)	Effect on profit before tax	Effect on Equity	Decrease in exchange rate (%)	Effect on profit before tax	Effect on Equity
US dollar	5.00	(61.34)	-	5.00	61.34	-
Others	5.00	(1.32)	-	5.00	1.32	-

Currency	2020-21					
	Increase in exchange rate (%)	Effect on profit before tax	Effect on Equity	Decrease in exchange rate (%)	Effect on profit before tax	Effect on Equity
US dollar	5.00	(221.29)	-	5.00	221.29	-
Others	5.00	2.25	-	5.00	(2.25)	-

* This is on account of items denominated in Indian Rupees held by certain foreign companies in the Group having functional currency other than INR

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.9. Market Risk: (Continued)

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					
	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	5.00	84.42	-	5.00	(84.42)	-
Others	5.00	711.83	1.70	5.00	(711.83)	(1.70)

Impact on	2020-21					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5.00	537.19	(1.97)	5.00	(537.19)	1.97
Others	5.00	670.76	0.06	5.00	(670.76)	(0.06)

Index price risk:

Index price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of equity indices.

Impact on	2021-22					
	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	5.00	28.05	-	5.00	(28.05)	-
Others	5.00	(16.20)	-	5.00	16.20	-

Impact on	2020-21					
	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	5.00	11.68	-	5.00	(11.68)	-
Others	5.00	(50.89)	-	5.00	50.89	-

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.9. Market Risk: (Continued)

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					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Security receipts of ARC trusts	5.00	106.79	-	5.00	(106.79)	-
Units of AIFs and Trusts	5.00	40.45	17.00	5.00	(40.45)	(17.00)
Others	5.00	692.02	39.73	5.00	(692.02)	(39.73)

Impact on	2020-21					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Security receipts of ARC trusts	5.00	91.77	-	5.00	(91.77)	-
Units of AIFs and Trusts	5.00	3.17	-	5.00	(3.17)	-
Others	5.00	471.74	31.71	5.00	(471.74)	(31.71)

58. Composition of the Group

Sr. No.	Name of the Entity	Note	Country of Incorporation	Proportion of ownership interest as at 31-Mar-2022	Proportion of ownership interest as at 31-Mar-2021
Subsidiaries					
1	ECL Finance Limited		India	100.00%	100.00%
2	Edelcap Securities Limited		India	100.00%	100.00%
3	Edelweiss Asset Management Limited		India	100.00%	100.00%
4	ECap Securities and Investments Limited (Formerly known as ECap Equities Limited)		India	100.00%	100.00%
5	Edelweiss Trusteeship Company Limited		India	100.00%	100.00%
6	Edelweiss Housing Finance Limited		India	100.00%	100.00%
7	Edelweiss Investment Adviser Limited		India	100.00%	100.00%
8	EC Commodity Limited	a	India	-	100.00%
9	Edel Land Limited		India	100.00%	100.00%
10	Edel Investments Limited		India	100.00%	100.00%
11	Edelweiss Rural & Corporate Services Limited		India	100.00%	100.00%
12	Comtrade Commodities Services Limited (Formerly known as Edelweiss Comtrade Limited)	f	India	100.00%	100.00%
13	Edel Finance Company Limited		India	100.00%	100.00%
14	Edelweiss Retail Finance Limited		India	100.00%	100.00%
15	Edelweiss Multi Strategy Fund Advisors LLP	k	India	100.00%	100.00%
16	Edelweiss Resolution Advisors LLP		India	100.00%	100.00%
17	Edelweiss General Insurance Company Limited		India	100.00%	100.00%
18	Edelweiss Securities and Investments Private Limited		India	100.00%	100.00%
19	EC International Limited		Mauritius	100.00%	100.00%
20	EAAA LLC		Mauritius	100.00%	100.00%

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

58. Composition of the Group (Continued)

Sr. No.	Name of the Entity	Note	Country of Incorporation	Proportion of ownership interest as at 31-Mar-2022	Proportion of ownership interest as at 31-Mar-2021
Subsidiaries (Continued)					
21	Edelweiss Alternative Asset Advisors Pte. Limited		Singapore	100.00%	100.00%
22	Edelweiss International (Singapore) Pte. Limited		Singapore	100.00%	100.00%
23	Aster Commodities DMCC	b	United Arab Emirates	-	100.00%
24	Edelgive Foundation		India	100.00%	100.00%
25	Edelweiss Alternative Asset Advisors Limited		India	99.05%	99.05%
26	Edelweiss Gallagher Insurance Brokers Limited	c	India	-	70.00%
27	Edelweiss Private Equity Tech Fund		India	95.60%	95.60%
28	Edelweiss Value and Growth Fund		India	70.05%	70.05%
29	Edelweiss Asset Reconstruction Company Limited		India	59.82%	59.84%
30	EW Special Opportunities Advisors LLC	j	Mauritius	67.00%	67.00%
31	Edelweiss Tokio Life Insurance Company Limited	d	India	66.00%	51.00%
32	Allium Finance Private Limited	e	India	85.00%	70.00%
33	Edelweiss Global Wealth Management Limited		India	100.00%	100.00%
34	Edelweiss Capital Services Limited		India	51.00%	51.00%
35	India Credit Investments Fund - II		India	100.00%	100.00%
36	Edelweiss Real Assets Managers Limited	g	India	100.00%	-
37	Sekura India Management Limited	h	India	100.00%	-
Associate					
1	Edelweiss Securities Limited	i	India	43.76%	38.53%
Group stake in trusts					
Sr. No.	Trust Name		Country of Incorporation	Proportion of ownership interest as at 31-Mar-2022	Proportion of ownership interest as at 31-Mar-2021
1	EARC SAF - 1 Trust		India	100.00%	100.00%
2	EARC SAF - 2 Trust		India	100.00%	100.00%
3	EARC SAF - 3 Trust		India	46.00%	46.00%
4	EARC Trust - SC 6		India	100.00%	100.00%
5	EARC Trust - SC 7		India	100.00%	100.00%
6	EARC Trust - SC 9		India	100.00%	100.00%
7	EARC Trust - SC 102		India	100.00%	100.00%
8	EARC Trust - SC 109		India	50.00%	50.00%
9	EARC Trust - SC 112		India	100.00%	100.00%
10	EARC Trust - SC 130		India	100.00%	100.00%
11	EARC Trust - SC 223		India	100.00%	100.00%
12	EARC Trust - SC 229		India	100.00%	100.00%
13	EARC Trust - SC 238		India	100.00%	100.00%
14	EARC Trust - SC 245		India	37.00%	37.00%
15	EARC Trust - SC 251		India	100.00%	100.00%
16	EARC Trust - SC 262		India	37.00%	37.00%
17	EARC Trust - SC 263		India	100.00%	100.00%

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

58. Composition of the Group (Continued) Group stake in trusts (Continued)

Sr. No.	Trust Name	Country of Incorporation	Proportion of ownership interest as at 31-Mar-2022	Proportion of ownership interest as at 31-Mar-2021
18	EARC Trust - SC 266	India	100.00%	100.00%
19	EARC Trust - SC 293	India	100.00%	100.00%
20	EARC Trust - SC 297	India	37.00%	37.00%
21	EARC Trust - SC 298	India	100.00%	100.00%
22	EARC Trust - SC 306	India	50.00%	50.00%
23	EARC Trust - SC 308	India	100.00%	100.00%
24	EARC Trust - SC 314	India	100.00%	100.00%
25	EARC Trust - SC 318	India	100.00%	100.00%
26	EARC Trust - SC 321	India	100.00%	100.00%
27	EARC Trust - SC 325	India	100.00%	100.00%
28	EARC Trust - SC 329	India	100.00%	100.00%
29	EARC Trust - SC 331	India	100.00%	100.00%
30	EARC Trust - SC 332	India	100.00%	100.00%
31	EARC Trust - SC 334	India	100.00%	100.00%
32	EARC Trust - SC 342	India	100.00%	100.00%
33	EARC Trust - SC 344	India	100.00%	100.00%
34	EARC Trust - SC 347	India	100.00%	100.00%
35	EARC Trust - SC 348	India	100.00%	100.00%
36	EARC Trust - SC 349	India	100.00%	100.00%
37	EARC Trust - SC 351	India	100.00%	100.00%
38	EARC Trust - SC 352	India	100.00%	100.00%
39	EARC Trust - SC 357	India	100.00%	100.00%
40	EARC Trust - SC 360	India	100.00%	100.00%
41	EARC Trust - SC 361	India	100.00%	100.00%
42	EARC Trust - SC 363	India	100.00%	100.00%
43	EARC Trust - SC 370	India	100.00%	100.00%
44	EARC Trust - SC 372	India	100.00%	100.00%
45	EARC Trust - SC 373	India	100.00%	100.00%
46	EARC Trust - SC 374	India	100.00%	100.00%
47	EARC Trust - SC 375	India	100.00%	100.00%
48	EARC Trust - SC 376	India	100.00%	100.00%
49	EARC Trust - SC 377	India	100.00%	100.00%
50	EARC Trust - SC 378	India	100.00%	100.00%
51	EARC Trust - SC 380	India	100.00%	100.00%
52	EARC Trust - SC 381	India	100.00%	100.00%
53	EARC Trust - SC 383	India	100.00%	100.00%
54	EARC Trust - SC 384	India	100.00%	100.00%
55	EARC Trust - SC 385	India	100.00%	100.00%
56	EARC Trust - SC 386	India	100.00%	100.00%
57	EARC Trust - SC 387	India	100.00%	100.00%
58	EARC Trust - SC 388	India	100.00%	100.00%
59	EARC Trust - SC 391	India	100.00%	100.00%
60	EARC Trust - SC 392	India	100.00%	100.00%

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

58. Composition of the Group (Continued) Group stake in trusts (Continued)

Sr. No.	Trust Name	Country of Incorporation	Proportion of ownership interest as at 31-Mar-2022	Proportion of ownership interest as at 31-Mar-2021
61	EARC Trust - SC 393	India	100.00%	100.00%
62	EARC Trust - SC 394	India	100.00%	100.00%
63	EARC Trust - SC 395	India	100.00%	100.00%
64	EARC Trust - SC 396	India	100.00%	100.00%
65	EARC Trust - SC 399	India	100.00%	100.00%
66	EARC Trust - SC 401	India	100.00%	100.00%
67	EARC Trust - SC 402	India	100.00%	100.00%
68	EARC Trust - SC 405	India	100.00%	100.00%
69	EARC Trust - SC 406	India	100.00%	100.00%
70	EARC Trust - SC 410	India	100.00%	100.00%
71	EARC Trust - SC 412	India	100.00%	100.00%
72	EARC Trust - SC 415	India	100.00%	100.00%
73	EARC Trust - SC 427	India	100.00%	100.00%
74	EARC Trust - SC 428	India	100.00%	100.00%
75	EARC Trust - SC 429	India	100.00%	100.00%
76	EARC Trust - SC 430	India	100.00%	100.00%
77	EARC Trust - SC 227	India	100.00%	-
78	EARC Trust - SC 228	India	100.00%	-
79	EARC Trust - SC 397	India	100.00%	-
80	EARC Trust - SC 413	India	100.00%	-
81	EARC Trust - SC 416	India	100.00%	-
82	EARC Trust - SC 417	India	100.00%	-
83	EARC Trust - SC 418	India	100.00%	-
84	EARC Trust - SC 421	India	100.00%	-
85	EARC Trust - SC 422	India	100.00%	-
86	EARC Trust - SC 423	India	100.00%	-
87	EARC Trust - SC 424	India	100.00%	-
88	EARC Trust - SC 425	India	100.00%	-
89	EARC Trust - SC 431	India	100.00%	-
90	EARC Trust - SC 434	India	100.00%	-
91	EARC Trust - SC 436	India	100.00%	-
92	EARC Trust - SC 440	India	100.00%	-
93	EARC Trust - SC 441	India	100.00%	-
94	EARC Trust - SC 444	India	100.00%	-
95	EARC Trust - SC 447	India	100.00%	-
96	EARC Trust - SC 448	India	100.00%	-
97	EARC Trust - SC 449	India	100.00%	-
98	EARC Trust - SC 451	India	100.00%	-
99	EARC Trust - SC 459	India	100.00%	-

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

58. Composition of the Group (*Continued*)

Notes:

- a. With effect from 01 April 2021, EC Commodities Limited and trading business of Ecap Equities Limited have been merged with Edel Land Limited , a wholly owned subsidiary of the Company, pursuant to the scheme of arrangement approved by National Company Law Tribunal vide its Order dated 25 March 2022 .
- b. With effect from 7 December 2021, Aster Commodities DMCC, one of the subsidiary of the Company is dissolved and ceased to become the subsidiary of the Company and has been consolidated upto the said date.
- c. With effect from 18 October 2021, 61% stake of the Company in Edelweiss Gallagher Insurance Brokers Limited one of the subsidiary, have been transferred to Arthur J. Gallagher & Co. , where by it ceased to become subsidiary from said date and has been consolidated accordingly.
- d. With effect from 31 January 2022, Company has increased its controlling stake in Edelweiss Tokio Life Insurance Company Limited, one of its subsidiary from 51% to 66% and same has be consolidated accordingly.
- e. With effect from 21 February 2022, Edelweiss Rural and Corporate Services Limited, wholly owned subsidiary of the Company has increased its stake in Allium Finance Private Limited, one of its subsidiary from 70% to 85% and same has be consolidated accordingly.
- f. Comtrade Commodities Services Limited (Formerly known as 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.
- g. With effect from 25 June 2021, Edelweiss Real Assets Managers Limited has been incorporated as a new wholly owned subsidiary of Group and has been consolidated from the said date.
- h. With effect from 29 June 2021, Sekura India Management Limited has been incorporated as a wholly owned subsidiary of Group and has been consolidated from the said date.
- i. With effect from 13 December 2021, subsidiary of the Company has purchased 5.23% stake of Edelweiss Securities Limited, its Associate, whereby it has increase its total stake from 38.53% to 43.76% and accordingly associate pick up has been done in the consolidation for the year.
- j. EW Special Opportunities Advisors LLC, a subsidiary of the Group has changed its basis of accounting for periods subsequent to 31 December 2020 from the going concern basis to a liquidation basis.
- k. Edelweiss Multi Strategy Fund Advisors LLP, 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.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

59. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

Sr. No.	Name of the Entity	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 Financial Services Limited	65.86%	50,002.15	440.11%	9,333.56	0.01%	(0.10)	1,007.53%	9,333.46
Subsidiaries									
Indian									
1	ECL Finance Limited	33.71%	25,594.48	37.42%	793.57	6.68%	(79.83)	77.05%	713.74
2	Edelweiss Gallagher Insurance Brokers Limited	-	-	2.22%	47.06	(0.05)%	0.60	5.15%	47.66
3	Edelcap Securities Limited	0.79%	599.07	3.66%	77.61	0.01%	(0.14)	8.36%	77.47
4	Edelweiss Asset Management Limited	2.40%	1,818.63	9.57%	202.91	0.20%	(2.42)	21.64%	200.49
5	Ecap Securities and Investments Limited (Formerly known as Ecap Equities Limited)	(0.11)%	(82.44)	(5.53)%	(117.26)	0.00%	0.00	(12.66)%	(117.26)
6	Edelweiss Trusteeship Company Limited	0.01%	4.96	0.00%	0.06	0.00%	(0.03)	0.00%	0.03
7	Edelweiss Housing Finance Limited	10.24%	7,776.33	6.51%	138.07	(0.01)%	0.09	14.94%	138.17
8	Edelweiss Investment Adviser Limited	(3.99)%	(3,025.57)	(39.72)%	(842.27)	0.01%	(0.14)	(90.94)%	(842.41)
9	Edel Land Limited	6.55%	4,974.19	(63.73)%	(1,351.52)	(0.04)%	0.45	(145.85)%	(1,351.07)
10	Edel Investments Limited	3.49%	2,652.25	2.38%	50.43	(0.01)%	0.10	5.45%	50.53
11	Edelweiss Rural & Corporate Services Limited	8.29%	6,292.55	(35.18)%	(746.05)	1.52%	(18.10)	(82.49)%	(764.14)
12	Comtrade Commodities Services Limited (Formerly known as Edelweiss Comtrade Limited)	0.02%	11.88	(0.21)%	(4.46)	(0.01)%	0.09	(0.47)%	(4.37)
13	Edel Finance Company Limited	16.57%	12,580.93	10.46%	221.79	0.06%	(0.72)	23.86%	221.07
14	Edelweiss Retail Finance Limited	6.70%	5,087.29	8.71%	184.69	0.03%	(0.39)	19.89%	184.30
15	Edelweiss Multi Strategy Fund Advisors LLP	0.01%	7.82	0.40%	8.38	-	-	0.90%	8.38
16	Edelweiss Resolution Advisor LLP	0.00%	0.44	0.00%	(0.04)	-	-	0.00%	(0.04)
17	Edelweiss General Insurance Company Limited	1.78%	1,349.30	(49.46)%	(1,048.89)	1.10%	(13.11)	(114.64)%	(1,062.01)
18	Edelweiss Securities and Investments Private Limited	3.43%	2,602.17	16.03%	339.87	-	-	36.69%	339.87
19	Edelweiss Alternative Asset Advisors Limited	2.04%	1,545.07	23.07%	489.32	0.33%	(3.90)	52.40%	485.42
20	Edelgive Foundation	0.33%	250.87	0.75%	15.87	0.00%	0.05	1.72%	15.91
21	Edelweiss Private Equity Tech Fund	0.81%	614.93	(0.83)%	(17.61)	-	-	(1.90)%	(17.61)
22	Edelweiss Value and Growth Fund	1.05%	794.16	8.68%	184.17	-	-	19.88%	184.17
23	Edelweiss Asset Reconstruction Company Limited	32.61%	24,756.48	119.14%	2,526.70	0.29%	(3.52)	272.37%	2,523.19
24	Edelweiss Tokio Life Insurance Company Limited	8.16%	6,193.74	(97.12)%	(2,059.59)	79.58%	(950.47)	(324.93)%	(3,010.06)

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

59.	Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary (Continued)	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)
Sr. No.	Name of the Entity								
25	Allium Finance Private Limited	1.67%	1,271.63	11.92%	252.84	0.00%	0.02	27.30%	252.86
26	Edelweiss Capital Services Limited	0.73%	554.69	0.97%	20.47	0.03%	(0.30)	2.18%	20.17
27	India Credit Investment Fund – II	6.15%	4,671.80	(0.85)%	(17.97)	-	-	(1.94)%	(17.97)
28	Edelweiss Real Assets Managers Limited	0.13%	101.77	(0.41)%	(8.69)	0.00%	(0.04)	(0.94)%	(8.73)
29	Sekura India Management Limited	0.00%	0.64	0.02%	0.36	0.02%	(0.22)	0.02%	0.14
30	Edelweiss Global Wealth Management Limited	4.69%	3,557.27	-	-	-	-	-	-
Foreign									
31	EC International Limited	(0.17)%	(127.66)	(1.09)%	(23.09)	0.30%	(3.57)	(2.88)%	(26.66)
32	EAAA LLC	0.00%	(1.83)	(1.25)%	(26.59)	(0.02)%	0.20	(2.85)%	(26.38)
33	EW Special Opportunities Advisors LLC	0.00%	0.08	(0.02)%	(0.43)	-	-	(0.05)%	(0.43)
34	Edelweiss Alternative Asset Advisors Pte. Limited	0.67%	510.79	0.94%	20.03	(1.20)%	14.37	3.71%	34.39
35	Edelweiss International (Singapore) Pte. Limited	3.17%	2,404.77	21.75%	461.20	(5.49)%	65.60	56.87%	526.79
36	Aster Commodities DMCC	-	-	(0.08)%	(1.74)	(0.27)%	3.18	0.16%	1.44
37	Controlled Trusts	(1.74)%	(1,319.78)	(25.50)%	(540.85)	-	-	(58.38)%	(540.85)
Non-Controlling Interests									
Adjustments arising out of consolidation		13.89%	10,549.04	10.98%	232.90	38.64%	(461.53)	(24.68)%	(228.63)
Associate (Investment as per the equity method) - Indian		(131.20)%	(99,611.78)	(360.29)%	(7,640.64)	(21.87)%	261.36	(796.57)%	(7,379.27)
Edelweiss Securities Limited		1.26%	960.10	45.58%	966.54	0.16%	(1.94)	104.13%	964.60
Total		100.00%	75,923.20	100.00%	2,120.74	100.00%	(1,194.37)	100.00%	926.37

0.00 indicates amount less than ₹ 0.01 million

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

60. Key disclosures related to life insurance business

a Life insurance and Investment Contract Liability

Particulars	31-Mar-22			31-Mar-21				
	With DPF	Linked Business	Others	Total gross liabilities	With DPF	Linked Business	Others	Total gross liabilities
Insurance Contract Liability								
Life	10,057.42	16,105.49	25,834.89	51,997.81	7,257.89	12,594.42	20,917.85	40,770.16
Health	-	-	61.22	61.22	-	-	53.61	53.61
Annuity	-	-	595.98	595.98	-	-	383.12	383.12
Pension	1,143.28	304.33	-	1,447.61	1,047.07	349.59	-	1,396.66
Total	11,200.70	16,409.82	26,492.09	54,102.62	8,304.96	12,944.01	21,354.58	42,603.55
Investment Contract Liability								
Life	-	884.09	458.63	1,342.72	-	786.35	440.57	1,226.92
Health	-	-	-	-	-	-	-	-
Annuity	-	-	-	-	-	-	-	-
Pension	-	-	-	-	-	-	-	-
Total	-	884.09	458.63	1,342.72	-	786.35	440.57	1,226.92

b Movement of life insurance contract liabilities

Particulars	31-Mar-22			31-Mar-21				
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
Gross Liability at the beginning of the year	8,304.94	12,944.01	21,354.58	42,603.53	5,746.20	6,964.39	16,804.03	29,514.62
Add/(Less)								
Premium	4,431.80	3,293.54	6,847.76	14,573.10	3,650.46	3,144.03	5,446.32	12,240.81
Unwinding of the discount / Interest credited	371.22	2,258.65	1,397.45	4,027.32	774.79	3,796.94	1,111.35	5,683.08
Changes in valuation for expected future benefits	(1,641.00)	(506.57)	(1,968.66)	(4,116.23)	(1,631.68)	(445.68)	(1,379.61)	(3,456.97)
Insurance liabilities released	(343.69)	(1,562.04)	(1,020.01)	(2,925.74)	(377.29)	(564.07)	(879.68)	(1,821.04)
Undistributed Participating Policyholders surplus (UPPS)	33.45	-	-	33.45	13.49	-	-	13.49
Change in other Liabilities	43.99	(17.78)	(119.03)	(92.82)	128.97	48.40	252.20	429.57
Gross Liability at the end of the year	11,200.71	16,409.81	26,492.09	54,102.61	8,304.94	12,944.01	21,354.61	42,603.56

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

60. **Key disclosures related to life insurance business (Continued)**
c. **Investment contract liabilities without DPF are stated at fair value.**

The investment contracts measured at fair value are mainly unit linked in structure and the fair value of the liability is equal to the unit reserve plus additional non-unit reserves, if required, on a fair value basis. These contracts are classified as Level 1 in the fair value hierarchy when the unit reserve is calculated as the publicly quoted unit price multiplied by the number of units in issue and any non-unit reserve is insignificant. Where the unit price is not publicly-available these contracts are classified as Level 2 in the fair value hierarchy provided the additional non-unit reserve is an insignificant input to the valuation. Where the non-unit reserve is a significant input in the valuation, the contracts are classified at Level 3 in the fair value hierarchy. The Group takes credit risk into account in assessing the fair value of the liabilities.

Investment contract liabilities without DPF are further analysed as follows:

Particulars	31-Mar-22		31-Mar-21	
	Linked Business	Others	Total	Total
At the beginning of the year	786.35	440.58	1,226.93	974.97
Additions				
Premium	62.83	6.12	68.95	241.58
Interest and Bonus credited to policyholders	76.81	27.86	104.67	177.53
Others	0.08	(1.42)	(1.34)	1.52
Deductions				
Withdrawals / Claims	(28.62)	(13.32)	(41.94)	(155.77)
Fee Income and Other Expenses	(13.36)	(1.18)	(14.54)	(12.90)
At the end of the year	884.09	458.64	1,342.73	1,226.93

Change in insurance contract liabilities

Particulars	31-Mar-22		31-Mar-21	
	With DPF	Linked Business	With DPF	Total
a) Policy Liabilities (Gross)	2,895.74	3,465.81	2,558.76	13,088.95
b) Amount ceded in reinsurance	-	(0.04)	-	(448.95)
c) Amount accepted in reinsurance	-	-	-	-
Net change in insurance contract liabilities	2,895.74	3,465.77	2,558.76	12,640.00

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

60. Key disclosures related to life insurance business (Continued)

c. Investment contract liabilities without DPF are stated at fair value. (Continued)

Change in Reinsurance assets

Particulars	31-Mar-22	31-Mar-21
Opening Reinsurance Assets	3,393.36	2,944.41
Premium	331.70	358.33
Unwinding of the Discount/Interest Credited	200.48	176.08
Change in Valuation for expected future benefits	(214.65)	(177.95)
Insurance Liabilities released	(278.12)	92.49
Closing Reinsurance Assets	3,432.77	3,393.36

At 31 March 2022, the Company conducted an impairment review of the reinsurance assets and there is no impairment loss for the year.

During the year, the Company entered into reinsurance arrangements that resulted in profit of ₹ 987.18 million for the financial year 2021-22 (PY ₹ 124.64 million). This profit has been reflected in the statement of profit or loss.

At 31 March 2022 and 31 March 2021, there are no impaired reinsurance assets.

d. Key Assumptions

Liabilities for life insurance policies are determined by the Appointed Actuary in accordance with the IRDAI regulations and relevant actuarial practice standards & guidance notes issued by the Institute of Actuaries of India. For Linked business (UL), separate unit and non-unit reserve is maintained. The unit reserve is the current value of the assets underlying the unit funds and the non-unit reserve is kept to meet the liabilities due to the cost of insurance, expenses, commissions etc. in excess of future charges. For discontinued policies under UL products the fund is transferred to a separate discontinuance fund as per IRDAI regulations and the same has been kept as reserves. Further, for the discontinuance policies, the non-unit reserves are also kept.

The reserves/ liabilities under non-linked business is calculated using a prospective gross premium method of valuation. The reserves are established having regard to the assumptions as to future experience, including the interest rate that will be earned on premiums not yet received and future bonus rates for participating business. Assumptions as to the future bonus rates are set to be consistent with the interest rate assumptions. For participating policies, the valuation interest rate used is 6.00% (no change from last year). For non-par policies, the valuation interest rate ranges between 5.58% - 6.75% (no change from last year) for the first 5 years and 4.00% - 6.00% (no change from last year) thereafter (for annuity, 2% assumed for year greater than 50 years).

The lapse assumptions are based on various factors namely the actual experience, credibility of the experience, pricing assumptions, trend from actual experience and consistency from past year's assumptions. For lapsed policies, revival reserves are maintained (till the policies are within the revival year) assuming 10.00% (previous year 10.00%) of them will get revived.

Mortality assumptions are set with reference to the published IALM (2012-2014) Ultimate Mortality Table. The mortality assumptions are based on various factors namely the actual experience, credibility of the experience, pricing assumptions, trend from actual experience and consistency from past year's assumptions. For annuity product, mortality rates are set with reference to the IIAM 12-15 - Indian Individual Annuitant Mortality Table (2012-15). Assumptions for morbidity and incidence of accidental death are based on terms available from reinsurers and the standard morbidity rate table CIBT 93 (Critical Illness Base Table for year 93).

Assumptions for future expenses are considered as per the file & use assumptions (which are derived from long term business plan of the Company) or similar existing product assumptions and these expenses escalated each year by 5.00% p.a. (previous year 5.00%) to allow for inflation. An additional reserve has been included to allow for the contingency of closure to new business and to cover maintenance expense overrun.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

60. Key disclosures related to life insurance business (Continued)

d. Key Assumptions (Continued)

Commission has been allowed for at the rates specified in the products file and use.

Further it has been ensured that for each policy the reserve is sufficient to pay the surrender value.

For participating products, terminal bonuses are provisioned such that the reserves are at least equal to asset share at product level.

The provisions have been made for incurred but not reported death claims (IBNR), free look reserve, unearned premium reserve of the extra premium collected etc.

Free look assumption has been set based on the actual cancellation experience observed by the company for all lines of business, trend of the experience in the last few years and consistency of the rate in comparison to the past year. The assumption of free look rate is set at 4% this year (no change from last year).

For riders, both unearned premium and gross premium reserves are calculated and the higher of these two is held as reserve. For OYRGTL plan (One Year Renewable Group Term Life), the Unearned Premium Reserve is calculated as premium for the unexpired duration. In addition, the premium deficiency reserve and IBNR is also kept for OYRGTL.

The Company has continued to provision for additional margin for adverse deviation (MAD) to mitigate the risk due to Covid-19 pandemic risk under Actuarial Liability. Further, the Company has kept additional Covid-19 related provision in anticipation of elevated COVID related claims.

Portfolio assumptions impacting net liabilities	Range	FY 2022	FY 2021
Mortality rates (as a % of Indian Assured Lives Mortality (2006-08))**	Max	230% (Without MAD)*	215% (Without MAD)*
	Min	22% (Without MAD)	21% (Without MAD)
Discount/ interest rates***	Max	8% (Without MAD)	7.75% (Without MAD)
	Min	7.25% (Without MAD)	5% (Without MAD)
Expense****	Max	9773 (INFL @5%) (without MAD)	9308 (INFL @5%) (without MAD)
	Min	19 (INFL @ 5%) (without MAD) for micro Insurance plan	18 (INFL @ 5%) (without MAD) for micro Insurance plan
		289 (INFL @ 5%) (without MAD)	276 (INFL @ 5%) (without MAD)
		12 (INFL @ 5%) (without MAD) for micro Insurance plan	11 (INFL @ 5%) (without MAD) for micro Insurance plan
MAD*		Mortality: 10%; additional 5% MAD to cater COVID19 pandemic risk	Mortality: 10%; additional 5% MAD to cater COVID19 pandemic risk
		Interest: 85 - 575 bps	Interest: 75 - 550 bps
		Expenses: 10%	Expenses: 10%

* Margin for Adverse Deviation (MAD) is over and above the base rate mentioned above.

** Mortality rates (excluding annuity products) are expressed as % of Indian Assured Lives Mortality (2012-14) and for annuity it is expressed as % of IIAM 12-15 - Indian Individual Annuitant Mortality Table (2012-15). Further in Annuity plans, Mortality improvement of 1% per annum till attained age of 64 and 0.5% per annum thereafter has been assumed from the current rates.

*** Under Unit linked, for unit growth rate (i.e. Investment return) weighted average growth rate of various unit funds is used.

**** The value of future expenses has been derived to allow for all the future maintenance expenses as applicable namely fixed per policy, renewal premium (0%-2%)/ commission (0%-25%) related, fund (0%-0.25%) related etc. The limits for fixed per policy expenses are as mentioned above in the table.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

60. Key disclosures related to life insurance business (Continued)

e. Sensitivity Analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross liabilities.

The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous year. The sensitivities are same as shared with Regulators during annual reporting.

For Year Ended 31-Mar-22

Sensitivity Parameters	Gross Liability				
	Insurance Contracts			Investment Contracts	
	With DPF	Linked	Others	Linked	Others
Mortality increased by 10%	11,204.36	16,412.09	27,707.89	884.09	458.64
Mortality decreased by 10%	11,197.15	16,408.28	25,298.98	884.09	458.64
Lapses increased by 10%	11,199.72	16,409.50	26,148.37	884.09	458.64
Lapses decreased by 10%	11,201.84	16,410.17	26,862.30	884.09	458.64
Expenses increased by 10%	11,204.57	16,410.35	26,634.27	884.09	458.64
Expenses decreased by 10%	11,196.97	16,409.39	26,349.91	884.09	458.64
Interest Rate increased by 100 bps	10,321.02	16,295.02	21,720.15	870.95	458.64
Interest Rate decreased by 100 bps	12,262.24	16,535.48	32,845.28	898.03	458.64
Inflation Rate increased by 100 bps	11,203.05	16,410.34	26,621.61	884.09	458.64
Inflation Rate decreased by 100 bps	11,198.67	16,409.57	26,378.71	884.09	458.64

For Year Ended 31-Mar-21

Sensitivity Parameters	Gross Liability				
	Insurance Contracts			Investment Contracts	
	With DPF	Linked	Others	Linked	Others
Mortality increased by 10%	8,308.80	12,946.17	22,455.41	786.35	440.57
Mortality decreased by 10%	8,301.09	12,942.63	20,257.58	786.35	440.57
Lapses increased by 10%	8,303.77	12,943.74	21,058.91	786.35	440.57
Lapses decreased by 10%	8,306.17	12,944.31	21,671.76	786.35	440.57
Expenses increased by 10%	8,309.07	12,944.45	21,485.17	786.35	440.57
Expenses decreased by 10%	8,300.84	12,943.67	21,224.21	786.35	440.57
Interest Rate increased by 100 bps	7,640.58	12,854.89	17,475.55	757.41	440.57
Interest Rate decreased by 100 bps	9,110.47	13,038.49	26,404.71	817.78	440.57
Inflation Rate increased by 100 bps	8,307.61	12,944.36	21,476.28	786.35	440.57
Inflation Rate decreased by 100 bps	8,302.53	12,943.85	21,250.38	786.35	440.57

Gross premiums on insurance contracts and investment contracts with DPF

Particulars	2021-22	2020-21
Life Insurance	14,573.78	12,240.81
Total Gross Premiums	14,573.78	12,240.81

Premiums ceded to reinsurers on insurance contracts and investment contracts with DPF

Particulars	2021-22	2020-21
Life Insurance	(331.70)	(358.33)
Total premiums ceded to reinsurers	(331.70)	(358.33)

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

60. Key disclosures related to life insurance business (Continued)

e. Sensitivity Analysis (Continued)

Net benefits and claims	2021-22	2020-21
Particulars		
a. Gross benefits and claims paid		
Life insurance contracts	4,478.74	2,011.29
Investment contracts with DPF	-	-
Total gross benefits and claims paid	4,478.74	2,011.29
b. Claims ceded to reinsurers		
Life insurance contracts	(1,325.35)	(520.94)
Investment contracts with DPF	-	-
Total claims ceded to reinsurers	(1,325.35)	(520.94)
Net benefits and claims	3,153.39	1,490.35

61. Key disclosures related to General Insurance business

Contract Liability for General Insurance business

Premium earned

Gross Premium on insurance contracts

Particular	2021-22	2020-21
Gross written Premium	3,610.19	2,264.46
Change in reserve for unexpired risks	(618.48)	(267.73)
Gross Earned Premium (a)	2,991.71	1,996.73

Premium ceded to reinsurers on insurance contracts

Particular	2021-22	2020-21
Premium on reinsurance ceded	1,118.15	424.73
Change in reserve for unexpired risks	(453.76)	(50.39)
Premium ceded to reinsurers (b)	664.39	374.34

Total Premium Earned (net) (a - b)

	2,327.32	1,622.39
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Change in actuarial liability

Particular	2021-22	2020-21
Gross Claim Paid	2,142.34	1,285.48
Claims Ceded to reinsurer on Gross Claims Paid	(251.14)	(89.32)
Net Claims Paid	1,891.20	1,196.16
Change in Gross Claims Outstanding	82.56	149.39
Change in Ceding to reinsurer on Gross Claims Outstanding	(1.29)	(72.89)
Net Claims Outstanding	1,972.47	1,272.66

Change in Gross IBNR

	546.92	500.52
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Change in Ceding to reinsurer on Gross IBNR

	(268.59)	(115.56)
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Net IBNR

	278.33	384.96
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Change in Gross Premium deficiency Reserve

	(38.36)	(1.41)
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Change in Ceding to reinsurer on Premium deficiency Reserve

	-	-
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Net Premium deficiency Reserve

	(38.36)	(1.41)
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Change in actuarial liability

	239.97	383.55
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Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

61. Key disclosures related to General Insurance business (Continued)

Reinsurance asset

Particular	31-Mar-22	31-Mar-21
Reinsurance on Insurance Contract	370.32	370.32
Gross Insurance contract liabilities	3,889.84	2,946.56
Reinsurance asset relating to Insurance contracts	1,340.24	666.99
Net Insurance contract liabilities	2,549.60	2,279.57

Gross Insurance contract liabilities	31-Mar-22	31-Mar-21
Gross Claims Outstanding	442.34	359.78
Gross IBNR	1,659.69	1,112.77
Gross Premium deficiency Reserve	1.41	38.36
Gross Reserve for unexpired risks	1,786.39	1,435.65
Gross Insurance contract liabilities	3,889.83	2,946.56

Reinsurance asset relating to Insurance contracts	31-Mar-22	31-Mar-21
Reinsurance of Claims Outstanding	86.17	84.88
Reinsurance of IBNR	473.97	205.38
Reinsurance of Premium deficiency Reserve	-	-
Reinsurance of Reserve for unexpired risks	780.09	376.73
Reinsurance of Insurance contract liabilities	1,340.23	666.99

Net Insurance contract liabilities	2021-22	2020-21
Net Claims Outstanding	356.18	274.90
Net IBNR	1,185.71	907.38
Net Premium deficiency Reserve	1.41	38.36
Net Reserve for unexpired risks	1,006.30	1,058.92
Net Insurance contract liabilities	2,549.60	2,279.56

Reconciliation of Claims Outstanding	2021-22	2020-21
Gross Claims Outstanding at the beginning of year	210.39	210.39
Gross Change in claims reserve	231.95	149.39
Gross Claims Outstanding at the end of year	442.34	359.78

Reinsurance of Claims Outstanding at the beginning of year	11.99	11.99
Reinsurance of Change in claims reserve	74.18	72.88
Reinsurance of Claims Outstanding at the end of year	86.17	84.87

Net Claims Outstanding at the beginning of year	198.41	198.41
Net Change in claims reserve	157.77	76.49
Net Claims Outstanding at the end of year	356.18	274.90

Reconciliation of Incurred but not reported (IBNR)	2021-22	2020-21
Gross IBNR Outstanding at the beginning of year	612.25	612.25
Gross Change in IBNR reserve	1,047.44	500.52
Gross IBNR Outstanding at the end of year	1,659.69	1,112.77

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

61. Key disclosures related to General Insurance business (Continued)

Reinsurance asset (Continued)

Particular	2021-22	2020-21
Reinsurance of IBNR Outstanding at the beginning of year	89.83	89.83
Reinsurance of Change in IBNR reserve	384.15	115.56
Reinsurance of IBNR Outstanding at the end of year	473.98	205.39
Net IBNR Outstanding at the beginning of year	522.42	522.42
Net Change in IBNR reserve	663.29	384.96
Net IBNR Outstanding at the end of year	1,185.71	907.38
Reconciliation of Premium deficiency Reserve	2021-22	2020-21
Gross Premium deficiency Reserve Outstanding at the beginning of year	39.78	39.78
Gross Change in Premium deficiency reserve	(38.36)	(1.42)
Gross Premium deficiency Reserve Outstanding at the end of year	1.42	38.36
Reinsurance of Premium deficiency Reserve Outstanding at the beginning of year	-	-
Reinsurance of Change in Premium deficiency reserve	-	-
Reinsurance of Premium deficiency Reserve Outstanding at the end of year	-	-
Net Premium deficiency Reserve Outstanding at the beginning of year	39.78	39.78
Net Change in Premium deficiency reserve	(38.36)	(1.41)
Net Premium deficiency Reserve Outstanding at the end of year	1.42	38.37
Reserve for unexpired risks	2021-22	2020-21
Gross Reserve for unexpired risks Outstanding at the beginning of year	1,167.91	1,167.91
Gross Change in Reserve for unexpired risks reserve	618.48	267.73
Gross Reserve for unexpired risks Outstanding at the end of year	1,786.39	1,435.64
Reinsurance of Reserve for unexpired risks Outstanding at the beginning of year	326.33	326.33
Reinsurance of Change in Reserve for unexpired risks reserve	453.76	50.39
Reinsurance of Reserve for unexpired risks Outstanding at the end of year	780.09	376.72
Net Reserve for unexpired risks Outstanding at the beginning of year	841.59	841.59
Net Change in Reserve for unexpired risks reserve	164.72	217.33
Net Reserve for unexpired risks Outstanding at the end of year	1,006.31	1,058.92

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

61. Key disclosures related to General Insurance business (Continued)

Geographical concentration:

The Company has its operation only in India.

Sensitivity Analysis to key assumptions

The following analysis is performed for reasonably possible movements in 'Ultimate Loss ratio' with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity.

The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous year.

2021-22	Change in Assumption	Increase / (Decrease) on Gross Liability	Increase / (Decrease) on Net Liability	Increase / (Decrease) on Profit Before Tax	Increase / (Decrease) on Equity
Ultimate Loss Ratio	10.00%	415.62	438.70	438.70	-
Ultimate Loss Ratio	(10.00)%	(415.62)	(438.70)	(438.70)	-
2020-21	Change in Assumption	Increase / (Decrease) on Gross Liability	Increase / (Decrease) on Net Liability	Increase / (Decrease) on Profit Before Tax	Increase / (Decrease) on Equity
Ultimate Loss Ratio	10.00%	294.66	227.96	227.96	-
Ultimate Loss Ratio	(10.00)%	(294.66)	(227.96)	(227.96)	-

62. 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.

63. During the year ended 31 March 2022, the Company has sold its investment in one of the subsidiary. Accordingly, included in other income is an amount of ₹ 3,067.20 million (Previous year ₹ 14,063.50 million) towards realized gain representing the difference between the consideration received and net assets derecognized.

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

Other Additional Regulatory Information

64. Details of Benami Property held

The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

65. Security of current assets against borrowings

The Group has borrowings from banks or financial institutions on the basis of security of current assets. Quarterly return and statement filed by the Group with such banks or financial institutions are in agreement with the books of account of the Group, wherever applicable.

66. Wilful Defaulter

The Group is not declared wilful defaulter by any bank or financial Institution or other lender.

67. Transactions with Struck off Companies

Name of the struck-off Company	Nature of transactions with struck-off Company	Relationship with the struck-off Company	Balance Outstanding as on March 31, 2022	Balance Outstanding as on March 31, 2021
City Elevators Pvt Ltd	Payables	-	0.00	0.00
Cleanflo India Pvt Ltd	Payables	-	0.00	0.00
Emicon India Pvt Ltd	Payables	-	0.00	0.00
First Care India Pvt Ltd	Payables	-	0.00	0.00
Glossy Creations Private Limited	Receivables	-	0.66	-
Glossy Creations Private Limited	Investments in securites	-	-	-
Glossy Creations Private Limited	Payables	-	-	-
Glossy Creations Private Limited	Shares held by struck-off Company	-	-	-
Zedpack Pvt Ltd	Receivables	-	0.01	2.35
E Factor Entertainment Pvt Ltd	Receivables	-	-	0.05
Shellz India Pvt Ltd	Receivables	-	0.02	2.16
Amit Ventures	Payables	-	0.02	-
Arihant Capital Markets Ltd	Payables	-	0.00	-
Arihant Infotech	Payables	-	0.13	-
Deb Express Couriers	Payables	-	-	0.00
Globex International	Payables	-	0.01	0.01
JAGDAMBA TRADERS	Payables	-	-	0.01
Kamal Enterprises	Payables	-	0.03	0.00
OCEAN FINVEST	Payables	-	0.66	-
Practical Financial Services Pvt Ltd	Payables	-	0.00	-
Shams Cable Network	Payables	-	-	0.03
Sift Capital	Payables	-	0.02	-
M R D Enterprises	Payables	-	-	-
Sahara Hospitality Ltd	Payables	-	-	-
Diamond Transport	Payables	-	-	-
Kamal Enterprises	Payables	-	-	-
Provenance Land Private Limited	Business Promotion Expense	-	-	-
Aakanksha Leasing And Services Private Ltd	Commission and Brokerage Expense	-	-	-
Br Wealth Advisors Private Limited	Commission and Brokerage Expense	-	-	-
Reuters India Private Limited	Rent expense	-	-	-
NMCI Inspections and Survey Company Private Limited	Sale of Scrap	-	-	-
Vector Projects (I) Pvt Ltd	Office Expense	-	-	-

0.00 indicates amount less than ₹ 0.01 million

Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

68. The Group is in compliance with number of layers of companies, as prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

69. Utilisation of Borrowed funds and share premium

(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/Group (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 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 Holding Company has taken loans and given loans to its subsidiary company in the ordinary course of business, are at Arm's length and the same is approved by Board Audit Committee of the Company. The Company confirms 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).

S. No.	Name of Lender	Nature	Date	₹ in millions	Loan given	Nature	Date	₹ in millions	Remarks
1	Beacon Trustee (Various lenders)	NCD Borrowing	5-Oct-21	4,000	ECL Finance Limited (ECL Finance)	Loan given	06-Oct-21	4,000	1) In accordance with loan agreement with lender, the loan was taken by the Holding Company, for the purpose of repayment of existing banking liabilities of ECL Finance. 2) During the year ECL finance has repaid ₹ 4,000 million to the Holding Company.

Note (2) : Transactions between group companies have not been disclosed under this note as they are eliminated for the purpose of preparing consolidated financial statements of the Company.

70. Undisclosed income

The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

71. Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

72. Loans & Advances

There are no loans or advances in the nature of loans which are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are;

- (a) repayable on demand or
- (b) without specifying any terms or period of repayment

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

74. Edelweiss Custodial Services Limited ("ECdSL"), a associate of the Company challenged an order, by an investigating agency, marking lien on its clearing account, before the 47th Additional Chief Metropolitan Magistrate Court, Mumbai. Since the investigation against Anugrah Stock and Broking Pvt. Ltd. ("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. ECdSL has since provided undertaking to keep sufficient assets amounting to ₹ 4,603.20 million belonging to the Group and associate unencumbered and the said lien order has been set aside. The matter has been listed for further hearing and there is no further update on this matter during the year.

The MCSGF Committee of NSE Clearing Limited ("NCL") vide its order dated 20 October 2020 has directed ECdSL to adhere to instructions of National Stock Exchange ("NSE") / NCL, to appropriately reinstate the securities wherever trading member's clients had credit balance, but the securities got liquidated. ECdSL filed an appeal against the impugned order with Securities Appellate Tribunal ("SAT"). SAT vide its order dated 05 November 2020 has directed ECdSL to give an undertaking to NCL that it will deposit ₹ 2,120.00 million or other amount as directed by the SAT after disposal of Appeal. ECdSL has since provided the declaration to NCL. The matter has been listed for further hearing and there is no further update on this matter during the year.

Various Arbitration/Writ Petitions have been filed before the Hon'ble Bombay High Court ("Hon'ble Court") by various end clients of the trading member against trading member and its associates. ECdSL has been made party to the same. All the Writ Petitions have been tagged together and common orders have been passed. The matters are yet to be listed for further hearing.

EOW investigations at Cyberabad, Telangana and at Amravati are going on in the matter of trading member. Further one end client of trading member had filed an FIR at Hyderabad, Telangana for which investigation is under process

ECdSL believes 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 31 March 2022.

75. Edel Land Limited (ELL), a wholly owned subsidiary of the Company, has entered into an agreement dated 28 November 2019, pursuant to which upon happening of a contingency whereupon if the investors who have subscribed for a majority in the Alternative Investment Fund (AIF) to which ECL Finance Limited (ECLF) and Edelweiss Housing Finance Limited (EHFL), subsidiaries of the Group have sold financial assets does not receive the agreed IRR (IRR) as per the agreement in which case ELL shall be required to either arrange for a buyer thereof and/or purchase the assets at IRR.

76. The Board of Directors at their meeting held on 27 May 2022, have recommended a final dividend of ₹ 1.20 per equity share (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting.

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

77. During the year ended 31 March 2022, three subsidiaries of the Group had sold certain financial assets amounting to ₹ 11,424.10 million (net of provisions) to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 9,455.70 million from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from these subsidiaries' financial statements. The Company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognized in subsidiaries' financial statements. Based on assessment of probability of default, loss given default in respect of these financial assets and in light of various factors viz. exposures to certain sectors and assessment of credit and market risks for certain counter parties relative to such risks at initial recognition, the Group has recorded fair value gain of ₹ 4,152.00 million (net) for the year ended and is included in "Net gain / (loss) on fair value changes".
78. The Board of Directors of the Company ("Board") at their meeting held on 13 May 2022 has approved the Scheme of Arrangement between the Company and Edelweiss Securities Limited ("Resulting Company" or "ESL") and their respective shareholders and creditors under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 ("Act") ("Scheme") which inter alia, provides for demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) from the Company into the Resulting Company on a going concern basis and reduction of the capital of the Resulting Company in the manner set out in the Scheme. Post necessary regulatory and statutory approvals, the equity shares of the Resulting Company shall be listed on BSE Limited and the National Stock Exchange of India Limited.
79. During the year ended 31 March 2022, certain assets amounting to ₹ 4,004.40 million were sold to alternative assets funds by the subsidiary NBFCs. The Company and its subsidiary Edelweiss Rural & Corporate Services Limited ('ERCSL'), have, vide a put agreement dated 04 February 2022 and 31 July 2021 respectively, have guaranteed / undertaken to purchase these financial assets amounting to ₹ 4,004.40 million on occurrence of certain trigger event as per the agreement. Further, as the risks and rewards continues in the Group, these are accounted as financial assets in the consolidated financial statements and the consequent expected credit loss is recorded in the consolidated financial statements.
80. Figures for the year ended 31 March 2021 included consolidated financial statements for the wealth management business as a subsidiary of the Company. For the year ended 31 March 2022, the wealth management business is consolidated as an associate company. Accordingly, the consolidated financial statements for the year ended 31 March 2022 are not comparable with the consolidated financial statements of the previous year.
81. CDPQ Private Equity Asia Pte. Ltd. (CDPQ), holder of cumulative convertible preference shares (CCPS) of Edelweiss Asset Reconstruction Company Limited (EARC), a subsidiary, had on 15 July 2019 given a put intimation notice to Group entities viz., Edelweiss Custodial Services Limited (ECSL) and ECL Finance Limited (ECL) in accordance with Option Agreement dated 14 November 2017. The Option Agreement required ECSL and ECLF to buy these CCPS at an agreed fair value. EARC had applied to Reserve Bank of India (RBI) which gave its no objection on 17 February 2020 in the name of fellow subsidiaries Edelweiss Rural and Corporate Services and Ecap Equities Limited. As the companies and CDPQ have not completed fair value of the put security in accordance with the put agreement, CDPQ has not exercised its put option.
82. Under the Shareholders' Agreement dated 05 March 2019, entered between Edelweiss Financial Services Limited (EFSL), CDPQ Private Equity Asia PTE. Limited (CDPQ) and ECL Finance Limited (together referred as Parties), EFSL had agreed, pursuant to clause 8.1 & 8.2 to make equity investment of an amount equivalent to the amount of losses on Select real estate/structured finance Loans (Select Loans) into ECL Finance Limited within six months of the default leading to loss incurred by the ECL Finance Limited on or before the date of the conversion of the Investor CCDs into Equity Shares. The rationale for this undertaking was to keep the total equity/net worth of ECL Finance Limited unimpacted on account of impairment in these loan accounts. During the year ended 31 March 2021, parties have agreed and concluded that loss event for two of the borrowers in the Select Loans have crystalized and hence, EFSL has agreed to make good the loss amounting to ₹ 1,400.10 million incurred by ECL Finance Limited in earlier years. Accordingly, EFSL has recorded such loss in its profit and loss for the year ended 31 March 2021. The parties have agreed that no loss event has been crystalized in respect of other Select Loans amounts mentioned in above said clauses of the agreement and hence there is no obligation of EFSL.

Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

83. 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.

84. Previous year's figures have been regrouped / reclassified to conform to current year presentation.

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

As per our report of even date attached

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership No: 102102

Mumbai 27 May 2022

For and on behalf of the Board of Directors

Rashesh Shah

Chairman & Managing Director

DIN: 00008322

Ananya Suneja

Chief Financial Officer

Mumbai 27 May 2022

Himanshu Kaji

Executive Director

DIN : 00009438

Tarun Khurana

Company Secretary



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Edelweiss Financial Services Limited
Standalone Financial Statements
for the year ended 31 March 2022

Independent Auditor's Report

To the Members of Edelweiss Financial Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Edelweiss Financial 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 48 of the standalone financial statements, which describes the economic and social disruption as a result of continued COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of investments and other financial assets, 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.

Independent Auditor’s Report (Continued)

Key audit matters	How our audit addressed the key audit matter
<p>Impairment of investments in subsidiary companies (as described in note 1.4.1.3 and note 7 of the standalone financial statements)</p> <p>The Company has investments in various subsidiaries and associate aggregating Rs. 49,540.49 million which are not listed or quoted. These investments are valued at cost and are required to be assessed for impairment in accordance with Ind AS 36, when any indicators of impairment are observed.</p> <p>In carrying out such impairment assessment, a significant judgement of the management is involved in estimating the investee company’s “ value in use”, in accordance with Ind AS 36. Estimation of the value in use requires the management to apply appropriate assumptions with respect to the growth rates for future cash flow projections of the investee company and discount rates for determining present value of such cash flows.</p> <p>In view of the high degree of management’s judgement involved in estimation of the recoverable amount of investments in unlisted subsidiaries and associate and the inherent uncertainty relating to the assumptions supporting such estimates, we considered this area as a key audit matter.</p>	<p>Our audit procedures included considering the appropriateness of the processes laid down by the management for assessment of impairment in the value of investments in subsidiaries and associate combined with procedures performed as follows:</p> <ul style="list-style-type: none"> • Considered management’s assessment of impairment from the management experts wherever considered necessary and assessed whether any impairment indicators existed for investment in individual subsidiaries and associate. • Traced the net-worth of the individual subsidiaries and associate to their audited financial statements to assess whether any impairment indicators were present. • Assessed information used to determine the key assumptions, including growth rates and discount rates. • Assessed the disclosures relating to investments in subsidiaries and associate included in the standalone financial statements in accordance with the requirements of Ind AS.
<p>IT systems and controls</p> <p>Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction, hence we identified IT systems and controls as a key audit matter for the Company.</p> <p>Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.</p>	<p>Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting of the Company:</p> <ul style="list-style-type: none"> • Tested the design and operating effectiveness of the Company’s IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. • Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorized. • Tested the Company’s periodic review of access rights. Also tested requests of changes to systems for approval and authorization. • In addition to the above, tested the design and operating effectiveness of certain automated controls that were considered as key internal controls. • Tested the design and operating effectiveness of compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

Independent Auditor's Report (*Continued*)

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 auditor's report, and the Annual report, which is expected to be made available to us after that date.

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.

When we read the Board report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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.

Independent Auditor's Report (*Continued*)

- 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;

Independent Auditor's Report (*Continued*)

- (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 35(1)(a) and (b) to the standalone financial statements);
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – (Refer Note 68 to the standalone financial statements);
 - iii. There has been no delay in transferring amounts, 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, other than as disclosed in the note 55 (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 person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate 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 55 (B) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures 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. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

As stated in note 59 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number:102102

UDIN: 22102102AJSYBG5060

Place of Signature: Mumbai

Date: May 27, 2022

Annexure 1 Referred to in Paragraph 1 Under the Heading “Report on Other Legal and Regulatory Requirements” of Our Report of Even Date

Re: Edelweiss Financial 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.
- (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 are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment 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 51 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from bank during the year on the basis of security of current assets of the Company. The Company had closed the sanctioned workings capital limit within a month and accordingly was not required to file any return/statement with the bank. During the year the Company has availed overdraft facility from one Bank and pursuant to confirmation received from the said bank, there was 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 as follows:

	Rs in million				
	Guarantees	Put Option	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year to					
-Subsidiaries	9,080.00	2,720.00	1,712.41	60,614.78	Nil
- Others	Nil	Nil	Nil	Nil	Nil
* Balance outstanding as at balance sheet date in respect of					
- Subsidiaries	34,880.67 (**)	3,584.88	1,712.41	21,385.43	Nil
- Others	Nil	Nil	Nil	Nil	Nil

* the above balance includes outstanding as at March 31, 2022

** Guarantees originally issued against the above was Rs. 70,100.70 million

Annexure 1 Referred to in Paragraph 1 Under the Heading “Report on Other Legal and Regulatory Requirements” of Our Report of Even Date *(Continued)*

- (b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies are not prejudicial to the Company's interest.
- (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 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. As represented by the Management, there are no loans given to other than group companies.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies which are overdue for more than ninety days.
- (e) Loans and advance given to group Companies were due during the year, had been renewed/extended by entering into supplementary agreement to stipulate schedule of 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.

Rs in Millions

Name of Parties	Aggregate amount of overdues of existing loans renewed or extended	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Various subsidiaries and associate	22,105.13	36.47 %

- (f) As disclosed in note 58 to the standalone 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:

Rs in Millions

	All Parties	Promoters	Related Parties - Group Companies
Aggregate amount of loans/ advances in nature of loans - without specifying period of repayment of principal	9,701.55	Nil	9,701.55
Percentage of loans/ advances in nature of loans to the total loans outstanding as on balance sheet date	45.37 %	Nil	45.37 %

- (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/ provided security 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 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.

Annexure 1 Referred to in Paragraph 1 Under the Heading “Report on Other Legal and Regulatory Requirements” of Our Report of Even Date *(Continued)*

- (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 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, value added tax, and sales tax are not applicable to company.
- (b) The dues of goods and services tax, provident fund, employees’ state insurance, income-tax, service tax, and other statutory dues have not been deposited on account of any dispute, are as follows, The provisions relating to duty of custom, duty of excise, value added tax and sales tax are not applicable to the Company.

Rs in million

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	3.23	AY 2001 -02	High Court
Income Tax Act, 1961	Income Tax	17.95	AY 2008 -09	High Court
Income Tax Act, 1961	Income Tax	122.73	AY 2009 -10	High Court
Income Tax Act, 1961	Income Tax	219.45	AY 2010 -11	High Court
Income Tax Act, 1961	Income Tax	83.53	AY 2011 -12	High Court
Income Tax Act, 1961	Income Tax	45.30	AY 2018 -19	Commissioner of Income Tax (Appeals)
Service Tax	Service Tax	414.60	2008 -09 to 2011-12	CESTAT, Mumbai
Service Tax	Service Tax	119.75	2009 -10 up to Jun 2012	CESTAT, Mumbai
Service Tax	Service Tax	979.56	October 2010 to March 2015	CESTAT, Mumbai

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the standalone financial statements of the Company, the Company has used funds raised on short-term basis in the form of overdraft facility from banks and inter corporate deposit from Financial institutions aggregating to Rs. 11,986.14 millions for long-term purposes representing granting of long term loans to group Company. However, during the year these Overdrafts and inter corporate deposit are repaid.

Annexure 1 Referred to in Paragraph 1 Under the Heading “Report on Other Legal and Regulatory Requirements” of Our Report of Even Date *(Continued)*

- (e) On an overall examination of the standalone 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 as per details below:

Rs in million

Nature Of fund taken	Name of lender	Amount involved	Name of the subsidiary	Relation	Nature of transaction for which funds utilized
Non convertible debenture	Beacon Trusteeship Limited	4,000	ECL finance Limited	Subsidiary	Amount utilized for lending to the subsidiary of the company to repay its existing banking liabilities (This is as per the agreement)
Bank overdraft & Inter corporate deposit	Various Lender	11,986.14	Edelweiss Rural & Corporate Services Limited (ERCSL)	Subsidiary	Amount utilized for lending to the subsidiary of the company to repay its existing banking liabilities

- (f) The Company has raised loans during the year on the pledge of securities held in its subsidiaries or associate companies as per details below. Further, the Company has not defaulted in repayment of such loans raised.

Rs in million

Nature of loan taken	Name of lender	Amount of loan	Name of the associate	Relation	Details of security pledged
Non-Convertible debenture	Beacon Trusteeship Limited	6,500	Edelweiss Securities Limited	Associate	Equity Shares of Edelweiss Securities Limited pledged

- (x) (a) The Company has utilized the monies raised during the year by way of public offer (including debt instruments) in the nature of Non convertible debenture for the purposes for which they were raised.
- (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 standalone financial statements, as required by the applicable accounting standards.

Annexure 1 Referred to in Paragraph 1 Under the Heading “Report on Other Legal and Regulatory Requirements” of Our Report of Even Date *(Continued)*

- (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 (2 of 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 obtained 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 not incurred cash losses in the current year and 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 69 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) 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 28(b) to the standalone 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 28(b) to the standalone financial statements.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan

Partner

Membership Number:102102

UDIN: 22102102AJSYBG5060

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 Financial 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 Financial 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.

Annexure 2 to the Independent Auditor's Report of Even Date on the Standalone Financial Statements of Edelweiss Financial Services Limited (*Continued*)

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: 22102102AJSYBG5060

Place of Signature: Mumbai

Date: May 27, 2022

Balance sheet as at 31 March 2022

(Currency: Indian rupees in millions)	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Financial assets			
(a) Cash and cash equivalents	2	4,619.34	1,481.81
(b) Bank balances other than cash and cash equivalents	3	539.08	8.19
(c) Derivative financial instruments	4	-	-
(d) Trade Receivables	5	123.64	191.00
(e) Loans	6	21,703.81	12,472.43
(f) Investments	7	49,632.63	43,817.32
(g) Other financial assets	8	915.64	629.35
Total financial assets		77,534.14	58,600.10
Non-financial assets			
(a) Current tax assets (net)		951.08	688.06
(b) Deferred tax assets (net)	9	1,159.14	378.08
(c) Property, Plant and Equipment	10	5.71	5.99
(d) Other Intangible assets	10	0.83	1.19
(e) Other non-financial assets	11	769.70	135.88
Total Non-financial assets		2,886.46	1,209.20
TOTAL ASSETS		80,420.60	59,809.30
LIABILITIES			
Financial liabilities			
(a) Trade Payables	12		
(i) total outstanding dues of micro enterprises and small enterprises		0.15	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		952.00	2,354.43
(b) Debt securities	13	24,322.12	7,288.95
(c) Borrowings (other than debt securities)	14	-	1,091.16
(d) Other financial liabilities	15	5,052.01	7,683.70
Total financial liabilities		30,326.28	18,418.24
Non-financial liabilities			
(a) Current tax liabilities (net)		7.94	7.26
(b) Provisions	16	7.19	3.59
(c) Other non-financial liabilities	17	77.03	120.33
Total non-financial liabilities		92.16	131.18
TOTAL LIABILITIES		30,418.44	18,549.42
EQUITY			
(a) Equity Share capital	18	898.20	890.90
(b) Other equity	19	49,103.96	40,368.98
TOTAL EQUITY		50,002.16	41,259.88
TOTAL LIABILITIES AND EQUITY		80,420.60	59,809.30

The accompanying notes are an integral part of the Standalone Financial Statements.

1 to 74

As per our report of even date attached

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

For and on behalf of the Board of Directors

per Shrawan Jalan
Partner
Membership No: 102102

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Himanshu Kaji
Executive Director
DIN: 00009438

Ananya Suneja
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 27 May 2022

Mumbai 27 May 2022

Statement of profit and loss for the year ended 31 March 2022

(Currency: Indian rupees in millions)	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations			
Interest income	20	2,918.12	834.96
Dividend Income		386.01	1,365.31
Fee and commission income	21	889.65	991.19
Net gain on fair value changes	25	4,170.71	-
Other operating revenue	22	-	244.60
Total Revenue from operations		8,364.49	3,436.06
Other income	23	5,360.25	13,782.67
Total income		13,724.74	17,218.73
Expenses			
Finance costs	24	2,142.50	973.34
Net loss on fair value changes	25	-	4,422.85
Impairment on financial instruments	26	(54.92)	1,486.98
Employee benefits expense	27	426.32	1,912.18
Depreciation and amortisation	10	3.53	14.04
Other expenses	28	2,659.87	1,470.15
Total expenses		5,177.30	10,279.54
Profit before tax		8,547.44	6,939.19
Tax expense:	29 & 30		
Current tax in respect of prior years		(5.08)	(135.98)
Deferred tax		(781.06)	(86.95)
Profit for the year		9,333.58	7,162.12
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		(0.10)	9.54
Other comprehensive income		(0.10)	9.54
Total comprehensive income		9,333.48	7,171.66
Earnings per share (₹) (Face value ₹ 1 each)			
- Basic	31	10.44	8.05
- Diluted		10.43	8.01
The accompanying notes are an integral part of the Standalone Financial Statements	1 to 74		

As per our report of even date attached

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

For and on behalf of the Board of Directors

per Shrawan Jalan
Partner
Membership No: 102102

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Himanshu Kaji
Executive Director
DIN: 00009438

Ananya Suneja
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 27 May 2022

Mumbai 27 May 2022

Statement of cash flow for the year ended 31 March 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		
Profit / (Loss) before tax	8,547.44	6,939.19
Adjustments for:		
Depreciation and amortisation expenses	3.53	14.04
Fair value change in investments	(3,249.57)	(3.45)
Fair value change in provisions	(921.14)	4,426.30
Profit on sale of investments (net)	(5,315.75)	(13,714.85)
Impairment / (reversal) on financial instruments	(54.92)	1,486.98
Dividend on investments	(386.01)	(1,365.31)
(Profit)/loss on sale of property, plant and equipment	(0.97)	9.16
Interest income	(2,918.12)	(834.96)
ESOP and SAR cost	22.97	84.68
Finance costs	2,142.50	973.34
Operating cash flow before working capital changes	(2,130.05)	(1,984.88)
Adjustments for:		
Decrease /(Increase) in trade receivables	123.87	47.28
Decrease /(Increase) in other financial assets	(29.38)	316.52
Decrease /(Increase) in other non-financial assets	(633.35)	7.34
Decrease /(Increase) in other bank balances	(530.88)	1.36
(Decrease)/increase in trade payables	(1,291.56)	900.99
(Decrease)/increase in provisions and other financial liabilities	(1,100.47)	1,832.60
(Decrease)/increase in other non-financial liabilities	(43.28)	49.14
Cash generated from / (used in) operations	(5,635.10)	1,170.35
Income taxes paid (net of refund)	(257.25)	3.93
Net cash generated from / (used in) operating activities - A	(5,892.35)	1,174.28
B Cash flow from investing activities		
Purchase of property, plant and equipment	(4.52)	(3.93)
Sale of property, plant and equipment	2.57	7.90
Purchase of investments	(5,969.26)	(16,618.52)
Sale of investments	8,128.50	21,186.33
Dividend on investments	386.01	1,365.31
Loan (given) / Repayment of loans (Refer note 1 below)	(9,233.51)	(12,467.93)
Interest received	2,918.12	834.96
Net cash generated from / (used in) investing activities - B	(3,772.09)	(5,695.88)
C Cash flow from financing activities		
Proceeds from issuance of Share capital (including securities premium)	318.44	49.61
Repayment of Debt securities	(710.00)	(12,734.12)
Proceeds from Debt securities	16,751.30	19,230.83
Proceeds from/(repayment of) borrowing (Refer note 1 below)	(1,091.16)	358.65
Dividend paid	(1,315.98)	-
Finance costs	(1,150.63)	(915.22)
Net cash generated from / (used in) financing activities - C	12,801.97	5,989.75
Net increase in cash and cash equivalents (A+B+C)	3,137.53	1,468.15
Cash and cash equivalents as at the beginning of the year	1,481.81	13.66
Cash and cash equivalents as at the end of the year	4,619.34	1,481.81

Statement of cash flow for the year ended 31 March 2022 *(Continued)*

Notes:

1. Cash receipts and payments for transactions with group companies in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows.
2. Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.
3. Refer note 34 for changes in liabilities arising from financing activities.

As per our report of even date attached

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan

Partner

Membership No: 102102

Rashesh Shah

Chairman & Managing Director

DIN: 00008322

Himanshu Kaji

Executive Director

DIN: 00009438

Ananya Suneja

Chief Financial Officer

Tarun Khurana

Company Secretary

Mumbai 27 May 2022

Mumbai 27 May 2022

Statement of changes in equity for the year ended 31 March 2022

(Currency : Indian rupees in millions)

A Equity share capital		
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the year	890.90	889.51
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	890.90	889.51
Changes in equity share capital during the year	7.30	1.39
Balance at the end of the year	898.20	890.90

Notes:

1. Edelweiss Employees Welfare Trust and Edelweiss Employees Incentive and Welfare Trust are extension of Company's financial statements, these trusts are holding 44,896,780 number of equity shares amounting to ₹ 44.90 million (Previous year ₹ 44.90 million). These are deducted from total outstanding equity shares.
2. Refer note 18 for detailed quantitative information including investors holding more than 5% of equity share capital
3. The above two Welfare Trusts hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable Securities and Exchange Board of India regulations (SEBI). Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.

B. Other equity (Refer Note 19)

Particulars	Reserves and Surplus					Total attributable to equity shareholders	
	Share application money pending allotment	Capital Redemption Reserve	Securities Premium Account	ESOP reserve/ Stock appreciation rights (SAR)	General reserve		Retained earnings
Balance at 31-Mar-20	0.19	2.03	30,175.07	818.18	508.64	2,152.08	33,656.19
Profit for the year	-	-	-	-	-	7,162.12	7,162.12
Other comprehensive income	-	-	-	-	-	9.54	9.54
Total Comprehensive Income for the year	-	-	-	-	-	7,171.66	7,171.66
Dividends to equity shareholders	-	-	-	-	-	(842.22)	(842.22)
Transfers to securities premium on exercise of ESOP	-	-	25.03	(25.03)	-	-	-
Issue of equity instruments on ESOP	(48.10)	-	46.71	-	-	-	(1.39)
Share application money received	49.61	-	-	-	-	-	49.61
ESOP Charge	-	-	-	139.42	-	-	139.42
Stock appreciation rights (SAR)	-	-	-	195.71	-	-	195.71
Balance at 31-Mar-21	1.70	2.03	30,246.81	1,128.28	508.64	8,481.52	40,368.98

Statement of changes in equity for the year ended 31 March 2022

(Currency : Indian rupees in millions)

B. Other equity (Refer Note 19) (Continued)

Particulars	Reserves and Surplus					Total attributable to equity shareholders
	Share application money pending allotment	Capital Redemption Reserve	Securities Premium Account	ESOP reserve/ Stock appreciation rights (SAR)	General reserve	
Balance at 31-Mar-21	1.70	2.03	30,246.81	1,128.28	508.64	40,368.98
Profit for the year	-	-	-	-	-	9,333.57
Other comprehensive income	-	-	-	-	-	(0.10)
Total Comprehensive Income for the year	-	-	-	-	-	9,333.47
Dividends to equity shareholders	-	-	-	-	-	(709.54)
Transfers to securities premium on exercise of ESOP	-	-	110.75	(110.75)	-	-
Issue of equity instruments on ESOP	(320.14)	-	312.84	-	-	(7.30)
Share application money received	318.44	-	-	-	-	318.44
ESOP charges transferred to reserves	-	-	-	-	-	55.86
Reversal on account of lapses of ESOP/SAR	-	-	-	(439.54)	-	(439.54)
ESOP Charge	-	-	-	63.95	-	63.95
Stock appreciation rights (SAR)	-	-	-	119.64	-	119.64
Balance at 31-Mar-22	-	2.03	30,670.40	761.58	508.64	49,103.96

The accompanying notes are an integral part of the Standalone Financial Statements

1 to 74

As per our report of even date attached

For S. R. Battiwala & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan
Partner

Membership No: 102102

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Himanshu Kajji
Executive Director
DIN: 00009438

Ananya Suneja
Chief Financial Officer
Mumbai 27 May 2022

Tarun Khurana
Company Secretary

Mumbai 27 May 2022

Notes to the standalone financial statements

1. Background

Edelweiss Financial Services Limited ('the Company') is registered with Securities and Exchange Board of India (SEBI) as Category I – Merchant Banker. The Company was incorporated on November 21, 1995 and is the ultimate holding company of Edelweiss group of companies. The Company has its registered office at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai, India.

The Company is principally engaged in providing investment banking services and holding company activities comprising of development, managerial and financial support to the business of Edelweiss group entities.

Significant Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Presentation of financial statements

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (noncurrent) is presented in Note no.43.

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

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

1.3 Financial Instruments

1.3.1 Date of recognition

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

1.3.2 Initial measurement of financial instruments

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

Notes to the standalone financial statements (*Continued*)

Significant Accounting Policies (*Continued*)

1.4 Classification of financial instruments

1.4.1 Financial assets:

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

Financial assets carried at amortized cost (AC)

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

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

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

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

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

1.4.1.1. Amortized cost and Effective interest method

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

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

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

1.4.1.2 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 is taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value.

Notes to the standalone financial statements (*Continued*)

Significant Accounting Policies (*Continued*)

1.4.1.3 Investment in equity instruments

The Company measures all equity investments at fair value through profit or loss except, for Investment in subsidiaries and associates are recognised at cost, subject to impairment if any at the end of each reporting period. Cost of investment represents amount paid for acquisition of the investment.

1.4.2 Financial liabilities

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

1.4.2.1 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.

1.4.2.2 Financial assets and Financial liabilities at fair value through profit or loss

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

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

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

1.4.2.3 Financial guarantee:

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

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

Notes to the standalone financial statements (*Continued*)

Significant Accounting Policies (*Continued*)

1.4.3 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.

1.4.4 Derivative contracts (Derivative assets / Derivative liability)

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss is recognised in profit or loss immediately.

1.5 Reclassification of financial assets and financial 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. Financial liabilities are never reclassified.

1.6 Employee welfare trust

The Company is a sponsor to two trusts namely: (i) Edelweiss Employees' Welfare Trust; and (ii) Edelweiss Employees' Incentives and Welfare Trust. These trusts have been formed exclusively to provide benefits to employees of the Company and its subsidiaries and associates. These trusts have been treated as an extension of the Company for the purpose of these financial statements. Accordingly, the equity shares of the Company held by these trusts have been treated as treasury shares. The excess of the cost of such shares over the face value of shares has been reduced from the securities premium account of the Company.

1.7 Derecognition of financial assets and financial liabilities

1.7.1 Derecognition of financial assets due to substantial modification of terms and conditions

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

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

Notes to the standalone financial statements (*Continued*)

Significant Accounting Policies (*Continued*)

1.7.2 Derecognition of financial assets (other than due to substantial modification)

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

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

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

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.

1.7.3 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires.

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

1.8 Impairment of financial assets

The Company records allowance for expected credit losses for all amortised cost financial assets and financial guarantee contracts, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

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.

Notes to the standalone financial statements (*Continued*)

Significant Accounting Policies (*Continued*)

1.8 Impairment of financial assets (*Continued*)

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk 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 on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

For financial assets, the expected credit loss 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.

1.9 Write off

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss.

1.10 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.

Notes to the standalone financial statements (*Continued*)

Significant Accounting Policies (*Continued*)

1.10 Determination of fair value

- 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.

1.11 Revenue from contract with customer

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) 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 (or as) the customer obtains control of that asset. When (or as) 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 (or as) each performance obligation is satisfied

Revenue Recognition for different heads of Income are as under:

(i) Investment banking advisory fees, Syndication fees (net of tax)

Advisory/Syndication fees are recognised on an accrual basis in accordance with agreement entered into with respective investment managers / advisors.

(ii) Interest income

Interest income is recognized using the effective interest rate.

(iii) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the Shareholders approve the dividend.

(iv) Profit or loss on sale of investments

Profit or loss on sale of investments is recognised on trade date basis. Difference between the sale price and average cost of acquisition is recognized as profit or loss on sale of investments.

Notes to the standalone financial statements (*Continued*)

Significant Accounting Policies (*Continued*)

1.12 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.

1.13 Foreign currency transactions

These financial statements are presented in Indian Rupees which is also the 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.

1.14 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. Benefits in respect of gratuity are funded with an Insurance company approved by Insurance Regulatory and Development Authority (IRDA).

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.

Notes to the standalone financial statements (*Continued*)

Significant Accounting Policies (*Continued*)

1.14 Retirement and other employee benefit (*Continued*)

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.

The liability is provided based on the number of days of unutilised leave at each balance sheet date based on a valuation by an independent actuary.

1.15 Share-based payment arrangements

Equity-settled share-based payments to employees of the Group and others providing similar services that are granted by the Company are measured by reference to the fair value of the equity instruments at the grant date. These includes Stock Appreciation Rights (SARs) which are equity settled share-based payments.

a. with respect to Company's employees:

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 Employee Stock Option Plan Reserve and Stock Appreciation Rights Reserve. In cases where the share options granted vest in installments over the vesting period, the Company treats each installment as a separate grant, because each installment has a different vesting period, and hence the fair value of each installment differs.

b. with respect to employees of the Group:

The fair value determined at the grant date of the equity-settled share-based payments is accounted as a capital contribution (deemed investment) to the respective subsidiaries 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 such that the cumulative capital contribution (deemed investment) is increased so that it reflects the revised estimate, with a corresponding adjustment to the Employee Stock Option Plan Reserve. In cases where the share options granted vest in installments over the vesting period, the Company treats each installment as a separate grant, because each installment has a different vesting period, and hence the fair value of each installment differs. Whenever, these estimates are expected to get settle between the subsidiaries and the Company, they are accounted as receivable/payable.

1.16 Property, plant and equipment

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

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

Notes to the standalone financial statements *(Continued)*

Significant Accounting Policies *(Continued)*

1.16 Property, plant and equipment *(Continued)*

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
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computers - servers and networks	6 years
Computers - end user devices, such as desktops, laptops, etc.	3 years

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

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.

1.17 Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any. Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

1.18 Impairment of non-financial assets

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

1.19 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.

Notes to the standalone financial statements (*Continued*)

Significant Accounting Policies (*Continued*)

1.20 Provisions and other contingent liabilities

Provisions are recognized 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. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

1.21 Income tax expenses

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

1.21.1 Current tax

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

1.21.2 Deferred tax

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

Deferred tax assets are also recognised with respect to carry forward of unused tax losses and unused tax credits (including Minimum Alternative Tax credit) 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.

Notes to the standalone financial statements *(Continued)*

Significant Accounting Policies *(Continued)*

1.21 Income tax expenses *(Continued)*

1.21.2 Deferred tax *(Continued)*

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.

1.21.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.22 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, 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.

1.23 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 standalone financial statements.

1.23.1 Business model assessment

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

Notes to the standalone financial statements (*Continued*)

Significant Accounting Policies (*Continued*)

1.24 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 these 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.

1.24.1 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.

1.24.2 Impairment of financial assets

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

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

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

1.25 Standards issued but not yet effective

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

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

2. Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash in hand	0.01	0.01
Balances with banks:		
-in Current accounts	4,619.33	1,481.80
Total	4,619.34	1,481.81

3. Bank Balance other than cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Fixed deposits with banks to the extent held as security against borrowings (Refer Note 1)	30.00	-
Fixed deposits with banks	500.48	-
In unpaid dividend accounts	8.60	8.19
Total	539.08	8.19

Note 1:

Fixed deposit aggregating to ₹ 30.00 million (previous year ₹ Nil) have been pledged with Trustees against coupon payment of Debt Securities.

4. Derivative financial instruments

The Company enters into derivative transactions to hedge its interest rate risks and currency risks.

These derivatives are held for risk management purposes i.e. economic hedges but the Company has elected not to apply hedge accounting requirements.

As at 31 March 2022	Currency	Notional amount* (Units)	Fair value of asset (₹)	Currency	Notional amount* (Units)	Fair value of liability (₹)
(i) Currency derivatives						
Currency Futures			-			-
Less: amounts offset			-			-
Total			-			-

As at 31 March 2021	Currency	Notional amount* (Units)	Fair value of asset (₹)	Currency	Notional amount* (Units)	Fair value of liability (₹)
(i) Currency derivatives						
Currency Futures	USDINR	12,271,000	6.15	GBPINR	300,000	(0.03)
Less: amounts offset (refer note 4.1)			(6.15)			0.03
Total			-			-

Notes

* Notional amount represents quantity in case of currency linked derivatives

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

4. Derivative financial instruments (Continued)

4.1 Offsetting:

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

Financial assets subject to offsetting, netting arrangements

As at 31 March 2022

Financial assets subject to offsetting	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities	Collateral received			
Derivative financial assets	-	-	-	-	-	-	-	-
Financial liabilities subject to offsetting	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total liabilities	Maximum Exposure to Risk
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets	Collateral paid			
Derivative financial liabilities	-	-	-	-	-	-	-	-

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

4. Derivative financial instruments (Continued)

4.1 Offsetting: (Continued)

As at 31 March 2021:

Financial assets subject to offsetting	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities	Collateral received			
Derivative financial assets	6.15	6.15	-	-	-	-	-	-

Financial liabilities subject to offsetting	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total liabilities	Maximum Exposure to Risk
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets	Collateral paid			
Derivative financial liabilities	0.03	0.03	-	-	-	-	-	-

* As at 31 March 2021, the amount of cash margin received that has been offset against the gross derivative assets is ₹ 6.15 million. Also, at the reporting date, the amount of cash margin paid that has been offset against the gross derivative liabilities is ₹ 0.03 million.

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

5. Trade Receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Receivables considered good -unsecured	123.64	217.63
Receivables - credit impaired	55.86	88.34
Gross Receivables	179.50	305.98
Less: Provision for impairment - unsecured	(1.71)	(35.38)
Less: Allowance for expected credit losses	(54.15)	(79.59)
Total	123.63	191.00

5.1 Trade Receivable Ageing Schedule

As at 31 March 2022		Outstanding for following periods from due date of payment					
Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) Undisputed Trade receivables – considered good	123.64	-	-	-	-	123.64	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables – credit impaired	27.73	5.90	4.16	5.01	13.06	55.86	
(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)	151.37	5.90	4.16	5.01	13.06	179.50	
(i) Undisputed Trade receivables – considered good	(1.71)	-	-	-	-	(1.71)	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables – credit impaired	(26.02)	(5.90)	(4.16)	(5.01)	(13.06)	(54.15)	
(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)	(27.73)	(5.90)	(4.16)	(5.01)	(13.06)	(55.86)	
Total receivables net of provision = (A)-(B)	123.64	-	-	-	-	123.64	

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

5. Trade Receivables (Continued)

5.1 Trade Receivable Ageing Schedule (Continued)

As at 31 March 2021		Outstanding for following periods from due date of payment					Total
Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good	191.00	26.64	-	-	-	217.64	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables – credit impaired	37.17	27.12	9.99	9.54	4.52	88.34	
(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)	228.17	53.76	9.99	9.54	4.52	305.98	
(i) Undisputed Trade receivables – considered good	(8.75)	(26.64)	-	-	-	(35.39)	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables – credit impaired	(28.42)	(27.12)	(9.99)	(9.54)	(4.52)	(79.59)	
(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)	(37.17)	(53.75)	(9.99)	(9.54)	(4.52)	(114.98)	
Total receivables net of provision = (A)-(B)	191.00	-	-	-	-	191.00	

5.1 Reconciliation of impairment allowance on trade receivables:

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as on 31 March 2020	(38.38)
(Add)/ less: asset originated (net)	(76.60)
Impairment allowance as on 31 March 2021	(114.98)
(Add)/ less: asset originated or acquired / reversals (net)	59.12
Impairment allowance as on 31 March 2022	(55.86)

Notes:

- 1) No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.
- 2) No trade or other receivables are due from firms or private companies in which directors is partner, a director or a member.
- 3) Trade receivables are non-interest earning and are generally on terms of 1 to 30 days.
- 4) Unbilled revenue is ₹ Nil million as at 31 March 2022 (Previous year ₹ Nil million).

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

6. Loans

Particulars	As at 31 March 2022	As at 31 March 2021
Term Loans (at amortised cost)		
Loans to related parties (Refer note 37)	21,707.64	12,474.13
Loans to employees	-	0.53
Total Gross (A)	21,707.64	12,474.66
Less: Impairment loss allowance	(3.83)	(2.23)
Total (Net) (A)	21,703.81	12,472.43
Unsecured	21,707.64	12,474.66
Total Gross (B)	21,707.64	12,474.66
Less: Impairment loss allowance	(3.83)	(2.23)
Total (Net) (B)	21,703.81	12,472.43
Loans in India		
Public sector	-	-
Others	21,707.64	12,474.66
Total Gross (C)	21,707.64	12,474.66
Less: Impairment loss allowance	(3.83)	(2.23)
Total (Net) (C) (I)	21,703.81	12,472.43
Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total (Net) (C) (II)	-	-
Total (C) (I) and (C) (II)	21,703.81	12,472.43

These loans are considered to have low credit risk based on credit evaluation undertaken by the Company. There is no history of any defaults on these loans. Since the counter-parties are subsidiaries and associates of the Company, the Company regularly monitors to ensure that these entities have enough liquidity which safeguards the interest of investors and lenders. Accordingly, there is very minimal Expected credit loss allowance on the aforesaid loans.

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

6. Loans (Continued)

6.1 Credit Quality

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal grading and year-end stage classification. The amounts presented are gross of impairment allowances.

Loans at amortised cost

Particulars	31-Mar-2022				31-Mar-2021			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing								
High grade	21,707.64	-	-	21,707.64	12,474.66	-	-	12,474.66
Standard grade	-	-	-	-	-	-	-	-
Non-performing								
Impaired	-	-	-	-	-	-	-	-
Total	21,707.64	-	-	21,707.64	12,474.66	-	-	12,474.66

6.2 Gross carrying amount and corresponding ECL reconciliation – Loans

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 31 March 2020	6.73	-	-	-	-	-	6.73	-
Net new and further lending/(repayments)	12,467.93	2.23	-	-	-	-	12,467.93	2.23
Balance at 31 March 2021	12,474.66	2.23	-	-	-	-	12,474.66	2.23
Net new and further lending/(repayments)	9,232.98	1.60	-	-	-	-	9,232.98	1.60
Balance at 31 March 2022	21,707.64	3.83	-	-	-	-	21,707.64	3.83

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

7. Investments

As at 31 March 2022	At amortised cost (subsidiaries, associates and others)	At Fair Value through profit and Loss	At cost (subsidiaries, associates and others)	Total
Equity Shares	-	92.14	47,896.64	47,988.78
Debt securities	-	-	-	-
Preference Shares	-	-	1,650.00	1,650.00
Total	-	92.14	49,546.64	49,638.78
Investments in India	-	92.14	49,540.49	49,632.63
Investments outside India	-	-	6.15	6.15
Total	-	92.14	49,546.64	49,638.78
Less - Impairment Loss allowance	-	-	6.15	6.15
Total	-	92.14	49,540.49	49,632.63
Aggregate amount of quoted investments				2.89
Aggregate market value of quoted investments				2.89
Aggregate amount of unquoted investments				49,629.74

As at 31 March 2021	At Amortised cost (subsidiaries, associates and others)	At Fair Value through profit and Loss	At cost (subsidiaries, associates and others)	Total
Equity Shares	-	27.40	40,895.95	40,923.35
Debt securities	250.12	-	-	250.12
Preference Shares	-	-	2,650.00	2,650.00
Total	250.12	27.40	43,545.95	43,823.47
Investments in India	250.12	27.40	43,539.80	43,817.32
Investments outside India	-	-	6.15	6.15
Total	250.12	27.40	43,545.95	43,823.47
Less - Impairment Loss allowance	-	-	6.15	6.15
Total	250.12	27.40	43,539.80	43,817.32
Aggregate amount of quoted investments				2.04
Aggregate market value of quoted investments				2.04
Aggregate amount of unquoted investments				43,815.28

Notes:

- Investments in equity shares of subsidiaries and associates are pledged against Debt securities issued is amounting to ₹ 573.16 million (previous year ₹ 448.64 million).
- Investment in equity shares of subsidiary is pledged against Debt securities issued by another subsidiary amounting to ₹ 1,712.41 million (previous year ₹ Nil).
- Impairment on investment has been assessed based on business projection approved by Board of directors of respective subsidiaries / associates. Impairment is recognised, based on management assessment, if the recoverable value is less than carrying amount.
- The Company has Employee Stock Option Plans (ESOP) in force. Based on such ESOP schemes, the Company has granted options to acquire equity shares of the Company that would vest in a graded manner to certain employees of subsidiaries. To the extent that the Company has not charged and recovered the fair value of such stock options from its subsidiaries / associates, it has been included in the above carrying value of investment in those subsidiaries / associates.

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

7.1 Investments measured at amortised cost

The table below shows the gross carrying amount of the Group's investments measured at amortised cost by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances.

Particulars	31-Mar-22 Gross carrying amount (Stage 1)	31-Mar-21 Gross carrying amount (Stage 1)
High grade	-	250.12
Standard grade	-	-
Individually impaired	-	-
Total	-	250.12

Reconciliation of gross carrying amount for investments measured at amortised cost

Particulars	31-Mar-22 Gross carrying amount (Stage 1)	31-Mar-21 Gross carrying amount (Stage 1)
Gross carrying amount - opening balance	250.12	-
New assets originated or purchased	(250.12)	250.12
Gross carrying amount - closing balance	-	250.12

8. Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Margin placed with broker	0.46	29.20
Deposits- others	19.94	20.64
Corporate guarantee fees receivable	248.54	324.63
Receivable on account of sale of investments (Refer Note 1)	590.66	-
Advances recoverable in cash for value to be received	56.04	254.88
Total	915.64	629.35

Notes:

- During the year, EFSL sold its controlling stake in the insurance broking business (Edelweiss Gallagher Insurance Broking Limited) to its joint venture partner Arthur J Gallagher & Co. The Company has received appropriate approval including Insurance Regulatory and Development Authority (IRDA) for selling its investment in Edelweiss Insurance Broking business. Based on sale agreement, contingent consideration will be received over a period of time based on revenue achievement. Accordingly, an amount of ₹ 590.66 million recorded as receivables on account of such sale as per terms of the agreement.

Notes to the standalone financial statements (*Continued*)

(Currency : Indian rupees in millions)

9. Deferred tax assets and liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax assets (net)		
Deferred tax assets		
Trade Receivables		
Provision for expected credit losses	15.02	29.50
Property, Plant and Equipment and Intangible assets		
Difference between book and tax depreciation	9.09	12.00
Unused tax losses		
Unused tax losses / credits	336.54	336.54
Employee benefit obligations		
Disallowances under section 43B of the Income Tax Act, 1961	1.81	0.90
Investments and other financial instruments		
Fair valuation of investments - loss in valuation	0.68	0.68
Others		
Provision on risk and reward undertaking	796.00	-
Deferred tax liabilities		
Investments and other financial instruments		
Unrealised gain on derivatives	-	(1.54)
Total	1,159.14	378.08

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

10. Property, plant and equipment and intangibles

Particulars	Gross Block		Depreciation and amortisation		Net Block				
	As at 01 April 2021	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2022	As at 01 April 2021	Charge for the year	Deductions/ adjustments during the year	As at 31 March 2022	As at 31 March 2022
a) Property, Plant and Equipments									
Freehold Building	1.75	-	-	1.75	0.33	0.07	-	0.40	1.35
Leasehold improvements	-	-	-	-	-	-	-	-	-
Furniture and Fixtures	0.15	0.09	0.01	0.23	0.06	0.03	0.01	0.08	0.15
Vehicles	3.74	0.95	3.74	0.95	2.90	0.42	3.03	0.30	0.66
Office equipment	1.96	0.25	0.29	1.92	1.16	0.37	0.14	1.39	0.53
Computers	15.55	2.74	5.54	12.75	12.71	1.79	4.77	9.73	3.02
Total (A)	23.15	4.03	9.58	17.60	17.16	2.68	7.95	11.89	5.71
b) Intangibles									
Software	78.08	0.49	-	78.57	76.89	0.85	-	77.74	0.83
Total (B)	78.08	0.49	-	78.57	76.89	0.85	-	77.74	0.83
Total (A+B)	101.23	4.52	9.58	96.17	94.05	3.53	7.95	89.63	6.54

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

10. Property, plant and equipment and intangibles (Continued)

Particulars	Gross Block			Depreciation and amortisation			Net Block		
	As at 01 April 2020	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2021	As at 01 April 2020	Charge for the year	Deductions/ adjustments during the year	As at 31 March 2021	As at 31 March 2021
a) Property, Plant and Equipments									
Freehold Building	1.75	-	-	1.75	0.25	0.08	-	0.33	1.42
Leasehold Improvements	0.63	-	0.63	-	0.63	-	0.63	-	-
Furniture and Fixtures	0.15	-	-	0.15	0.03	0.03	-	0.06	0.09
Vehicles	4.79	-	1.05	3.74	3.25	0.43	0.78	2.90	0.84
Office equipment	1.70	0.26	-	1.96	0.72	0.44	-	1.16	0.80
Computers	18.45	1.31	4.21	15.55	14.23	2.30	3.82	12.71	2.84
Total (A)	27.47	1.57	5.89	23.15	19.11	3.28	5.23	17.16	5.99
b) Intangibles									
Software	101.85	2.36	26.13	78.08	85.02	10.76	18.89	76.89	1.19
Total (B)	101.85	2.36	26.13	78.08	85.02	10.76	18.89	76.89	1.19
Total (A+B)	129.32	3.93	32.02	101.23	104.13	14.04	24.12	94.05	7.18

Notes to the standalone financial statements (*Continued*)

(Currency : Indian rupees in millions)

11. Other non-financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Input tax credit	612.55	83.85
Prepaid expenses	138.42	25.80
Other Advances	5.47	12.82
Contribution to gratuity fund (net) (Refer note 33)	13.26	13.41
Total	769.70	135.88

12. Trade payables

Particulars	31-Mar-22	31-Mar-21
Total outstanding dues of micro enterprises and small enterprises (MSME)	0.15	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	952.00	2,354.43
Total	952.15	2,354.43

12.1 Trade payables ageing schedule

As at 31 March 2022

Particulars	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	0.15	-	-	-	0.15
(ii) Others	952.00	-	-	-	952.00
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
Total	952.15	-	-	-	952.15

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	2,354.43	-	-	-	2,354.43
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
Total	2,354.43	-	-	-	2,354.43

- 12.1 Trade Payables includes ₹ 0.15 million (Previous Year ₹ Nil million) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. Interest paid by the Company during the year to “Suppliers” registered under this Act is ₹ Nil million (Previous year: ₹ 0.003 million). The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

13. Debt securities

Particulars	As at 31 March 2022	As at 31 March 2021
Secured Debt (At amortised cost)		
Non-Convertible Debentures (refer Note 1 below)	24,322.12	7,288.95
(I) Debt securities in India	24,322.12	7,288.95
(ii) Debt securities outside India	-	-
Total	24,322.12	7,288.95

Note 1:

For secured debt, the Company has provided collateral in the nature of exclusive and Pari Passu charge of Loans, receivables and investments

13.1 Debt Securities - as at 31 March 2022

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
9.00 - 9.99%	-	5,712.73	6,715.01	12,427.74
14.00-14.99%	-	6,500.00	-	6,500.00
19.00 - 19.99%	210.00	402.50	2,177.50	2,790.00
Various (benchmark linked)	-	1,472.20	560.00	2,032.20
Accrued Interest and EIR	-	-	-	572.18
Total	210.00	14,087.43	9,452.51	24,322.12

Debt Securities - as at 31 March 2021

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
9.00 - 9.99%	-	738.88	1,261.12	2,000.00
19.00 - 19.99%	210.00	420.00	2,870.00	3,500.00
Various (benchmark linked)	-	1,331.09	501.48	1,832.57
Accrued Interest and EIR	-	-	-	(43.62)
Total	210.00	2,489.97	4,632.60	7,288.95

14. Borrowings (other than debt securities)

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured (at amortised cost)		
Borrowings from related party (repayable on demand) (Interest rate payable Nil for 31 March 2022 and interest rate payable @ 14.50 % for 31 March 2021)	-	1,091.16
Borrowings in India	-	1,091.16
Borrowings outside India	-	-
Total	-	1,091.16

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

15. Other financial liabilities (at amortised cost unless otherwise specified)

Particulars	As at 31 March 2022	As at 31 March 2021
Accrued salaries and benefits	851.49	1,606.90
Unclaimed dividends	8.60	8.19
Interim dividend payable	235.77	842.22
Risk and Reward undertaking (Refer Note 61)	3,162.45	4,426.30
Financial guarantee obligation	248.54	324.63
Other Advances	467.51	467.51
Other payables	77.65	7.95
Total	5,052.01	7,683.70

16. Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits and related costs		
Compensated absences	7.19	3.59
Total	7.19	3.59

17. Other non-financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues*	70.92	111.87
Others	6.11	8.46
Total	77.03	120.33

* includes withholding taxes, provident fund, profession tax and other statutory dues payables

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

18. Equity share capital

Particulars	As at 31 March 2022		As at 31 March 2021	
	No of shares	Amount	No of shares	Amount
Authorised :				
Equity Shares of ₹ 1 each	1,230,000,000	1,230.00	1,230,000,000	1,230.00
Preference shares of ₹ 5 each	4,000,000	20.00	4,000,000	20.00
	1,234,000,000	1,250.00	1,234,000,000	1,250.00
Issued, Subscribed and Paid up:				
Equity Shares of ₹ 1 each	943,097,965	943.10	935,798,077	935.80
Less: Shares held by Edelweiss Employees Incentives and Welfare Trust (Refer note 1)	(7,301,510)	(7.30)	(7,301,510)	(7.30)
Less: Shares held by Edelweiss Employees Welfare Trust (Refer note 1)	(37,595,270)	(37.60)	(37,595,270)	(37.60)
Total	898,201,185	898.20	890,901,297	890.90

A. Reconciliation of number of shares

(Before deducting treasury shares)	As at 31 March 2022		As at 31 March 2021	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	935,798,077	935.80	934,409,002	934.41
Shares issued during the year:				
-Under Employee Stock Options Plans (ESOPs)	7,299,888	7.30	1,389,075	1.39
Outstanding at the end of the year	943,097,965	943.10	935,798,077	935.80

Note :

- Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Company's financial statements. These trusts are holding 44,896,780 number of equity shares amounting to ₹ 44.90 million (Previous year ₹ 44.90 million). These are deducted from total outstanding equity shares.
- The above two Employee Welfare Trust(s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.

B. Terms/rights attached to equity shares :

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

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

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

18. Equity share capital (Continued)

C. Details of shares held by promoters in the Company

As at 31 March 2022

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Rashesh Chandrakant Shah	145,601,730	-	145,601,730	15.44%	0.00%
Venkatchalam A Ramaswamy	58,126,560	-	58,126,560	6.16%	0.00%
Vidya Rashesh Shah	31,031,200	-	31,031,200	3.29%	0.00%
Aparna T Chandrashekar	12,210,000	-	12,210,000	1.29%	0.00%
Kaavya Venkat Arakoni	11,790,000	-	11,790,000	1.25%	0.00%
Neel Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Sneha Sripad Desai	1,025,000	-	1,025,000	0.11%	0.00%
Shilpa Urvish Mody	950,000	-	950,000	0.10%	0.00%
Arakoni Venkatachalam Ramaswamy	50,000	-	50,000	0.00%	0.00%
Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust)	38,750,000	-	38,750,000	4.11%	0.00%
Spire Investment Advisors Llp	3,200,000	-	3,200,000	0.34%	0.00%
Sejal Premal Parekh	950,000	-	950,000	0.10%	0.00%
Avanti Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Total	307,684,490	-	307,684,490	32.62%	0.00%

As at 31 March 2021

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Rashesh Chandrakant Shah	145,301,730	300,000	145,601,730	15.56%	0.21%
Venkatchalam A Ramaswamy	58,026,560	100,000	58,126,560	6.21%	0.17%
Vidya Rashesh Shah	33,031,200	(2,000,000)	31,031,200	3.32%	(6.05%)
Aparna T Chandrashekar	12,210,000	-	12,210,000	1.30%	0.00%
Kaavya Venkat Arakoni	11,790,000	-	11,790,000	1.26%	0.00%
Neel Rashesh Shah	-	2,000,000	2,000,000	0.21%	0.00%
Sneha Sripad Desai	1,025,000	-	1,025,000	0.11%	0.00%
Shilpa Urvish Mody	950,000	-	950,000	0.10%	0.00%
Arakoni Venkatachalam Ramaswamy	50,000	-	50,000	0.01%	0.00%
Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust)	38,750,000	-	38,750,000	4.14%	(0.00%)
Spire Investment Advisors Llp	3,200,000	-	3,200,000	0.34%	0.00%
Sejal Premal Parekh	950,000	-	950,000	0.10%	0.00%
Avanti Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Total	307,284,490	400,000	307,684,490	32.88%	(5.69%)

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	No of shares	% holding	No of shares	% holding
Rashesh Shah	145,601,730	15.44%	145,601,730	15.56%
Venkatchalam Ramaswamy	58,126,560	6.16%	58,126,560	6.21%
Bih Sa	48,257,748	5.12%	48,257,748	5.16%
	251,986,038	26.72%	251,986,038	26.93%

Notes to the standalone financial statements (*Continued*)

(Currency : Indian rupees in millions)

19. Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
Share application money pending allotment	-	1.70
Capital redemption reserve	2.03	2.03
Securities premium account	30,670.40	30,246.81
ESOP and SAR outstanding	761.58	1,128.28
General reserve	508.64	508.64
Retained earnings	17,161.31	8,481.52
Total	49,103.96	40,368.98

19.1 Capital redemption reserve

The Company has recognised capital redemption reserve on buy back of equity share capital.

19.2 Securities premium reserve

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

19.3 General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

19.4 Stock Option and Shares appreciation rights outstanding

ESOP and SAR option outstanding represents the amount transferred to reserves pursuant to the "ESOP 2011" and "SAR 2019" schemes.

19.5 Retained earnings

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

20. Interest income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
On financial assets measured at Amortised cost		
Interest on loans	2,898.03	833.17
Interest on deposits with Banks	5.04	-
Other interest income	15.05	1.79
Total	2,918.12	834.96

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

21. Fee and commission income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Advisory and other fees	889.65	991.19
Total	889.65	991.19

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Service transferred at a point in time	889.65	991.19
Service transferred over time	-	-
Total revenue from contract with customers	889.65	991.19
Geographical Markets	2021-22	2020-21
India	832.90	967.40
Outside India	56.75	23.79
Total revenue from contract with customers	889.65	991.19

Note

The Company satisfies its performance obligations on completion of service with regards to investment banking, advisory and other fees. The payments on these contracts is due on completion of service, the contracts do not contain a significant financing component and the consideration is not variable.

Further, at the end of the reporting period, there are no unsatisfied performance obligations with respect to existing contracts.

22. Other operating revenue

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Fee and commission income (Refer Note 36)	-	244.60
Total	-	244.60

23. Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Foreign exchange gain	17.02	0.00
Miscellaneous income	27.48	67.82
Profit on sale of subsidiaries (net) (Refer Note 66)	5,315.75	13,714.85
Total	5,360.25	13,782.67

24. Finance cost

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(at amortised cost unless otherwise stated)		
Interest on deposits	8.74	2.76
Interest on borrowings (other than debt securities)	24.28	1.76
Interest on debt securities	2,099.68	968.20
Other finance charges	9.81	0.62
Total	2,142.50	973.34

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

25. Net gain /(loss) on fair value changes

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net gain /(loss) on financial instruments at fair value through profit or loss		
On Investments		
Fair Value gain / (loss) (unrealised) (Refer Note 63)	3,249.57	3.45
Others		
Investments mandatorily at fair value through profit or loss		
Fair value gain/ (loss) on risk and reward (Refer note 61)	921.14	(4,426.30)
Total Net gain/(loss) on fair value changes	4,170.71	(4,422.85)

26. Impairment on financial instruments

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
On loans	1.60	2.21
On investments	-	6.15
On trade receivables	(56.52)	78.52
Others (Refer note 64)	-	1,400.10
Total	(54.92)	1,486.98

27. Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages (Refer Note 65)	378.11	1,803.52
Contribution to provident and other funds	20.14	19.88
Expense on employee stock option scheme/stock appreciation rights (Refer Note 40)	22.97	84.68
Staff welfare expenses	5.10	4.10
Total	426.32	1,912.18

28. Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Advertisement and business promotion	7.51	6.11
Auditors' remuneration (Refer note 28(a))	32.68	18.09
Commission and brokerage	46.05	39.92
Communication	2.29	5.42
Computer software and other expenses	67.30	24.76
Commission to non-executive directors	14.00	16.00
Electricity charges	1.34	-
Contribution towards corporate social responsibility (Refer Note 28.b)	75.04	22.70
Directors' sitting fees	1.88	1.84
Insurance	5.46	20.79
Legal and professional fees	102.04	409.60
Management fees (Refer Note 62)	2,166.33	489.25
Foreign exchange loss (net)	-	75.63
Membership and subscription	30.20	18.49
Goods and Service tax expenses	15.61	6.47
Office expenses	2.29	230.14

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

28. Other expenses (Continued)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Clearing & Custodian charges	6.77	2.72
Printing and stationery	4.03	1.73
Rates and taxes	7.66	7.14
Rent (Refer Note 28.c)	55.76	61.36
Repairs and maintenance - others	0.04	0.60
Seminar and conference expenses	0.47	0.12
Travelling and conveyance	12.36	3.71
Postage and courier	0.68	0.13
Loss on sale/ write-off of PPE (net)	(0.97)	7.06
Miscellaneous expenses	3.05	0.37
Total	2,659.87	1,470.15

28. (a) Auditors' remuneration

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As Auditors		
Statutory Audit of the Company	5.90	4.40
Limited Review	3.74	3.60
Certification	11.38	0.36
Fees for debenture issuances	11.50	9.60
Towards reimbursement of expenses	0.16	0.13
Total	32.68	18.09

28. (b) Details of CSR Expenditure

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As per the provisions of Section 135 of Companies Act 2013,		
Gross Amount required to be spent by the Company	75.04	22.70
Amount Spent (Paid in Cash)		
(i) Construction/ Acquisition of any assets	-	-
(ii) on purpose other than (i) above	75.04	22.70
Amount Spent (Yet to be paid in Cash)		
(i) Construction/ Acquisition of any assets	-	-
(ii) on purpose other than (i) above	-	-
Total	75.04	22.70

28. (c) Operating leases

Rental expenses for the year ended March 31, 2022 aggregated to ₹ 55.76 million (Previous year: ₹ 61.36 million) which has been included under the head other expenses – Rent in the Statement of profit and loss. The Company does not have any non-cancellable operating lease.

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

29. 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	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax	-	-
Adjustment in respect of current income tax of prior years	(5.08)	(135.98)
Deferred tax relating to origination and reversal of temporary differences	(781.06)	(86.95)
Total tax expense	(786.14)	(222.93)
Total current tax	(5.08)	(135.98)
Total deferred tax	(781.06)	(86.95)

29.1. 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 is, as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	8,547.44	6,939.19
Tax rate	25.17%	25.17%
Income tax expense calculated based on above tax rate	2,151.39	1,746.59
Adjustment in respect of income tax of prior years	(5.08)	(135.98)
Income not charged to tax or chargeable to lower tax rate	(1,412.14)	(3,795.68)
DTA not created on		
Current year taxable loss	-	1,555.12
Expenditure of current year	(72.70)	450.05
DTA created on expenses of earlier year	(1,466.50)	(151.83)
Tax impact due to revaluation of deferred tax due to change in Income tax rate*	-	81.40
Non Deductible Expenses	18.89	27.40
Tax expense recognised in profit or loss	(786.14)	(222.93)

* The government of India, on September 20, 2019 vide the Taxation Laws (Amendment Ordinance) 2019 the Ordinance), inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income tax at reduced rates. Accordingly, the Company has remeasured its deferred tax assets (net) basis the rate prescribed in the aforesaid section resulting in additional charge of ₹ Nil million in FY 2021-22 (Previous year ₹ 81.40 million).

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

30. 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)
For the year ended 31 March 2022							
Deferred tax Assets							
Trade receivables- expected credit losses	29.50	(14.48)	-	-	-	(14.48)	15.02
Unused tax losses / credits	336.54	0.00	-	-	-	-	336.54
Employee benefits obligations	0.90	0.91	-	-	-	0.91	1.81
Fair valuation of investments - loss in valuation	0.68	0.00	-	-	-	-	0.68
Fair valuation of Derivatives	-	-	-	-	-	-	-
Property, Plant and Equipment and Intangible assets	12.00	(2.91)	-	-	-	(2.91)	9.09
Provision on risk and reward undertaking	-	796.00	-	-	-	796.00	796.00
Deferred tax Liabilities							
Unrealised gain on Derivatives	(1.54)	1.54	-	-	-	1.54	-
Total	378.08	781.06	-	-	-	781.06	1,159.14
For the year ended 31 March 2021							
Deferred tax Assets							
Trade receivables- expected credit losses	13.41	16.09	-	-	-	16.09	29.50
Unused tax losses / credits	256.40	80.14	-	-	-	80.14	336.54
Employee benefits obligations	3.20	(2.30)	-	-	-	(2.30)	0.90
Fair valuation of investments - loss in valuation	1.06	(0.38)	-	-	-	(0.38)	0.68
Fair valuation of Derivatives	0.66	(0.66)	-	-	-	(0.66)	0.00
Property, Plant and Equipment and Intangible assets	16.40	(4.40)	-	-	-	(4.40)	12.00
Deferred tax Liabilities	-	(1.54)	-	-	-	(1.54)	(1.54)
Unrealised gain on Derivatives	-	(1.54)	-	-	-	(1.54)	(1.54)
Total	291.13	86.95	-	-	-	86.95	378.08

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

30. Components of deferred tax (Continued) 30.1. Deductible temporary differences, unused tax losses and unused tax credits on which deferred tax asset is not recognised in balance sheet

As at 31-Mar-2022		Deductible temporary differences				Unused tax losses				Unused tax credits		
Financial Year to which the loss related to	Amount	Expiry year-financial year	Unabsorbed depreciation		Unabsorbed long term capital losses		Unabsorbed business losses		Total	Amount	Expiry year-financial year	Mat Credit
			Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year				
FY 2021-22	200.00	Not Applicable	-	-	-	-	-	-	-	-	-	-
FY 2020-21					3,267.39	FY 2028-29						
Total	200.00		-	-	3,267.39			-	-	-	-	-

As at 31-Mar-2021		Deductible temporary differences				Unused tax losses				Unused tax credits		
Financial Year to which the loss related to	Amount	Expiry year-financial year	Unabsorbed depreciation		Unabsorbed long term capital losses		Unabsorbed business losses		Total	Amount	Expiry year-financial year	Mat Credit
			Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year				
FY 2020-21	-	-	-	-	3,267.39	FY 2028-29	6,776.62	FY 2028-29	10,044.01	-	-	-
Total	-	-	-	-	3,267.39		6,776.62	6,776.62	10,044.01	-	-	-

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

31. Earnings per share (EPS)

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:

Particulars	31 March 2022	31 March 2021
Profit for the year	9,333.58	7,162.12
Calculation of weighted average number of equity shares of ₹ 1 each		
Number of shares outstanding at the beginning of the year	890,901,297	889,512,222
Number of shares issued during the year	7,299,888	1,389,075
Total number of equity shares outstanding at the end of the year	898,201,185	890,901,297
Weighted average number of shares outstanding at the end of the year (based on the date of issue of shares)	893,981,653	889,951,721
Number of dilutive potential equity shares	792,995	3,799,836
Earnings per share (EPS) (Face value ₹ 1 each)		
Basic earnings per share (in ₹)	10.44	8.05
Dilutive earning per share (in ₹)	10.43	8.01

32. Segment information

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
Agency	Advisory and transactional services
Holding company activities	Development, managerial and financial support to the businesses of Edelweiss group entities

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.

The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Chief Operating Decision Maker.

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 as required under the Indian Accounting Standard -108 on "Operating Segment":

Particulars	For the year Ended	
	31 March 2022	31 March 2021
1 Segment revenue		
Agency business	750.22	664.08
Holding company activities	12,947.47	16,486.83
Unallocated	27.04	67.82
Total income	13,724.73	17,218.73

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

32. Segment information (Continued)

Particulars	For the year Ended	
	31 March 2022	31 March 2021
2 Segment results (Profit before tax)		
Agency business	212.68	(142.71)
Holding company activities	8,307.72	7,014.08
Unallocated	27.04	67.82
Total profit before tax	8,547.44	6,939.19
Less: Provision for taxation	(786.14)	(222.93)
Profit after taxation	9,333.58	7,162.12
	As at	
	31 March 2022	31 March 2021
3 Segment assets		
Agency business	156.43	41.86
Holding company activities	78,153.96	58,701.30
Unallocated	2,110.21	1,066.14
Total assets	80,420.60	59,809.30
4 Segment liabilities		
Agency business	162.80	397.09
Holding company activities	30,247.70	18,136.88
Unallocated	7.94	15.45
Total liabilities	30,418.44	18,549.42
	For the year Ended	
	31 March 2022	31 March 2021
5 Capital Expenditure		
Agency business	2.23	0.62
Holding company activities	2.29	3.31
Unallocated	-	-
Total liabilities	4.52	3.93
6 Depreciation and Amortisation		
Agency business	1.74	2.23
Holding company activities	1.79	11.81
Unallocated	-	-
Total liabilities	3.53	14.04
7 Significant Non-Cash Expenses / (Income) other than Depreciation and Amortisation		
Agency business	(56.52)	78.03
Holding company activities	(4,170.08)	5,793.35
Unallocated	-	-
Total liabilities	(4,226.60)	5,871.38

Notes to the standalone financial statements (*Continued*)

(Currency : Indian rupees in millions)

33. Retirement benefit plan

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

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised ₹ 16.75 million (Previous year: ₹ 16.30 million) for provident fund and other contributions in the statement of profit and loss.

B) Defined benefit plan (Gratuity):

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972. The gratuity benefit is partially provided through funded plan and annual expense is charged to the statement of profit and loss on the basis of actuarial valuation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Statement of profit and loss

Expenses recognised in the Statement of Profit and Loss:

Particulars	31 March 2022	31 March 2021
Current service cost	3.96	3.78
Interest on defined benefit obligation	(0.56)	(0.20)
Total included in 'Employee benefits expense'	3.40	3.58

Movement in Other Comprehensive Income:

Particulars	31 March 2022	31 March 2021
Balance at start of year (Loss)/ Gain	8.81	(0.73)
Re-measurements on define benefit obligation (DBO)		
a. Actuarial (Loss)/ Gain from changes in financial assumptions	(0.50)	(1.58)
b. Actuarial (Loss)/ Gain from experience over the past year	1.10	2.95
c. Actuarial Loss/(Gain) from changes in demographic assumptions	(2.12)	1.55
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	1.42	6.62
Balance at end of year (Loss)/ Gain	8.71	8.81

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

33 Retirement benefit plan (Continued)

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

Balance sheet

Reconciliation of defined benefit obligation (DBO) :

Particulars	31 March 2022	31 March 2021
Present value of DBO at the beginning of the year	36.41	42.93
Acquisition/ (Divestiture)		
Interest cost	1.92	2.20
Current service cost	3.96	3.78
Benefits paid	(5.34)	(4.00)
Past service cost		
Actuarial (gain)/loss	1.52	(2.92)
Transfer in / (Out)	1.99	(5.58)
Present value of DBO at the end of the year	40.46	36.41

Reconciliation of fair value of plan assets:

Particulars	31 March 2022	31 March 2021
Fair value of plan assets at the beginning of the year	49.82	40.80
Contributions by Employer	5.34	4.00
Benefits paid	(5.34)	(4.00)
Interest income	2.48	2.40
Acquisition/ (Divestiture)/Curtailment	-	-
Return on plan asset excluding amount included in net interest on the net defined benefit liability/ (asset)	1.42	6.62
Fair value of plan assets at the end of the year	53.72	49.82
Actual Return on Plan Assets	39.00	90.22

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

Particulars	31 March 2022	31 March 2021
Present value of DBO	40.46	36.41
Fair value of plan assets at the end of the year	53.72	49.82
Net Liability / (Assets)	(13.26)	(13.41)
Less: Effect of limiting net assets to asset ceiling	-	-
Liability / (Assets) recognised in the balance sheet	-	-

Experience adjustments:

Particulars	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
On plan liabilities: loss / (gain)	2.12	(2.95)	(3.08)	(1.84)	(4.57)
Estimated contribution for next year	-	-	2.00	1.00	-

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

33 Retirement benefit plan (Continued)

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

Percentage Break-down of Total Plan Assets

Particulars	31 March 2022	31 March 2021
Investment in unit linked funds with insurance company	99.9%	99.9%
Cash and cash equivalents	0.1%	0.1%
Total	100.0%	100.0%

Principal actuarial assumptions at the balance sheet date:

Particulars	31 March 2022	31 March 2021
Discount rate	5.9%	5.0%
Salary escalation	7.0%	7.0%
Employees attrition rate	16.0%	25.0%
Mortality Rate	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Interest Rate on Net DBO / (Asset) (%)	5%	5.9%
Expected weighted average remaining working life (years)	4 years	2 years

Sensitivity Analysis

DOB increases / (decreases) by	31 March 2022	31 March 2021
1 % Increase in Salary Growth Rate	1.20	0.76
1 % Decrease in Salary Growth Rate	(1.20)	(0.72)
1 % Increase in Discount Rate	(1.20)	(0.73)
1 % Decrease in Discount Rate	1.23	0.78
1 % Increase in Withdrawal Rate	(0.06)	(0.05)
1 % Decrease in Withdrawal Rate	0.06	0.06
Mortality (Increase in expected lifetime by 1 year)	1.00	1.00
Mortality (Increase in expected lifetime by 3 year)	4.00	3.00

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant there are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses.

C) Compensated absences :

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation.

D) Other Disclosures

Description of Asset Liability Matching (ALM) Policy

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

Description of funding arrangements and funding policy that affect future contributions

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

Maturity profile

The average expected remaining lifetime of the plan members is 4 years (31 March 2021: 2 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

34. Changes in liabilities arising from financing activities

Particulars	01 April 2021	Cash flows	Changes in fair values	Exchange difference	Others**	31 March 2022
Borrowings*	8,380.01	14,950.13	-	-	991.98	24,322.12
Total liabilities from financing activities	8,380.01	14,950.13	-	-	991.98	24,322.13

Particulars	01 April 2020	Cash flows	Changes in fair values	Exchange difference	Others**	31 March 2021
Borrowings*	1,466.63	6,855.26	-	-	58.12	8,380.01
Total liabilities from financing activities	1,466.63	6,855.26	-	-	58.12	8,380.01

* Comprises of Debt securities and other borrowings.

** Refers to interest accrued during the year.

35. Contingent liabilities, commitments and leasing arrangements:

35.1 Contingent liabilities and commitments

a) Claims against the Company not acknowledged as debt:

- Income Tax matters in respect of which appeal is pending ₹ 7.8 million (Previous year: ₹ 11.30 million).

- Service Tax matters in respect of which appeal is pending ₹ 534.36 million (Previous year: ₹ 534.36 million).

b) Other claim not acknowledged as debt:

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with Income tax, service tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

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 favorable 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.

c) Corporate/other guarantee not acknowledged as debt:

Corporate/other guarantee given by the Company on behalf of its subsidiaries and associate companies and to third party which is outstanding as at March 31, 2022 and March 31, 2021 is given below:

Particulars	As at 31 March 2022	As at 31 March 2021
Guarantee to trustees and others for non convertible debentures and other borrowings	23,527.47	26,707.50
Guarantee to Banks for loan taken by subsidiaries and associates	11,353.20	11,465.18
Total	34,880.67	38,172.68

35.2 Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ Nil million (Previous year: ₹ Nil million).

Notes to the standalone financial statements (*Continued*)

(Currency : Indian rupees in millions)

36 Cost Sharing

Edelweiss Financial Services Limited provide necessary business and management oversights to its various subsidiaries inter-alia in the form of business and strategy planning, stake holder relation, marketing & publication, technology support, HR Policies including leadership & development of employees, governance and regulatory policies, policy advocacy, legal & litigation handling framework etc. (here in after collectively referred to as “Business and Management oversight”). The subsidiaries of Edelweiss group thus get benefitted from the oversight of expenses incurred by group companies. It is therefore imperative that expenses if incurred on providing such oversight, to be shared by its subsidiaries.

The group companies provide business and support services to each other on the basis of the signed agreed terms. The services provided are with the intent to create synergies at group level for e.g. sharing of empty spaces with the group companies, having common HR and admin teams, using one’s available resource for the benefit of the group.

In consideration of the business and management oversight by Edelweiss group, the beneficiaries shall share and pay towards the costs, as agreed. It is expressly agreed between the parties that sharing of these cost shall be on the total cost over the financial year (April to March) adequate to compensate the function performed, assets employed and risks assumed by group companies and will be determined by the beneficiaries and edelweiss group companies. The amount payable by the beneficiaries is reviewed intermittently and any amendment to the same is mutually agreed upon in writing by the parties. For the purpose of total cost means all operating expense including but not limited to, normal recurring cost such as office rent, communication charges, salaries, employee benefits, cost of approved third-party vendor, depreciation on assets used and amortization.

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

(A) Subsidiaries which are controlled by the Company:

1	Edel Finance Company Limited (Edel finance)
2	Edelweiss Rural & Corporate Services Limited (ERC SL) (through Edel Finance)
3	Edelweiss Housing Finance Limited (through ERC SL)
4	Allium Finance Private Limited (through ERC SL)
5	Edelweiss Investment Adviser Limited (through ERC SL)
6	Comtrade Commodities Services Limited (Formerly known as Edelweiss Comtrade Limited) (through ERC SL)
7	Edel Land Limited (ELL)
8	Edelcap Securities Limited (through ELL)
9	Edelweiss Retail Finance Limited (through Edelcap Securities Limited)
10	Edel Investments Limited (through Ecap Securities and Investment Limited)
11	Edelweiss Capital (Singapore) Pte. Limited (through Edel Investments Limited) (upto 23 December 2020)
12	EC International Limited, Mauritius
13	EAAA LLC, Mauritius (through EC International Limited)
14	EW Special Opportunities Advisors LLC, Mauritius (through EC International Limited)
15	Edelweiss Securities and Investments Private Limited (ESIPL)
16	Edelweiss Alternative Asset Advisors Limited (through ESIPL)
17	Edelweiss Real Assets Managers Limited (through ESIPL)
18	Sekura India Management Limited (through ESIPL)
19	ECL Finance Limited
20	Edelweiss Global Wealth Management Limited
21	Edelweiss Alternative Asset Advisors Pte. Limited
22	EdelGive Foundation

Notes to the standalone financial statements (*Continued*)

(Currency : Indian rupees in millions)

37. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (*Continued*)

(A) Subsidiaries which are controlled by the Company:(*Continued*)

23	Edelweiss Gallagher Insurance Brokers Limited (upto 17 October 2021)
24	Edelweiss Asset Management Limited
25	Edelweiss Trusteeship Company Limited
26	Edelweiss Asset Reconstruction Company Limited
27	Edelweiss Tokio Life Insurance Company Limited
28	Edelweiss Capital Services Limited
29	ECap Securities and Investments Limited (Formerly known as Ecap Equities Limited)
30	Edelweiss General Insurance Company Limited
31	EC Commodity Limited (through Edelweiss Rural & Corporate Services Limited)
32	Aster Commodities DMCC, United Arab Emirates (through EC International Limited, Mauritius)
33	Lichen Metals Private Limited (upto 30 March 2021)
34	Edelweiss Resolution Advisors LLP (through Edelweiss Rural and Corporate Services Limited)
35	Edelweiss Multi Strategy Fund Advisors LLP (through Edelweiss Rural and Corporate Services Limited)
36	Edelweiss Private Equity Tech Fund (through ELL)
37	Edelweiss Value and Growth Fund (through ELL)
38	Edelweiss Employees Welfare Trust
39	Everest Securities & Finance Limited (merged with ELL w.e.f 01 September 2020)
40	India Credit Investment Fund – II (w.e.f. 31 March 2021)
41	Edelweiss Employees Incentive and Welfare Trust
42	Edelweiss Securities Limited (ESL) (upto 26 March 2021)
43	Edelweiss Finance & Investments Limited (through ESL) (upto 26 March 2021)
44	Edelweiss Broking Limited (through ESL) (upto 26 March 2021)
45	Edelweiss Custodial Services Limited (through ESL) (upto 26 March 2021)
46	Edelweiss Investment Advisors Private Limited (through ESL) (upto 26 March 2021)
47	Edelweiss Financial Services Inc (through ESL) (upto 26 March 2021)
48	Edelweiss Financial Services (UK) Limited (through ESL) (upto 26 March 2021)
49	Edelweiss Securities (IFSC) Limited (through ESL) (upto 26 March 2021)
50	ESL Securities Limited (through ESL) (upto 26 March 2021)
51	Edelweiss Securities (Hong Kong) Private Limited (through ESL) (upto 26 March 2021)

Notes to the standalone financial statements *(Continued)*

(Currency : Indian rupees in millions)

37. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" *(Continued)*

(B) Enterprises over which control is exercised by the Company:

Sr. No.	Trust name :	Sr. No.	Trust name :	Sr. No.	Trust name :
1	ESAF - I Trust	34	EARC Trust SC 342	67	EARC Trust SC 397
2	EARC SAF - 2 Trust	35	EARC Trust SC 344	68	EARC Trust SC 399
3	EARC SAF - 3 Trust	36	EARC Trust SC 347	69	EARC Trust SC 401
4	EARC Trust SC 6	37	EARC Trust SC 348	70	EARC Trust SC 402
5	EARC Trust SC 7	38	EARC Trust SC 349	71	EARC Trust SC 405
6	EARC Trust SC 9	39	EARC Trust SC 351	72	EARC Trust SC 406
7	EARC Trust SC 102	40	EARC Trust SC 352	73	EARC Trust SC 410
8	EARC Trust SC 109	41	EARC Trust SC 357	74	EARC Trust SC 412
9	EARC Trust SC 112	42	EARC Trust SC 360	75	EARC Trust SC 413
10	EARC Trust SC 130	43	EARC Trust SC 361	76	EARC Trust SC 415
11	EARC Trust SC 223	44	EARC Trust SC 363	77	EARC Trust SC 416
12	EARC Trust SC 227	45	EARC Trust SC 370	78	EARC Trust SC 417
13	EARC Trust SC 228	46	EARC Trust SC 372	79	EARC Trust SC 418
14	EARC Trust SC 229	47	EARC Trust SC 373	80	EARC Trust SC 421
15	EARC Trust SC 238	48	EARC Trust SC 374	81	EARC Trust SC 422
16	EARC Trust SC 245	49	EARC Trust SC 375	82	EARC Trust SC 423
17	EARC Trust SC 251	50	EARC Trust SC 376	83	EARC Trust SC 424
18	EARC Trust SC 262	51	EARC Trust SC 377	84	EARC Trust SC 425
19	EARC Trust SC 263	52	EARC Trust SC 378	85	EARC Trust SC 427
20	EARC Trust SC 266	53	EARC Trust SC 380	86	EARC Trust SC 428
21	EARC Trust SC 293	54	EARC Trust SC 381	87	EARC Trust SC 429
22	EARC Trust SC 297	55	EARC Trust SC 383	88	EARC Trust SC 430
23	EARC Trust SC 298	56	EARC Trust SC 384	89	EARC Trust SC 431
24	EARC Trust SC 306	57	EARC Trust SC 385	90	EARC Trust SC 434
25	EARC Trust SC 308	58	EARC Trust SC 386	91	EARC Trust SC 436
26	EARC Trust SC 314	59	EARC Trust SC 387	92	EARC Trust SC 440
27	EARC Trust SC 318	60	EARC Trust SC 388	93	EARC Trust SC 441
28	EARC Trust SC 321	61	EARC Trust SC 391	94	EARC Trust SC 444
29	EARC Trust SC 325	62	EARC Trust SC 392	95	EARC Trust SC 447
30	EARC Trust SC 329	63	EARC Trust SC 393	96	EARC Trust SC 448
31	EARC Trust SC 331	64	EARC Trust SC 394	97	EARC Trust SC 449
32	EARC Trust SC 332	65	EARC Trust SC 395	98	EARC Trust SC 451
33	EARC Trust SC 334	66	EARC Trust SC 396	99	EARC Trust SC 459

(C) Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them control or significant influence over the Company:

1	Mr. Rashesh Shah
2	Mr. Venkatchalam Ramaswamy
3	Ms. Vidya Shah
4	Ms. Aparna T. C.

Notes to the standalone financial statements (*Continued*)

(Currency : Indian rupees in millions)

37. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (*Continued*)

(D) Key managerial personnel (KMP):

1	Mr. Rashesh Shah - Chairman
2	Mr. Venkatchalam Ramaswamy - Vice Chairman and Executive Director
3	Mr. Himanshu Kaji - Executive Director
4	Mr. Rujan Panjwani - Executive Director
5	Mr. S Ranganathan - Chief Financial Officer (upto 31 October 2020)
6	Mr. Sarju Simaria - Chief Financial Officer (w.e.f. 01 November 2020 upto 28 February 2022)
7	Ms. Ananya Suneja – Chief Financial Officer (from 01 March 2022)
8	Mr. Tarun Khurana - Company Secretary (from 23 April 2021)
9	Mr. B Renganathan - Company Secretary (upto 23 April 2021)

(E) Relatives of KMP/Promoter Individuals with whom transactions have taken place

1	Ms. Kaavya Venkat
2	Ms. Shilpa Mody
3	Ms. Sejal Premal Parekh
4	Mr. A V Ramaswamy
5	Ms. Sneha Sripad Desai
6	Ms. Shabnam Panjwani

(F) Independent Directors

1	Mr. Berjis Desai (upto 6 November 2021)
2	Mr. Biswamohan Mahapatra
3	Mr. Kunnasagaran Chinniah
4	Mr. Navtej S. Nandra
5	Mr. P. N. Venkatachalam
6	Mr. Ashok Kini
7	Dr. Ashima Goyal

(G) Other Director

1	Ms. Anita M George (upto 13 July 2020)
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(H) Associates with whom transactions have taken place

1	Edelweiss Securities Limited (ESL) (w.e.f. 27 March 2021)
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(I) Subsidiaries of Edelweiss Securities Limited

1	Edelweiss Finance & Investments Limited
2	Edelweiss Broking Limited
3	Edelweiss Custodial Services Limited
4	Edelweiss Investment Advisors Private Limited
5	Edelweiss Financial Services Inc
6	Edelweiss Financial Services (UK) Limited
7	Edelweiss Securities (IFSC) Limited
8	ESL Securities Limited
9	Edelweiss Securities (Hong Kong) Private Limited

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

37. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(J) Transactions and balances with Related Parties:

Sr. No	Nature of Transaction	Related Party Name	31-Mar-22	31-Mar-21
1	Sale of Equity shares to	Edelweiss Securities Limited	-	3,837.51
		Edel Finance Company Limited	2,668.02	1,654.97
		Edel Land Limited	1,134.72	-
		Edelweiss Rural & Corporate Services Limited	-	0.10
		Edelweiss Global Wealth Management Limited	-	15,495.91
2	Amount received on winding up of Subsidiary	Edelweiss Capital (Singapore) Pte. Limited	-	72.83
3	Purchase of Equity shares from	ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	-	4,100.76
		Edelweiss Securities Limited	1,022.41	714.13
		Edel Finance Company Limited	-	6,706.17
		Edel Land Limited	-	922.46
		Edelweiss Rural & Corporate Services Limited	0.10	-
4	Investment in Compulsory Convertible Debentures of	Edelweiss Alternative Asset Advisors Limited	-	250.00
5	Investments in Compulsory Convertible Preference Shares	Edel Finance Company Limited	-	1,650.00
6	Investment in Compulsory Convertible Debenture of	Edelweiss Global Wealth Management Limited	-	125.00
7	Investment in Equity shares of	Edel Finance Company Limited	-	300.00
		Edelweiss General Insurance Company Limited	1,200.00	850.00
		ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	310.00	-
		Edelweiss Capital Services Limited	15.30	-
		Edelweiss Global Wealth Management Limited	500.00	-
		Edelweiss Tokio Life Insurance Company Limited	2,918.00	-
8	Investment in Non-cumulative redeemable preference share	ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	-	1,000.00
9	Reimbursement of Loss (Refer note 64)	ECL Finance Limited	-	1,400.10
10	Basis Absolute value -loans taken from	Edelweiss Rural & Corporate Services Limited	-	4,032.94
		ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	-	5,750.00
11	Basis Absolute value - loans repaid to	Edelweiss Rural & Corporate Services Limited	-	4,032.94
		ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	-	4,658.84

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

37. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(J) Transactions and balances with Related Parties: (Continued)

Sr. No	Nature of Transaction	Related Party Name	31-Mar-22	31-Mar-21
12	Basis Absolute value - loans given to	ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	5,771.35	20,112.85
		Edelweiss Rural & Corporate Services Limited	36,891.63	21,430.85
		Edelweiss Finance and Investments Limited	-	4,434.50
		ECL Finance Limited	7,100.00	7,006.70
		Edelweiss Global Wealth Management Limited	500.00	383.10
		Edel Land Limited	-	791.00
		Edel Finance Company Limited	8,055.30	2,110.00
		Edelweiss Securities And Investments Private Limited	2,296.50	-
13	Basis Absolute value - loans repaid by	ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	3,715.31	20,112.85
		Edelweiss Rural & Corporate Services Limited	29,749.48	19,233.77
		Edelweiss Finance and Investments Limited	3,355.00	1,079.50
		ECL Finance Limited	10,900.00	3,206.70
		Edelweiss Global Wealth Management Limited	163.14	231.60
		Edel Land Limited	790.00	1.00
		Edelweiss Securities And Investments Private Limited	850.00	-
		Edel Finance Company Limited	2,110.00	-
14	Sale of Property, Plant and Equipment to	Edelweiss Finance and Investments Limited	0.33	0.01
		Edelweiss Rural & Corporate Services Limited	0.14	0.15
		Edelweiss Broking Limited	0.15	0.14
		Edelweiss Securities Limited	0.04	0.27
		ECL Finance Limited	0.05	0.00
		Edelweiss Custodial Services Limited	-	0.02
		Edelweiss Investment Adviser Limited	-	0.00
		Edelweiss General Insurance Company Limited	-	0.02
		ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	-	0.00
		Edelcap Securities Limited	0.00	0.00
		Edelweiss Alternative Asset Advisors Limited	0.03	0.00
		Edel Investments Limited	0.00	-
		EdelGive Foundation	0.01	-
		Edelweiss Asset Reconstruction Company Limited	0.03	-
		Edelweiss Retail Finance Limited	0.00	-
Edelweiss Tokio Life Insurance Company Limited	0.00	-		
ESL Securities Limited	0.03	-		

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

37. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(J) Transactions and balances with Related Parties: (Continued)

Sr. No	Nature of Transaction	Related Party Name	31-Mar-22	31-Mar-21
15	Purchase of Property, Plant and Equipment from	Edelweiss Housing Finance Limited	-	0.01
		Edelweiss Rural & Corporate Services Limited	0.11	0.01
		ECL Finance Limited	0.00	0.30
		Edelweiss Global Wealth Management Limited	-	0.00
		Edelweiss Alternative Asset Advisors Limited	-	0.01
		Edelweiss Securities Limited	0.96	0.00
		Edelweiss Broking Limited	0.06	0.00
		Edelweiss Custodial Services Limited	-	0.00
		EdelGive Foundation	0.00	-
		Edelweiss Investment Adviser Limited	0.00	-
		Edelweiss Finance and Investments Limited	0.15	-
Edelweiss Capital Services Limited	0.01	-		
16	Remuneration paid to	Mr. Rashesh Shah	86.77	11.48
		Mr. Venkat Ramaswamy	65.58	9.36
		Mr. Himanshu Kaji	41.59	10.77
		Mr. Rujan Panjwani	52.09	2.25
		Mr. S. Ranganathan	-	5.79
		Mr. Sarju Simaria	18.42	4.55
		Mr Tarun Khurana	7.50	-
		Ms Ananya Suneja	1.39	-
		Mr B. Renganathan	2.64	-
17	Dividend paid on Equity Shares	Mr. Rashesh Shah	211.12	-
		Mr. Venkatchalam Ramaswamy	84.28	-
		Ms. Vidya Shah	45.00	-
		Shah Family Discretionary Trust	56.19	-
		Spire Investment Advisors LLP	4.64	-
		Ms. Aparna T. C.	17.70	-
		Ms. Kaavya Venkat	17.10	-
		Mr. Rujan Panjwani	16.97	-
		Mr. Himanshu Kaji	4.28	-
		Ms. Sneha Sripad Desai	1.49	-
		Ms. Shilpa Mody	1.38	-
		Ms. Sejal Premal Parekh	1.38	-
		Ms. Shabnam Panjwani	0.93	-
		Mr. A V Ramaswamy	0.07	-
		Mr. Navtej S. Nandra	11.56	-
		Ms. Avanti Shah	2.90	-
		Mr. P. N. Venkatachalam	0.39	-
Mr. Neel Shah	2.90	-		
Mr. Tarun Khurana	0.09	-		
Mr. Kunnasagan Chinniah	0.29	-		
Mr. B. Renganathan	0.08	-		

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

37. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(J) Transactions and balances with Related Parties: (Continued)

Sr. No	Nature of Transaction	Related Party Name	31-Mar-22	31-Mar-21
18	Dividend Income received from	EC International Limited	-	526.47
		Edelweiss Securities Limited	-	838.84
		Edelweiss Gallagher Insurance Brokers Limited	384.80	-
19	Rating support fee earned from	ECL Finance Limited	-	0.44
		Edelweiss Rural & Corporate Services Limited	-	0.25
		Edelweiss Securities Limited	-	0.01
		Edelweiss Retail Finance Limited	-	0.04
		Edelweiss Housing Finance Limited	-	0.07
		Edelweiss Custodial Services Limited	-	0.02
		ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	-	0.03
		Edelweiss Finance and Investments Limited	-	0.06
		Edel Finance Company Limited	-	0.07
		Edelweiss Asset Reconstruction Company Limited	-	0.06
Edelweiss Broking Limited	-	0.00		
20	Fee / commission paid to	Edelweiss Securities Limited	30.86	192.64
		Edelweiss Broking Limited	8.00	21.01
		ECL Finance Limited	-	200.00
		Edelweiss Financial Services Inc.	0.17	-
		Edelweiss Rural & Corporate Services Limited	0.34	-
21	Management Fees paid to	ECL Finance Limited	1,829.94	469.15
		Edelweiss Asset Reconstruction Company Limited	98.31	-
		Edelweiss Housing Finance Limited	89.03	12.06
		Edelweiss Retail Finance Limited	29.17	8.05
22	Royalty Fees received from	Edelweiss Securities Limited	40.48	25.00
		Edelweiss Tokio Life Insurance Company Limited	35.00	30.00
		Edelweiss General Insurance Company Limited	5.83	4.26
23	Fee / Guarantee commission earned from	Edel Finance Company Limited	1.12	2.33
		Edelweiss Finance and Investments Limited	1.44	4.50
		ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	-	20.46
		ECL Finance Limited	-	50.75
		Edelweiss Asset Reconstruction Company Limited	45.13	63.89
		Edelweiss Rural & Corporate Services Limited	-	125.39
		Edelweiss Housing Finance Limited	4.44	1.17
		Edelweiss Retail Finance Limited	0.86	0.81
		Edelweiss Asset Management Limited	-	0.23
		Edel Land Limited	7.57	-
Edelweiss Alternative Asset Advisors Limited	0.06	-		
Edelweiss Gallagher Insurance Brokers Limited	-	5.00		

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

37. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(J) Transactions and balances with Related Parties: (Continued)

Sr. No	Nature of Transaction	Related Party Name	31-Mar-22	31-Mar-21
24	Business Service Charges income earned from	Edelweiss General Insurance Company Limited	-	0.59
		Edelweiss Asset Reconstruction Company Limited	-	3.09
		Edel Investments Limited	-	0.02
		Edelweiss Tokio Life Insurance Company Limited	-	1.24
		Edelweiss Custodial Services Limited	-	1.45
		Edelweiss Alternative Asset Advisors Limited	-	0.56
		Edelweiss Broking Limited	-	1.01
		Edelweiss Global Wealth Management Limited	-	0.11
		ECL Finance Limited	-	8.64
		Edelweiss Gallagher Insurance Brokers Limited	-	0.07
		Edelweiss Asset Management Limited	-	0.51
		ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	-	1.59
		Edelweiss Housing Finance Limited	-	1.61
		Edelweiss Finance and Investments Limited	-	0.50
		Edelweiss Securities Limited	-	1.06
		Edelweiss Rural & Corporate Services Limited	-	2.99
		Allium Finance Private Limited	-	0.00
		EC Commodity Limited	-	0.00
		Edelcap Securities Limited	-	0.19
		Edelweiss Retail Finance Limited	-	0.88
		Edelweiss Investment Adviser Limited	-	0.00
		Comtrade Commodities Services Limited	-	0.02
		Lichen Metals Private Limited	-	0.00
		Edel Land Limited	-	0.01
Edel Finance Company Limited	-	0.01		
EdelGive Foundation	-	0.02		
25	Enterprise / Corporate allocation income earned from	Edelweiss Securities Limited	-	8.85
		Edelweiss Finance and Investments Limited	-	4.15
		Edelweiss Housing Finance Limited	-	13.40
		ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	-	13.27
		Edelcap Securities Limited	-	1.58
		Edelweiss Asset Management Limited	-	4.29
		Edelweiss Gallagher Insurance Brokers Limited	-	0.58
		Edelweiss Global Wealth Management Limited	-	0.94
		Edelweiss Broking Limited	-	8.45
		Edelweiss Alternative Asset Advisors Limited	-	4.65
		Edelweiss Custodial Services Limited	-	12.12
		Edelweiss Investment Adviser Limited	-	0.00
		EC Commodity Limited	-	0.04
Edel Land Limited	-	0.11		

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

37. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(J) Transactions and balances with Related Parties: (Continued)

Sr. No	Nature of Transaction	Related Party Name	31-Mar-22	31-Mar-21
25	Enterprise / Corporate allocation income earned from (Continued)	Allium Finance Private Limited	-	0.00
		Edelweiss Tokio Life Insurance Company Limited	-	10.35
		Edel Investments Limited	-	0.13
		Edelweiss Asset Reconstruction Company Limited	-	25.79
		EdelGive Foundation	-	0.16
		Lichen Metals Private Limited	-	0.00
		Comtrade Commodities Services Limited	-	0.21
		Edelweiss Retail Finance Limited	-	7.30
		Edelweiss General Insurance Company Limited	-	4.91
		Edel Finance Company Limited	-	0.12
		ECL Finance Limited	-	72.02
		Edelweiss Rural & Corporate Services Limited	-	24.95
26	Corporate Cost - In	Edelweiss Rural & Corporate Services Limited	-	220.69
27	Interest income on margin from	Edelweiss Custodial Services Limited	0.24	1.45
28	Margins placed with	Edelweiss Custodial Services Limited	48.87	13.25
29	Margins withdrawn by	Edelweiss Custodial Services Limited	76.16	0.79
30	Interest Income on Debenture	Edelweiss Alternative Asset Advisors Limited	11.71	-
31	Interest expense on short term loan taken	Edelweiss Rural & Corporate Services Limited	-	30.81
		ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	1.99	-
32	Interest Income on short term loan given	ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	-	430.32
		Edelweiss Rural & Corporate Services Limited	2,005.73	352.58
		Edelweiss Finance and Investments Limited	162.73	47.69
		ECL Finance Limited	71.69	1.82
		Edelweiss Global Wealth Management Limited	24.41	2.62
		Edel Land Limited	493.50	21.09
		Edel Finance Company Limited	136.65	7.87
		Edelweiss Securities And Investments Private Limited	3.33	-
33	Other expenses paid to	Edelweiss Custodial Services Limited	-	0.03
34	Clearing Charges paid to	Edelweiss Custodial Services Limited	0.00	-

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

37. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(J) Transactions and balances with Related Parties: (Continued)

Sr. No	Nature of Transaction	Related Party Name	31-Mar-22	31-Mar-21
35	Cost reimbursements paid to	Edelweiss Rural & Corporate Services Limited	71.92	53.02
		Edelweiss Securities Limited	383.39	19.08
		ECL Finance Limited	-	0.28
		Edelweiss Custodial Services Limited	20.91	0.00
		Edelweiss Global Wealth Management Limited	2.53	0.08
		ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	-	0.69
		Edelweiss Broking Limited	403.56	59.42
		Edelweiss Retail Finance Limited	-	0.14
		Edelweiss Financial Services Inc.	-	1.81
		Edel Land Limited	-	0.07
		Edelweiss Securities (Hong Kong) Private Limited	-	0.03
		Edelweiss Housing Finance Limited	0.01	-
		36	Cost reimbursements recovered from	Edelweiss Securities Limited
Edelweiss Rural & Corporate Services Limited	0.62			26.78
ECL Finance Limited	0.19			20.13
Edelweiss Tokio Life Insurance Company Limited	0.64			28.43
Edelweiss Broking Limited	1.66			30.50
Edelweiss Investment Adviser Limited	-			0.20
Edelweiss Custodial Services Limited	0.76			3.31
Comtrade Commodities Services Limited	-			0.04
ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	-			0.90
Edelweiss Asset Management Limited	0.39			4.81
Edelweiss Asset Reconstruction Company Limited	1.23			5.36
Edelweiss Global Wealth Management Limited	-			1.46
Edelweiss Housing Finance Limited	1.34			9.22
Edelweiss Finance and Investments Limited	-			3.07
Edelweiss Retail Finance Limited	0.33			1.04
Edel Land Limited	-			0.25
Edelweiss Alternative Asset Advisors Limited	0.88			3.25
Edelweiss Gallagher Insurance Brokers Limited	0.06			2.05
Edelweiss General Insurance Company Limited	0.27			13.66
Edel Investments Limited	-			0.28
Edel Finance Company Limited	-			0.56
EC Commodity Limited	-			0.13
Edelcap Securities Limited	0.66			3.58
Lichen Metals Private Limited	-	0.01		
EdelGive Foundation	-	0.47		
Allium Finance Private Limited	-	0.01		

Notes to the standalone financial statements (*Continued*)

(Currency : Indian rupees in millions)

37. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (*Continued*)

(J) Transactions and balances with Related Parties: (*Continued*)

Sr. No	Nature of Transaction	Related Party Name	31-Mar-22	31-Mar-21
36	Cost reimbursements recovered from (<i>Continued</i>)	Edelweiss Alternative Asset Advisors Pte. Limited	-	0.00
		Edelweiss Investment Advisors Pte. Limited	-	0.05
		EAAA LLC	-	0.01
		Edelweiss International (Singapore) Pte. Limited	-	0.07
		Edelweiss Financial Services Inc.	-	1.18
		Edelweiss Securities (Hong Kong) Private Limited	-	0.03
		Edelweiss Financial Services (UK) Limited	-	0.02
		Edelweiss Trusteeship Company Limited	-	0.00
		Edelweiss Securities And Investments Private Limited	-	0.02
		ESL Securities Limited	-	0.03
		Edelweiss Capital Services Limited	-	0.03
37	Directors' sitting fees paid to	Mr Berjis Desai	0.28	0.50
		Mr Biswamohan Mahapatra	0.26	0.34
		Mr Kunnasagaran Chinniah	0.54	0.12
		Mr Navtej S. Nandra	0.24	0.28
		Mr P N Venkatachalam	0.32	0.36
		Dr. Ashima Goyal	0.12	0.12
		Mr Ashok Kini	0.12	0.12
38	Commission paid to Non executive directors	Mr Berjis Desai	2.00	0.50
		Mr Biswamohan Mahapatra	2.00	0.50
		Mr Kunnasagaran Chinniah	2.00	0.50
		Mr Navtej S. Nandra	2.00	0.50
		Mr P N Venkatachalam	2.00	0.50
		Dr. Ashima Goyal	2.00	0.50
		Mr Ashok Kini	2.00	0.50
		Ms Vidya Shah	2.00	-
39	Contribution towards corporate social responsibility	EdelGive Foundation	75.04	22.70
Balances with related parties				
1	Investments in Equity Shares	ECL Finance Limited	15,492.85	15,492.85
		Edelweiss Tokio Life Insurance Company Limited	8,943.58	6,025.58
		Edelweiss Asset Management Limited	1,712.41	1,892.16
		EC International Limited	6.15	6.15
		ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	1,599.95	1,289.95
		Edelweiss Retail Finance Limited	-	914.11
		Edelweiss Capital Services Limited	280.50	265.20
		Edel Investments Limited	46.67	46.67
		Edel Land Limited	147.71	147.61
		EdelGive Foundation	0.10	0.10
		Edelweiss Housing Finance Limited	195.98	1,188.96

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

37. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(J) Transactions and balances with Related Parties: (Continued)

Sr. No	Nature of Transaction	Related Party Name	31-Mar-22	31-Mar-21
1	Investments in Equity Shares (Continued)	Edelweiss Gallagher Insurance Brokers Limited	-	32.27
		Edelweiss Trusteeship Company Limited	1.00	1.00
		Edelweiss Global Wealth Management Limited	790.01	290.01
		Edelweiss General Insurance Company Limited	5,136.16	3,936.16
		Edel Finance Company Limited	7,871.55	7,871.55
		Edelweiss Securities Limited	124.52	124.52
		Edelweiss Asset Reconstruction Company Limited	448.64	448.64
		Edelweiss Securities And Investments Private Limited	4,072.99	922.46
		Edelweiss Alternative Asset Advisors Pte. Limited	1,025.86	-
2	Investments in Preference shares of	Edel Finance Company Limited	1,650.00	1,650.00
		ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	-	1,000.00
3	Gratuity Payable to	Edelweiss Securities Limited	0.33	2.20
		Edelweiss Finance and Investments Limited	0.44	0.44
		Edelweiss Broking Limited	0.00	2.55
		Edelweiss Alternative Asset Advisors Limited	0.00	1.40
		Edelweiss Asset Reconstruction Company Limited	0.42	0.42
		ECL Finance Limited	1.79	-
4	Gratuity Receivable from	ECL Finance Limited	-	0.21
		Edel Finance Company Limited	-	0.34
		Edelweiss Securities Limited	-	0.88
		Edelweiss Rural & Corporate Services Limited	2.80	-
5	ESOP Charges Payable to	Edelweiss Housing Finance Limited	-	0.90
		Edel Finance Company Limited	-	3.11
		Edelweiss Securities Limited	29.70	-
		Edelweiss Broking Limited	0.87	-
		Edelweiss Alternative Asset Advisors Limited	15.98	-
		Edelweiss Tokio Life Insurance Company Limited	0.96	-
		Edelcap Securities Limited	4.58	-
6	ESOP Charges Receivable from	Edelweiss Securities Limited	-	60.20
		Edelweiss Finance and Investments Limited	1.04	5.33
		Edelcap Securities Limited	-	2.58
		Edelweiss Rural & Corporate Services Limited	1.17	19.29
		Edelweiss Asset Management Limited	1.85	10.56
		ECL Finance Limited	6.54	35.07
		Edelweiss Global Wealth Management Limited	-	12.53
		Edelweiss Broking Limited	-	23.34
		Edelweiss Alternative Asset Advisors Limited	-	21.44

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

37. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(J) Transactions and balances with Related Parties: (Continued)

Sr. No	Nature of Transaction	Related Party Name	31-Mar-22	31-Mar-21
6	ESOP Charges Receivable from (Continued)	Edelweiss Custodial Services Limited	3.66	4.68
		Edelweiss Tokio Life Insurance Company Limited	-	13.47
		Edelweiss Asset Reconstruction Company Limited	3.34	8.61
		Edelweiss General Insurance Company Limited	1.91	9.75
		ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	-	13.35
		ESL Securities Limited	2.36	5.46
		Edelweiss Capital Services Limited	0.22	0.08
		Edelweiss Investment Adviser Limited	-	0.00
		Edelweiss Alternative Asset Advisors Pte. Limited	0.10	1.87
		Edelweiss Retail Finance Limited	0.66	3.12
		Edelweiss Investment Advisors Pte. Limited	0.65	2.60
		Edelweiss Financial Services Inc.	0.06	0.01
		Edel Land Limited	2.74	0.03
		Edel Investments Limited	1.44	-
		Edelweiss Housing Finance Limited	0.67	-
		Edelweiss International (Singapore) Pte. Limited	0.07	0.03
7	Accrued interest on loans given to	Edelweiss Rural & Corporate Services Limited	244.11	51.13
		Edelweiss Finance and Investments Limited	-	7.32
		Edel Finance Company Limited	41.65	7.28
		ECL Finance Limited	-	1.68
		Edelweiss Global Wealth Management Limited	2.87	1.26
		Edel Land Limited	30.59	1.89
		Edelweiss Securities And Investments Private Limited	3.00	-
8	Accrued interest on loans taken from	Edelweiss Rural & Corporate Services Limited	-	0.00
9	Long Term Loan given to	Edelweiss Rural & Corporate Services Limited	9,270.00	-
		Edel Land Limited	2,050.00	-
		Edel Finance Company Limited	8,051.20	-
		Edelweiss Securities And Investments Private Limited	1,446.50	-
10	Short Term Loan given to	Edelweiss Finance and Investments Limited	-	3,355.00
		ECL Finance Limited	-	3,800.00
		Edelweiss Global Wealth Management Limited	488.36	151.50
		Edel Land Limited	6.04	790.00
		Edel Finance Company Limited	4.10	2,110.00
		Edelweiss Rural & Corporate Services Limited	69.23	2,197.08

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

37. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(J) Transactions and balances with Related Parties: (Continued)

Sr. No	Nature of Transaction	Related Party Name	31-Mar-22	31-Mar-21
11	Short term loans taken from	ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	-	1,091.16
12	Debt Securities	Edelweiss Finance and Investments Limited	-	18.70
		Edelweiss Broking Limited	-	1.26
13	Trade payable to	Comtrade Commodities Services Limited	-	0.07
		Edelweiss Financial Services Inc.	0.21	0.41
		Edelweiss Housing Finance Limited	19.57	11.54
		ECL Finance Limited	772.01	2,079.21
		Edelweiss Retail Finance Limited	6.39	7.85
		Edelweiss Securities (IFSC) Limited	-	0.06
		Edelweiss Securities Limited	1.53	75.77
		Edelweiss Broking Limited	1.72	14.39
		EdelGive Foundation	0.00	-
		Edelweiss Alternative Asset Advisors Limited	72.69	-
		Edelweiss Asset Reconstruction Company Limited	16.42	-
		Edelweiss Custodial Services Limited	1.78	-
		Edelweiss Rural & Corporate Services Limited	8.40	-
		Edelweiss Securities And Investments Private Limited	0.23	-
		Edelweiss Alternative Asset Advisors Pte. Limited	2.42	-
14	Trade receivable from	Edelweiss Tokio Life Insurance Company Limited	7.31	37.95
		ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	-	1.18
		Edelcap Securities Limited	0.83	0.38
		Edel Finance Company Limited	0.09	0.16
		Edelweiss Asset Management Limited	0.01	0.44
		Edelweiss Asset Reconstruction Company Limited	-	5.08
		Edelweiss Finance and Investments Limited	0.14	0.18
		Edelweiss Alternative Asset Advisors Limited	-	0.30
		Edelweiss Alternative Asset Advisors Pte. Limited	-	0.00
		Edel Land Limited	0.42	0.00
		Edelweiss General Insurance Company Limited	6.71	5.66
		Edelweiss Global Wealth Management Limited	-	0.08
		EdelGive Foundation	-	0.03
		Allium Finance Private Limited	-	0.00
		Edel Investments Limited	0.85	0.03
		Edelweiss Securities (Hong Kong) Private Limited	0.00	0.03
		Edelweiss Financial Services (UK) Limited	0.02	0.02
		Edelweiss Investment Advisors Pte. Limited	0.05	0.06
		ESL Securities Limited	-	0.02
		Edelweiss Rural & Corporate Services Limited	-	131.70
		Edelweiss Custodial Services Limited	-	0.14
		Edelweiss Investment Adviser Limited	0.01	0.05
		Edelweiss International (Singapore) Pte. Limited	0.07	0.07
		Edelweiss Trusteeship Company Limited	-	0.00
		EAAA LLC	0.01	0.01
		Edelweiss Securities And Investments Private Limited	-	0.02
		Edelweiss Capital Services Limited	-	0.03

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

37. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)

(J) Transactions and balances with Related Parties: (Continued)

Sr. No	Nature of Transaction	Related Party Name	31-Mar-22	31-Mar-21
15	Margin placed with broker	Edelweiss Custodial Services Limited	0.47	29.15
		Edelweiss Securities Limited	0.06	0.06
16	Risk and Reward undertaking	Edelweiss Retail Finance Limited	1,102.84	648.89
		Edelweiss Housing Finance Limited	2,299.55	1,446.16
		ECL Finance Limited	42,906.27	40,455.20
17	Guarantee given on behalf of Group Company	Edelweiss Custodial Services Limited	8,950.00	6,950.00
		ECap Securities And Investments Limited (formerly known as ECap Equities Limited)	1,209.10	1,879.70
		Edelweiss Asset Reconstruction Company Limited	18,782.40	21,901.50
		Edel Finance Company Limited	470.00	780.40
		Edelweiss Finance and Investments Limited	139.77	145.90
		Edelweiss Housing Finance Limited	1,324.40	1,890.18
		Edelweiss Investment Adviser Limited	1,830.00	2,250.00
		ECL Finance Limited	1,625.00	2,375.00
		Edelweiss Alternative Asset Advisors Limited	550.00	-

0.00 indicates amounts less than ₹ 0.01 million.

Notes:

Information relating to remuneration paid to Key Managerial Person mentioned above exclude provision made for gratuity and provision made for bonus which are provided for group of employees on an overall basis.

38. Capital management

The Company manages the capital structure by a balanced mix of debt and equity. The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The Company maintains sound capitalisation both from an economic and regulatory perspective. The Company continuously monitors and adjusts overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives. These perspectives include specific capital requirements from rating agencies.

Capital structure includes infusion in the form of equity and structured debt from strategic business partners in certain of Company's subsidiaries to fund expansion and assist in achieving expected growth in the competitive market.

No changes were made in the objectives, policies or processes during the financial years ended March 31, 2022 and March 31, 2021.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment. Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

Particulars	As at 31 March 2022	As at 31 March 2021
Total Debt	24,322.12	8,380.11
Equity	50,002.16	41,259.88
Net Debt to Equity	0.49	0.20

Total Debt = Debt securities + Borrowings other than debt securities

Notes to the standalone financial statements *(Continued)*

(Currency : Indian rupees in millions)

39. Disclosure of loans and advances given pursuant to requirements of Regulation 34(3) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.

Entity	31 March 2022		31 March 2021	
	Loan outstanding	Maximum amount outstanding during the year	Loan outstanding	Maximum amount outstanding during the year
Edelweiss Rural and Corporate Services Limited	9,583.35	22,885.95	2,248.21	7,735.33
Edelweiss Finance & Investments Limited	-	3,355.00	3,362.32	3,362.32
ECL Finance Limited	-	4,000.00	3,801.68	3,801.68
Edelweiss Global Wealth Management Limited	491.23	651.50	152.76	250.00
Edel Land Limited	2,086.62	2,846.04	791.89	790.00
Edel Finance Company Limited	8,096.94	8,055.30	2,117.27	2,117.28
Ecap Equities Limited	-	3,347.85	-	15,487.85
Edelweiss Securities And Investments Private Limited	1,449.50	2,296.50	-	-

All the above loans have maturity of 0-3 years as per contracted terms.

40. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans

Edelweiss Financial Services Limited ("EFSL" hereafter), has recognised share based payment expenses for the years ended 31 March 2022 and 31 March 2021 based on fair value as on the grant date calculated as per option pricing model. The grants represent equity-settled options under the Employee Stock Option Plans and Stock Appreciation Rights Plans (hereafter referred to as, "ESOP 2011" and "SAR 2019" or "ESOPs" "SARs").

The Edelweiss Group has granted ESOPs under the two plans viz., ESOP 2011 & SAR 2019 to its employees on an equity-settled basis as tabulated below. The ESOPs/SARs provide a right to its holders (i.e., Edelweiss group employees) to purchase one EFSL share for each option at a pre-determined strike price on the expiry of the vesting period. The ESOP/SAR hence represents an European call option that provides a right but not an obligation to the employees of the Edelweiss group to exercise the option by paying the strike price at any time on completion of the vesting period, subject to an outer boundary on the exercise period.

EFSL has granted stock options to employees of the Edelweiss group on an equity-settled basis as tabulated below.

Particulars	SAR 2019	ESOP 2011
Dates of grant	Varying	Varying
Option Type	Equity settled	Equity settled
No. of outstanding options at 31 March 2022	10,914,200	7,182,488
No. of outstanding options at 31 March 2021	16,780,500	18,260,651
No. of Equity shares represented by an option	1 share for 1 option	1 share for 1 option
Fair Value per option	Varies as per the grant date	Varies as per the grant date
Exercise Price	Varies as per the grant date	Varies as per the grant date
Vesting Period	2-6 years	1-4 years
Vesting Conditions	Service	Service

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

40. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (Continued)

The vesting of options is subject to the employee's continued employment with the Edelweiss group. The ESOPs shall vest as follows:

Particulars	SAR 2019	ESOP 2011
Duration from grant date	% options vesting	% options vesting
12 months from the grant date	-	25.00%
24 months from the grant date	33.33%	25.00%
36 months from the grant date	-	25.00%
48 months from the grant date	33.33%	25.00%
60 months from the grant date	-	-
72 months from the grant date	33.34%	-
Total	100.00%	100.00%

Plan description

Plan Name	Grant Date	Vesting Conditions	Term of Options	Payout
ESOP Plan 2011	Various	As specified in tables above	1-4 years	Equity settled
SAR Plan 2019	Various	As specified in tables above	2-6 years	Equity settled

Movement of number of Options for FY 2021-22 and 2020-21

Number of options	2021-22			2020-21		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Outstanding at the start of the year	16,780,500	18,260,651	35,041,151	11,230,000	21,126,689	32,356,689
Granted during the year*	-	-	-	6,425,500	1,956,500	8,382,000
Exercised during the year	-	(6,627,263)	(6,627,263)	-	(1,970,150)	(1,970,150)
Lapsed/ cancelled during the year	(5,866,300)	(4,450,900)	(10,317,200)	(875,000)	(2,852,388)	(3,727,388)
Outstanding at the end of the year*	10,914,200	7,182,488	18,096,688	16,780,500	18,260,651	35,041,151
Exercisable at the end of the year	-	4,030,525	4,030,525	-	11,542,051	11,542,051

*Includes, SAR 2019 345,050, ESOP Nil (Previous year SAR 2019 515,000, ESOP 2011 nil) approved but not granted.

Weighted Average Exercise Price for FY 2021-22 and 2020-21

Weighted Average Exercise Price (₹)	31 March 2022		31 March 2021	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Outstanding at the start of the year	132.90	132.00	178.75	131.80
Granted during the year	-	-	61.00	61.00
Exercised during the year	-	44.70	-	35.10
Lapsed/ cancelled during the year	150.57	196.21	166.29	161.03
Outstanding at the end of the year	123.38	172.77	132.90	132.00
Exercisable at the end of the year	NA	191.57	NA	110.14
Weighted Average Share price at the exercise date	NA	44.81	NA	35.17

Notes to the standalone financial statements (*Continued*)

(Currency : Indian rupees in millions)

40. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (*Continued*)

Outstanding Options as at 31 March 2022 and 31 March 2021

Particulars	31 March 2022		31 March 2021	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options outstanding	10,914,200	7,182,488	16,780,500	18,260,651
Weighted average strike price (₹)	123.38	172.77	132.90	132.00
Weighted average remaining lifetime of options (in years)	2.33	0.39	2.70	0.45
Number of employees covered under the scheme	152	210	182	326

Options granted during FY 2021-22 and 2020-21

Particulars	31 March 2022		31 March 2021	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options granted	-	-	6,425,500	1,956,500
Weighted average strike price (in ₹)	NA	NA	61.00	61.00
Weighted average remaining lifetime of options (in years)	NA	NA	4.00	3.50
Number of employees covered under the scheme	NA	NA	155	115
Weighted Average Fair value per option (in ₹)	NA	NA	28.23	27.24
Weighted Average Intrinsic value per option (in ₹)	NA	NA	-	-

Assumptions for Fair Value for FY 2021-22 and 2020-21

Particulars	31 March 2022		31 March 2021	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Weighted average share price (in ₹)	123.12	175.10	132.93	133.01
Weighted average strike price (in ₹)	123.38	172.77	132.90	132.00
Weighted average remaining lifetime of options (in years)	2.33	0.39	2.70	0.45
Expected volatility (% p.a.)	56% - 72% p.a.	35% - 72% p.a.	56% - 72% p.a.	35% - 72% p.a.
Risk-free discount rate (% p.a.)	4.3% - 6.9% p.a.	4.3% - 7.8% p.a.	4.3% - 6.9% p.a.	4.3% - 8.5% p.a.
Expected dividend yield (% p.a.)	0.7% - 2.4% p.a.	0.4% - 2.4% p.a.	0.7% - 2.4% p.a.	0.4% - 3.1% p.a.

Other Disclosure

Particulars	31 March 2022			31 March 2021		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Charges during the year due to share based payments	12.89	10.08	22.97	51.47	33.21	84.68
Changes in fair value of share based payments due to any modifications made during the year	-	-	-	-	-	-
Liability due for share based payments	264.88	496.70	761.58	344.64	783.64	1,128.28
Intrinsic value of the liability above	2.50	16.06	18.56	6.51	33.76	40.27

Notes to the standalone financial statements (*Continued*)

(Currency : Indian rupees in millions)

41. Risk Management

The Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

Risk management strategy:

The strategy at an execution level is supported by -

1. Three tiered risk management structure to manage and oversee risks
2. Board and Executive Level Committees to review and approve risk exposures
3. Risk Management framework to ensure each risk the Company is exposed to is given due importance and managed through a well-defined framework and guidelines
4. Well-defined Standard Operating Procedures and Product approval framework to ensure risks are mitigated at operational level
5. Adequate segregation of duties to ensure multi-layered checks and balances
6. Exception reporting framework to ensure process and policy deviations are adequately addressed

Risk management structure:

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has appointed the Risk Committee which is responsible for monitoring the overall risk process within the Company and reports to the Audit Committee

The Risk Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits.

The Company is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Company works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Credit risk

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial /contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. The Company's lending activities is restricted to only its subsidiaries within the Edelweiss Group, the Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. Credit risk is monitored using various internal risk management measures and within limits approved by the board within a framework of delegated authorities. It is managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers. Presently Company has credit exposure only to its subsidiaries where adequate control and monitoring is ensured.

Notes to the standalone financial statements *(Continued)*

(Currency : Indian rupees in millions)

41. Risk Management *(Continued)*

Credit risk *(Continued)*

Liquidity risk

Liquidity risk emanates from the possible mismatches due to differences in maturity and repayment profile of assets and liabilities. To avoid such a scenario, the Company has maintained cash reserves in the form of Fixed Deposits, Cash, Loans which are callable any time at the Company's discretion, etc. These assets carry minimal credit risk and can be liquidated. These would be to take care of immediate obligations while continuing to honour commitments as a going concern.

Analysis of financial assets and liabilities by remaining contractual maturities

The table below at note number 44 summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31 March. All OTC derivatives used for hedging are shown by maturity, based on their contractual undiscounted payment obligations. All exchange traded derivatives held for trading are analysed based on expected maturity.

Market Risk:

Market risk is the risk which can affect the Company's performance due to adverse movements in market prices of instrument due to interest rates, equity prices, foreign exchange rates. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters.

Foreign exchange risk – Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's foreign exposure is limited to investments and loans to Group entities outside India. The Company aggregates the foreign exchange exposure emerging out of these loans/investments and the same is hedged using OTC and exchange traded derivatives. Positions are regularly monitored by the Company and rebalanced/ rolled over based on the inflow and outflow of funds. The Company don't have any foreign currency exposure as at March 31, 2022.

Currency	2021-22			
	Increase in currency rate (%)	Effect on profit before tax	Decrease in currency rate (%)	Effect on profit before tax
USD	-	-	-	-

Currency	2020-21			
	Increase in currency rate (%)	Effect on profit before tax	Decrease in currency rate (%)	Effect on profit before tax
USD	5	(43.53)	5	43.53

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

42. Fair Value Measurement

42.1 Valuation governance framework

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

42.2. Fair value hierarchy

Fair values of financial assets and liabilities are determined according to the following hierarchy

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

42.3. 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 (net of expected credit loss) and trade and other payables as on March 31, 2022 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financials assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

Particulars	31-Mar-22				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	21,703.81	23,086.52	-	-	23,086.52
Financial liabilities					
Debt securities	24,322.12	24,576.46	20,728.18	3,848.28	-

Particulars	31-Mar-21				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans*	12,472.43	12,472.43	-	-	12,472.43
Financial liabilities					
Debt securities	7,288.95	7,541.56	3,494.43	4,047.12	-
Borrowings (other than debt securities)*	1,091.16	1,091.16	-	-	1,091.16

* Carrying amounts of loans and borrowings other than debt securities as on 31st March, 2021 approximate the fair value because of their short-term nature.

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

42. Fair Value Measurement (Continued)

42.4. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy. Exchange traded and OTC derivatives are at gross amount i.e. before offsetting margin money. The impact of offsetting is explained in note 4.1.

Particulars	As at 31 March 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets)				
Exchange-traded derivatives	-	-	-	-
Total derivative financial instruments (assets) - A	-	-	-	-
Investments				
Equity instruments	2.89	89.25	-	92.14
Total investments measured at fair value - B	2.89	89.25	-	92.14
Total financial assets measured at fair value on a recurring basis	2.89	89.25	-	92.14

Particulars	As at 31 March 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets)				
Exchange-traded derivatives	6.15	-	-	6.15
Total derivative financial instruments (assets)	6.15	-	-	6.15
Investments				
Equity instruments	2.04	25.36	-	27.40
Total investments measured at fair value	2.04	25.36	-	27.40
Total financial assets measured at fair value on a recurring basis	8.19	25.36	-	33.55

42.5. Assets and liabilities by fair value hierarchy

Particulars	As at 31 March 2022			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	-	-	-	-
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Particulars	As at 31 March 2021			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	0.03	-	-	0.03
Total financial liabilities measured at fair value on a recurring basis	0.03	-	-	0.03

Notes to the standalone financial statements (*Continued*)

(Currency : Indian rupees in millions)

42. Fair Value Measurement (*Continued*)

42.6. Fair 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. 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.

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to formation that is considered to be more relevant and reliable.

42.7. Fair valuation techniques :

Equity instruments

The equity instruments which are actively traded on recognised stock exchanges are valued at readily available active prices on a regular basis. Such instruments are classified as Level 1. 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 2

Derivatives:

The Company enters into certain derivative financial instruments primarily with banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly forward exchange contracts.

Exchange traded derivatives:

Company has entered into certain exchange-traded currency futures. The Company uses latest traded prices at the reporting date to value these derivatives and classifies these instruments as Level 1 in the hierarchy.

42.8. Transfer between Level 1 and level 2

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

43. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
(a) Cash and cash equivalents	4,619.34	-	4,619.34	1,481.81	-	1,481.81
(b) Bank balances other than cash and cash equivalents	539.08	-	539.08	8.19	-	8.19
(c) Trade Receivables	123.64	-	123.64	191.00	-	191.00
(d) Loans	886.11	20,817.70	21,703.81	12,472.43	-	12,472.43
(e) Investments	92.14	49,540.49	49,632.63	2,137.19	41,680.13	43,817.32
(f) Other financial assets	667.10	248.54	915.64	304.72	324.63	629.35
Total financial assets (A)	6,927.41	70,606.73	77,534.14	16,595.34	42,004.76	58,600.10
Non-financial assets						
(a) Current tax assets (net)	-	951.08	951.08	-	688.06	688.06
(b) Deferred tax assets (net)	-	1,159.14	1,159.14	-	378.08	378.08
(c) Property, Plant and Equipment	-	5.71	5.71	-	5.99	5.99
(d) Other Intangible assets	-	0.83	0.83	-	1.19	1.19
(e) Other non- financial assets	-	769.70	769.70	-	135.88	135.88
Total non-financial assets (B)	-	2,886.46	2,886.46	-	1,209.20	1,209.20
TOTAL ASSETS (C = A+B)	6,927.41	73,493.19	80,420.60	16,595.34	43,213.96	59,809.30
Particulars	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES						
Financial liabilities						
(a) Trade Payables	952.15	-	952.15	2,354.43	-	2,354.43
(b) Debt securities	343.35	23,978.77	24,322.12	234.81	7,054.14	7,288.95
(c) Borrowings (other than debt securities)	-	-	-	1,091.16	-	1,091.16
(d) Other financial liabilities	1,563.37	3,488.64	5,052.01	1,697.26	5,986.44	7,683.70
Total financial liabilities (D)	2,858.87	27,467.41	30,326.28	5,377.66	13,040.58	18,418.24
Non-financial liabilities						
(a) Current tax liabilities (net)	-	7.94	7.94	-	7.26	7.26
(b) Provisions	7.19	-	7.19	3.59	-	3.59
(c) Other non-financial liabilities	77.03	-	77.03	120.33	-	120.33
Total non-financial liabilities (E)	84.22	7.94	92.16	123.92	7.26	131.18
TOTAL LIABILITIES (F = D+E)	2,943.09	27,475.35	30,418.44	5,501.58	13,047.84	18,549.42
NET TOTAL ASSETS / (LIABILITIES) (C-F)	3,984.32	46,017.84	50,002.16	11,093.76	30,166.12	41,259.88

Note:

The Company in addition to generating operating income from merchant banking activities, is also a holding Company of profitable subsidiaries involved in diversified businesses and receives dividend distribution at regular interval and will be comfortably able to meet its obligations at all points of time.

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

44 Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities, financial assets, derivatives and financial commitments as at 31 March. All OTC derivatives used for hedging are shown by maturity, based on their contractual undiscounted payment obligations. All exchange traded derivatives held for trading are analysed based on expected maturity.

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	952.15	-	-	-	-	952.15
Borrowings (other than debt securities)	-	-	-	-	-	-
Debt securities	143.85	86.19	113.31	14,062.35	9,916.42	24,322.12
Other financial liabilities	1,563.37	-	-	3,488.64	-	5,052.01
Total undiscounted non-derivative financial liabilities	2,659.37	86.19	113.31	17,550.99	9,916.42	30,326.28

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	5,158.42	-	-	-	-	5,158.42
Trade receivables	123.64	-	-	-	-	123.64
Loans	886.11	-	-	20,817.70	-	21,703.81
Investments at fair value through profit or loss	92.14	-	-	-	49,540.49	49,632.63
Other financial assets	76.44	-	590.66	248.54	-	915.64
Total undiscounted non-derivative financial assets	6,336.75	-	590.66	21,066.24	49,540.49	77,534.14

Note:

The Company in addition to generating operating income from merchant banking activities, is also a holding Company of profitable subsidiaries involved in diversified businesses and receives dividend distribution at regular interval and will be comfortably able to meet its obligations at all points of time.

Derivatives	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	-	-	-	-	-	-
Other net settled derivatives	-	-	-	-	-	-
Total	-	-	-	-	-	-

Commitments	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Financial Guarantee and contracts issued	10,796.00	2,504.90	16.60	15,830.27	5,732.90	34,880.67

The Company has undrawn lines of credit available aggregating ₹ Nil million as at 31 March 2022 (previous year ₹ Nil million) to meet any possible liquidity shortfall.

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

44 Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities (Continued)

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	2,354.43	-	-	-	-	2,354.43
Borrowings (other than debt securities)	1,091.16	-	-	-	-	1,091.16
Debt securities	57.09	52.02	125.71	2,423.92	4,630.21	7,288.95
Other financial liabilities	1,697.26	-	-	5,986.44	-	7,683.70
Total undiscounted non-derivative financial liabilities	5,199.94	52.02	125.71	8,410.36	4,630.21	18,418.24

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	1,490.00	-	-	-	-	1,490.00
Trade receivables	191.00	-	-	-	-	191.00
Loans	12,472.43	-	-	-	-	12,472.43
Investments at fair value through profit or loss	2,137.19	-	-	-	41,680.13	43,817.32
Other financial assets	304.72	-	-	324.63	-	629.35
Total undiscounted non-derivative financial assets	16,595.34	-	-	324.63	41,680.13	58,600.10

Derivatives	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	6.12	-	-	-	-	6.12
Other net settled derivatives	-	-	-	-	-	-
Total	6.12	-	-	-	-	6.12

Commitments	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Financial Guarantee and contracts issued	7,240.00	1,171.10	6,090.20	16,169.74	7,501.64	38,172.68

Note:

The Company has undrawn lines of credit available aggregating ₹ Nil million as at 31 March 2022 (previous year ₹ Nil million) to meet any possible liquidity shortfall.

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

45 Total market risk exposure

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. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. 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. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. Such risks the market risk for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables. Non-trading positions are managed and monitored using other sensitivity analyses.

Particulars	As at 31 March 2022			As at 31 March 2021		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets						
Cash and cash equivalent and other bank balances	5,158.42	-	5,158.42	1,490.00	-	1,490.00
Trade receivables	123.64	-	123.64	191.00	-	191.00
Loans at amortised cost	21,703.81	-	21,703.81	12,472.43	-	12,472.43
Financial investments– FVTPL	92.14	92.14	-	27.40	27.40	-
Financial investments– at cost	49,540.49	-	49,540.49	43,789.92	-	43,789.92
Other Financial assets	915.64	-	915.64	629.35	-	629.35
Total	77,534.14	92.14	77,442.00	58,600.10	27.40	58,572.70
Liability						
Borrowings (other than debt securities)	-	-	-	1,091.16	-	1,091.16
Debt securities	24,322.12	-	24,322.12	7,288.95	-	7,288.95
Trade payables	952.15	-	952.15	2,354.43	-	2,354.43
Other financial liabilities	5,052.01	-	5,052.01	7,683.70	-	7,683.70
Total	30,326.28	-	30,326.28	18,418.24	-	18,418.24

46 Disclosure related to collateral

Following table sets out availability of Company assets to support funding

As at 31 March 2022	Pledge as collateral	Available as collateral	Total carrying amount
Cash and cash equivalent including bank balance	30.00	4,884.05	4,914.05
Trade receivables	123.64	-	123.64
Loans	15,729.71	5,974.10	21,703.81
Investments	2,285.56	47,347.07	49,632.63
Other financial assets	-	667.10	667.10
Property, plant and equipment	-	5.71	5.71
Other non financial assets	-	769.70	769.70
Total assets	18,168.91	59,647.73	77,816.64
As at 31 March 2021	Pledge as collateral	Available as collateral	Total carrying amount
Cash and cash equivalent including bank balance	-	647.78	647.78
Trade receivables	191.00	-	191.00
Loans	3,811.57	8,660.86	12,472.43
Investments	448.64	43,368.68	43,817.32
Other financial assets	-	304.72	304.72
Property, plant and equipment	-	5.99	5.99
Other non financial assets	-	135.88	135.88
Total assets	4,451.21	53,123.91	57,575.12

Notes to the standalone financial statements (*Continued*)

(Currency : Indian rupees in millions)

47 Analysis of risk concentration

Industry analysis - risk concentration

As at 31 March 2022	Financial services	Others	Total
Financial assets			
Cash and cash equivalent and other bank balances	5,158.42	-	5,158.42
Trade receivables	123.64	-	123.64
Loans	21,703.81	-	21,703.81
Investments	49,632.63	-	49,632.63
Other financial assets	915.64	-	915.64
Total assets	77,534.14	-	77,534.14
As at 31 March 2021	Financial services	Others	Total
Financial assets			
Cash and cash equivalent and other bank balances	1,490.00	-	1,490.00
Trade receivables	191.00	-	191.00
Loans	12,472.43	-	12,472.43
Investments	43,817.32	-	43,817.32
Other financial assets	629.35	-	629.35
Total assets	58,600.10	-	58,600.10

48. 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 statement and the Company will continue to closely monitor any material changes to future economic conditions.

49. Events after reporting date

The Company has evaluated all events that occur after balance sheet date through the date when the financial statements were issued to determine if they must be reported. The management of the company determined that there were no reportable subsequent events to be disclosed other than below:

The Board of Directors of the Company ("Board") at their meeting held on May 13, 2022 has approved the Scheme of Arrangement between the Company and Edelweiss Securities Limited ("Resulting Company" or "ESL") and their respective shareholders and creditors under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 ("Act") ("Scheme") which inter alia, provides for demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) from the Company into the Resulting Company on a going concern basis and reduction of the capital of the Resulting Company in the manner set out in the Scheme. Post necessary regulatory and statutory approvals, the equity shares of the Resulting Company shall be listed on BSE Limited and the National Stock Exchange of India Limited.

Notes to the standalone financial statements (*Continued*)

(Currency : Indian rupees in millions)

50. 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.

51. Where the Company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose the following:-

The Company has been sanctioned working capital limits from bank during the year on the basis of security of current assets of the Company. The Company had closed the sanctioned workings capital limit within a month and accordingly was not required to file any return/statement with the bank. During the year the Company has availed overdraft facility from one Bank and pursuant to confirmation received from the said bank, there was no requirement to file any return/statement with the bank.

52. Wilful Defaulter

The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.

53. Relationship with Struck off Companies

Where the company has any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, the Company shall disclose the following details, namely:-

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Provenance Land Private Limited	Business Promotions	-	None
Aakanksha Leasing And Services Private Ltd	Commission and Brokerage Expense	-	None
Br Wealth Advisors Private Limited	Commission and Brokerage Expense	-	None

54. Registration of charges or satisfaction 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.

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

55. Utilisation of Borrowed funds and share premium:

- A) During the year, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall, 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 company (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 given loans 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 confirms 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).

S. No.	Name of Intermediary	Nature	Date	Rupees in millions	Name of Company in which investment done by Intermediary	Nature	Date	Rupees in millions	Remarks
1	Edelweiss Securities Private Limited (ESIPL)	Loan Given	28-Mar-22	846.50	Edel Finance Company Limited (Edel Finance)	Investment in Equity	28-Mar-22	846.50	1) ESIPL is wholly owned subsidiary of EFSL. As per Group restructuring plan, ESIPL will be holding Company for Asset Reconstruction Business. 2) ESIPL has purchased equity shares of Edelweiss Asset Reconstruction Company Limited (EARC) from Edel finance and ERCSL.
2	Edelweiss Securities Private Limited (ESIPL)	Loan Given	28-Mar-22	1,450.00	Edelweiss Rural & Corporate Services Limited (ERCSL)	Investment in Equity	28-Mar-22	1,450.00	3) During the year, ESIPL has repaid ₹ 850 million to Edelweiss Financial Services Limited (EFSL) and Closing balance as at 31 March 2022 is ₹ 1,447 million.

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

55. Utilisation of Borrowed funds and share premium: (Continued)									
S. No.	Name of Intermediary	Nature	Date	Rupees in millions	Name of Company in which investment done by Intermediary	Nature	Date	Rupees in millions	Remarks
3	Edelweiss Rural & Corporate Services Limited (ERCSL)	Loan Given	Various dates	5,714.00	Edelweiss Investment Adviser Limited (EIAL)	Loan Given	Various dates	5,713.55	ERCSL and EIAL is wholly owned subsidiary of Edelweiss Financial Services Limited
4	Edelweiss Rural & Corporate Services Limited	Loan Given	Various dates	6,585.00	Edel Finance Company Limited (Edel Finance)	Loan Given	Various dates	6,585.00	1) ERCSL and Edel Finance Company Limited (Edel Finance) are wholly owned subsidiary of Edelweiss Financial Services Limited. 2) Edel finance has repaid ₹ 6,585 million back to ERCSL and ERCSL has also repaid the same back to EFSL.
5	Edelweiss Rural & Corporate Services Limited	Loan Given	Various dates	8,200.00	ECL Finance Limited (ECL Finance)	Loan Given	21-Dec-21	8,200.00	1) ERCSL and ECL Finance are wholly owned subsidiary of EFSL. 2) ECL finance has repaid ₹ 7,420 million back to ERCSL and ERCSL has also repaid the same back to EFSL.
6	Edelweiss Rural & Corporate Services Limited	Loan Given	09-Jun-22	1,130.00	Edel Land Limited (Edel Land)	Loan Given	9-Jun-22	1,130.00	1) ERCSL and Edel Land are wholly owned subsidiary of EFSL . 2) Edel Land has repaid ₹ 1,130 million back to ERCSL and ERCSL has also repaid the same back to EFSL.

Notes to the financial statements (Continued)

55. Utilisation of Borrowed funds and share premium: (Continued)

- (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 (2) 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 (2)

During the year, the Company has taken loans and given loans to its subsidiary company in the ordinary course of business, are at Arm's length and the same is approved by Board Audit Committee of the Company. The Company confirms 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).

S. No.	Name of Lender	Nature	Date	Rupees in millions	Loan given	Nature	Date	Rupees in millions	Remarks
1	Beacon Trustee (Various lenders)	NCD Borrowing	5-Oct-21	4,000	ECL finance	Loan given	06-Oct-21	4,000	1) As per agreement loan was taken by the Company, for the purpose of repayment of existing banking liabilities of ECL Finance. 2) During the year ECL finance has repaid ₹ 4,000 million to EFSL.

Note (3)

Based on the legal opinion obtained by the Company, 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.

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

56. Undisclosed income

The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

57. The Company Doesn't have any immovable properties whose title deeds are not held in name of the Company

58. Loans and Advances

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 such 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:

Type of Borrowers	Amount of loan or advance in the nature of loan outstanding	Aggregate amount of loans/ advances in nature of loans	Percentage to the total Loans and Advances in the nature of loans*
Promoters	-	-	-
Directors	-	-	-
KMPs	-	-	-
Related Parties	-	9,701.55	45.37%

* Percentage of aggregate loans granted during the year

59. The Board of Directors at their meeting held on 27 May 2022, have recommended a final dividend of ₹1.20 per equity share (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting.

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

61. During the year ended 31 March 2022, three subsidiaries of the Company had sold certain financial assets amounting to ₹ 1,675.60 million and ₹ 11,424.10 million respectively (net of provisions) to various asset reconstruction company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 1,424.40 million and ₹ 9,455.70 million respectively from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from these subsidiaries' financial statement. The Company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognized in subsidiaries' financial statement. Based on assessment of probability of default, loss given default in respect of these financial assets and in light of various factors viz. exposures to certain sectors and assessment of credit and market risks for certain counter parties relative to such risks at initial recognition, the company has recorded fair value gain of ₹ 921.14 million (net) for the year ended respectively and is included in "Net gain on fair value changes".

Notes to the standalone financial statements (*Continued*)

(Currency : Indian rupees in millions)

62. Pursuant to amendments in risk and rewards agreement between the subsidiaries, ERCSL and the Company (as mentioned in note above), with effect from 01 January 2021, fees payable on security receipts (ARC management Fee) has been agreed to be borne by the Company, as the risk and rewards are undertaken by the Company. Accordingly, an amount of ₹2,166.33 million (Previous year: ₹ 489.25 million) towards such expenses have been recorded by the Company.
63. During the year ended 31 March 2022, the Company has recorded a fair value gain of ₹ 3,150 million for its investment in Edelweiss Securities and Investments Private Limited based on fair valuation report obtained from registered valuer and on account of Composite scheme of Arrangement between the Company's subsidiary and associate Companies i.e. Edelweiss Securities Limited ("ESL"), Edelweiss Securities and Investments Private Limited ("ESIPL"), Edelweiss Global Wealth Management Limited ("EGWML") and their respective shareholders and creditors, under section 230 to 232 and other applicable provisions of the Companies Act, 2013 for Demerger of Asset Management Business from ESL into ESIPL. The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned Scheme on 31 March 2022 under the applicable provisions of the Companies Act, 2013. Certified copy of the said order of the Tribunal was received by the Company on 05 April 2022 and filed with the Registrar of Companies on 22 April 2022.
64. Under Shareholders' Agreement dated 05 March 2019, entered between Edelweiss Financial Services Limited (EFSL), CDPQ Private Equity Asia PTE. Limited (CDPQ) and ECL Finance Limited (together referred as Parties), EFSL had agreed, pursuant to clause 8.1 & 8.2 to make equity investment of an amount equivalent to the amount of losses on Select real state/structured finance Loans (Select Loans) into ECL Finance Limited within six months of the default leading to loss incurred by the ECL Finance Limited on or before the date of the conversion of the Investor CCDs into Equity Shares. The rationale for this undertaking was to keep the total equity/net worth of ECL Finance Limited unimpacted on account of impairment in these loan accounts. During the previous year, Parties have agreed and concluded that loss event for two of the borrowers in the Select Loans have crystalized and hence, EFSL has agreed to make good the loss amounting to ₹ 1400.10 million incurred by ECL Finance Limited in earlier years. Accordingly, EFSL has recorded such loss in its profit and loss during last year. The Parties have agreed that no loss event has been crystalized in respect of other Select Loans amounts mentioned in above said clauses of the agreement and hence there is no obligation of the Company.
65. During the year ended 31 March 2022, employee benefits expense includes a reversal of long term incentive plan of ₹ 650.00 million and created additional bonus provision amounting to ₹ 731.00 million during the year ended 31 March 2022.
66. During the year ended 31 March 2022, other income includes gain amounting to ₹ 5,315.75 million (previous year ₹ 13,714.85 million) on sale of investments in its subsidiaries.
67. During the quarter and year ended 31 March 2022, certain assets amounting to ₹ 2,720.00 million were sold to alternative assets funds by the subsidiary NBFCs. The Company has, vide a put agreement dated 04 February 2022, has guaranteed / undertaken to purchase these financial assets amounting to ₹ 2,720.00 million on occurrence of certain trigger event as per the agreement.
68. The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

69. Ratio Analysis

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Remarks
1 Debt-Equity Ratio	0.49	0.20	Increase in Total Debt from ₹ 8,380 million in previous year to ₹ 24,322 million in current year, resulted in increase in Debt-Equity ratio during the year.
2 Interest Service Coverage Ratio	4.99	8.13	As stated above, increase in total debt has resulted in increase in finance cost and consequently decrease in Interest service coverage ratio.
3 Total debt to Total assets (%)	30.24%	14.01%	Increase in Total Debt from ₹ 8,380 million in previous year to ₹ 24,322 million in current year, resulted in increase in Total Debt-Total Assets ratio during the year.
4 Net profit margin (%)	68.01%	41.60%	Increase in Net Profit from ₹ 7,162 million in previous year to ₹ 9,333 million in current year, resulted in increase in Net profit margin ratio during the year.

Notes:

- 1 Debt-equity Ratio = Total debt (Debt securities + Borrowings other than debt securities) / Net worth
- 2 Interest Service Coverage Ratio = Profit before interest and Tax / interest expense
- 3 Total debt to Total assets = (Debt securities + Borrowings other than debt securities) / Total assets
- 4 Net profit margin = Net Profit for the period / Total income

70. 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.

71. 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.

72. Previous year's figures have been regrouped / reclassified to conform to current year presentation.

73. 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.

74. These financial statements have been approved for issue by the Board of Directors of the Company on 27 May 2022.

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

As per our report of even date attached

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

per Shrawan Jalan

Partner

Membership No: 102102

Rashesh Shah

Chairman & Managing Director

DIN: 00008322

Himanshu Kaji

Executive Director

DIN: 00009438

Ananya Suneja

Chief Financial Officer

Tarun Khurana

Company Secretary

Mumbai 27 May 2022

Mumbai 27 May 2022

Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) 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	ECL Finance Limited	Edelcap Securities Limited	Edelweiss Asset Management Limited	Edelweiss Securities and Investments Limited (Formerly known as ECap Equities Limited)	Edelweiss Trusteeship Company Limited	Edelweiss Housing Finance Limited	Edelweiss Investment Adviser Limited	Edel Land Limited	Edel Investments Limited	Edelweiss Rural & Corporate Services Limited
Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Exchange rate	-	-	-	-	-	-	-	-	-	-
Paid-up Equity Share Capital	2,138.27	3.00	733.43	317.40	1.00	693.50	6,755.50	9,784.49	350.22	9,965.35
Reserves of the Subsidiary	23,456.27	596.07	1,085.21	(399.84)	3.96	7,082.82	(9,781.07)	(4,810.30)	2,302.03	(3,672.77)
Total Assets of the Subsidiary	143,459.89	4,918.72	2,314.30	2,837.58	6.18	39,566.59	8,653.56	35,847.49	8,475.24	41,906.77
Total Liabilities of the Subsidiary	117,865.35	4,319.65	495.66	2,920.01	1.22	31,790.27	11,679.14	30,873.29	5,822.99	35,614.19
Investments	62,293.61	2,733.99	1,168.69	2,837.26	4.73	2,618.06	-	19,004.77	2,348.12	22,460.78
Total Turnover	16,607.69	619.02	1,674.33	346.35	3.68	5,139.10	2,098.08	9,885.32	968.54	10,841.31
Profit/(Loss) before taxation	525.75	104.16	202.91	(115.84)	0.06	201.82	(833.41)	(1,135.96)	96.75	(820.48)
Provision for taxation	(267.78)	26.55	0.00	1.42	(0.00)	63.75	8.85	215.56	46.33	(74.47)
Profit/(Loss) after taxation	793.53	77.61	202.91	(117.26)	0.06	138.07	(842.27)	(1,351.52)	50.43	(746.01)
Proposed dividend	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Form AOC-I (Continued)

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

Part 'A': Subsidiaries (Continued)

(Currency : Indian rupees in millions)

Name of the Subsidiary Company	Comtrade Commodities Services Limited (Formerly known as Edelweiss Comtrade Limited)	Edel Finance Company Limited	Edelweiss Retail Finance Limited	Edelweiss Multi Strategy Fund Advisors LLP	Edelweiss Resolution Advisors LLP	Edelweiss General Insurance Company Limited	Edelweiss Securities and Investments Private Limited	EC International Limited	EAAA LLC	Edelweiss Alternative Asset Advisors Pte. Limited
Reporting currency	INR	INR	INR	INR	INR	INR	INR	USD	USD	USD
Exchange rate	-	-	-	-	-	-	-	75.81	75.81	75.81
Paid-up Equity Share Capital	290.00	7,216.75	429.50	6.04	0.44	5,130.00	6.13	6.20	62.47	446.64
Reserves of the Subsidiary	(278.12)	5,364.20	4,657.79	1.78	0.00	(3,780.70)	2,596.03	(133.86)	(64.30)	64.15
Total Assets of the Subsidiary	35.29	30,258.84	12,642.62	8.00	0.46	5,694.80	8,988.82	22.15	1.19	1,027.55
Total Liabilities of the Subsidiary	23.41	17,677.89	7,555.33	0.17	0.02	4,345.50	6,386.65	149.81	3.02	516.76
Investments	-	27,594.14	1,540.98	0.00	0.00	4,749.96	4,775.31	14.47	0.00	0.49
Total Turnover	0.75	1,886.60	1,799.08	8.60	0.02	2,916.02	2,166.56	0.00	0.44	685.21
Profit/(Loss) before taxation	(4.40)	57.53	254.01	8.38	(0.04)	(1,048.89)	525.65	(23.09)	(26.59)	25.60
Provision for taxation	0.06	(164.29)	69.32	0.00	0.00	0.00	185.77	0.00	0.00	5.57
Profit/(Loss) after taxation	(4.46)	221.82	184.69	8.38	(0.04)	(1,048.89)	339.87	(23.09)	(26.59)	20.03
Proposed dividend	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Form AOC-I (Continued)

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries (Continued)

(Currency : Indian rupees in millions)

Name of the Subsidiary Company	Edelweiss International (Singapore) Pte. Limited	Aster Commodities DMCC	Edelgive Foundation	Edelweiss Alternative Asset Advisors Limited	Edelweiss Gallagher Insurance Brokers Limited	Edelweiss Private Equity Tech Fund	Edelweiss Value and Growth Fund	Edelweiss Reconstruction Company Limited	EW Special Opportunities Advisors LLC	Edelweiss Tokio Life Insurance Company Limited
	USD	AED	INR	INR	INR	INR	INR	INR	USD	INR
Reporting currency	75.81	20.55	-	-	-	-	-	-	75.81	-
Exchange rate	2,063.31	-	104.20	1,223.75	-	280.61	723.82	2,632.53	21.27	6,655.52
Paid-up Equity Share Capital	341.46	-	146.67	321.32	-	334.31	70.34	22,124.02	(21.19)	(461.33)
Reserves of the Subsidiary	3,352.16	-	585.77	3,196.09	-	615.71	797.26	60,788.45	0.19	65,156.15
Total Assets of the Subsidiary	947.40	-	334.90	1,651.03	-	0.79	3.10	36,031.90	0.11	58,961.96
Investments	-	-	9.28	1,673.12	-	594.77	774.87	47,485.30	0.01	52,907.86
Total Turnover	842.98	0.32	424.27	2,159.80	394.28	(15.92)	189.44	8,992.70	0.32	19,027.24
Profit/(Loss) before taxation	462.11	(1.74)	15.87	505.86	57.70	(17.61)	184.17	3,429.63	(0.43)	(2,059.57)
Provision for taxation	0.91	0.00	0.00	16.54	10.64	-	-	902.91	0.00	0.00
Profit/(Loss) after taxation	461.20	(1.74)	15.87	489.32	47.06	(17.61)	184.17	2,526.72	(0.43)	(2,059.57)
Proposed dividend	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	-	100%	99.05%	-	95.60%	70.05%	59.82%	67.00%	66.00%

Form AOC-I (Continued)

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries (Continued)

(Currency : Indian rupees in millions)

Name of the Subsidiary Company	Allium Finance Private Limited		Edelweiss Global Wealth Management Limited		Edelweiss Capital Services Limited		India Credit Investment Fund-II		Sekura India Management Limited		Edelweiss Retail Assets Managers Limited	
	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Reporting currency	-	-	-	-	-	-	-	-	-	-	-	-
Exchange rate	-	-	-	-	-	-	-	-	-	-	-	-
Paid-up Equity Share Capital	68.26	730.00	550.00	4,703.07	0.50	0.61						
Reserves of the Subsidiary	1,203.38	2,827.27	4.69	(31.27)	0.14	101.16						
Total Assets of the Subsidiary	1,273.58	4,505.85	2,571.41	4,715.45	65.89	105.17						
Total Liabilities of the Subsidiary	1.95	948.58	2,016.73	43.65	65.25	3.40						
Investments	1,084.95	4,303.45	-	4,713.05	-	-						
Total Turnover	343.57	0.00	180.15	115.82	72.72	0.50						
Profit/(Loss) before taxation	340.44	0.00	22.98	(17.97)	0.42	(8.69)						
Provision for taxation	87.60	0.00	2.51	0.00	0.06	-						
Profit/(Loss) after taxation	252.84	0.00	20.47	(17.97)	0.36	(8.69)						
Proposed dividend	-	-	-	-	-	-						
% of shareholding	85.00%	100.00%	51.00%	100.00%	100.00%	100.00%						

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Himanshu Kaji
Executive Director
DIN: 00009438

Ananya Suneja
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 27 May 2022

Form AOC-I (Continued)

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) 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	Edelweiss Securities 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	15,334,755
	Amount of Investment in Associates (₹ in millions)	2,428.59
	Extent of Holding (%)	43.76%
3	Reason why the associate is not consolidated	No Control
4	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in millions)	8,370.62
5	Profit / (Loss) for the year	
	i. Considered in Consolidation	966.54
	ii. Not Considered in Consolidation (including exceptional items)	7,604.79

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Himanshu Kaji
Executive Director
DIN: 00009438

Ananya Suneja
Chief Financial Officer
Mumbai 27 May 2022

Tarun Khurana
Company Secretary

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

(Currency : Indian rupees in millions)								
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/arrangements/transactions including the value, if any	Justification for entering into such contracts/arrangements/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:

(Currency : Indian rupees in millions)						
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/arrangements/transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	Edel Finance Company Limited	Sale of securities	-	733.78	February 13, 2021	-
2	Edel Finance Company Limited	Sale of securities	-	1,934.24	February 13, 2021	-
3	ECL Finance Limited	Management and advisory fees paid	-	1,829.94	February 13, 2021	-

For and on behalf of the Board
Edelweiss Financial Services Limited

Rashesh Shah
Chairman and Managing Director
DIN: 00008322

Mumbai, May 27, 2022

Notice

NOTICE OF THE 27TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING OF THE MEMBERS OF EDELWEISS FINANCIAL SERVICES LIMITED WILL BE HELD ON FRIDAY, SEPTEMBER 2, 2022 AT 4.00 P.M. (IST) THROUGH VIDEO CONFERENCING OR OTHER AUDIO VISUAL MEANS (OAVM) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY 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 declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Rashesh Shah (DIN 00008322), who retires by rotation and, being eligible, offered himself for re-appointment.
4. To resolve not to fill the vacancy caused by the retirement of Mr. Rujan Panjwani (DIN: 00237366) who retires by rotation at this Meeting, being eligible, has not offered himself for re-appointment.

SPECIAL BUSINESS:

5. Issue of Securities

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

“RESOLVED that pursuant to the provisions of Sections 42 and 62 of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, including any statutory modifications(s) or re-enactment thereof, for the time being in force (“the Act”), the relevant provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ the ICDR Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“the Listing Regulations”), the applicable provisions of the Foreign Exchange Management Act, 1999, (including any amendments, statutory modification(s) and / or re-enactment thereof for the time being in force) (‘the FEMA’), to the extent applicable, the Consolidated Foreign Direct Investment Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“GOI”) and the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident outside India) Regulations, 2000, (including any amendments, statutory modification(s) and / or re-enactment thereof for the time being in force) and all other statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable, as amended from time to time, issued by the GOI, the Ministry of Corporate Affairs (‘MCA’), the Reserve Bank of India (‘RBI’), SEBI, BSE Limited and National Stock Exchange of India Limited (‘the Stock Exchanges’) where the equity shares of the Company are listed and subject to requisite approvals, consents, permissions and/ or sanctions of regulatory and other appropriate authorities, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/ or sanctions and which may be agreed to, by the Board of Directors of the Company (“hereinafter referred to as the Board” which term shall be deemed to include any Committee which

Notice (continued)

the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), the approval of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservations on firm and/or competitive basis, or such part of issue and for such categories of persons as may be permitted, including the employees of the Company), such number of Equity Shares and/or other Eligible Securities as defined in Chapter VI of the ICDR Regulations and/or American Depository Receipts (“ADRs”) and / or Global Depository Receipts (“GDRs”) and/or Non-Convertible Debentures with warrants and / or Foreign Currency Convertible Bonds and /or securities convertible or exchangeable into equity including but not limited to Convertible Debentures or Convertible Preference Shares (compulsorily and/or optionally, fully and/or partly) and/or a combination thereof (hereinafter referred to as “Equity Shares” or other “Securities”, respectively) at a discount or premium to market price permitted under applicable law, in such manner and on such terms and conditions including, security, rate of interest etc., as may be deemed appropriate by the Board, in one or more tranches, for cash, for an aggregate amount upto ₹ 2,000 crores or equivalent thereof, by way of Qualified Institutional Placement (“QIP”)/ Further Public Offer (“FPO”) of securities in accordance with the ICDR Regulations, or any combination thereof or by way of any other mode, through issue of placement document and/or prospectus and/or letter of offer and/or any other permissible/requisite offer document (“Offering Document/Disclosure Document / Information Memorandum”), on such terms and conditions, including the terms, type of Securities to be issued, etc., as decided by the Board, in consultation with the book running lead managers appointed for the proposed Issue, to Qualified Institutional Buyers (“QIBs”) as defined under the ICDR Regulations and/or by way of FPO or through any other permissible mode, whether they are holders of Equity Shares or not, and on such terms and conditions as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of investors to whom the offer, issue and allotment of the Securities shall be made, considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with book running lead managers and/or underwriters and/or other advisors appointed or to be appointed by the Company and as may be permitted under applicable law from time to time, and without requiring any further approval or consent from the Members of the Company (the “Issue”).

FURTHER RESOLVED that if the Issue or any part thereof is made by way of a QIP pursuant to Chapter VI of the ICDR Regulations:

- a) the allotment of the Equity Shares or other Eligible Securities, shall be completed within 365 days or such other period as may specified under the applicable guidelines from the date of the Special Resolution of the Members of the Company;
- b) the Equity Shares that may be issued by the Company in the proposed Issue shall rank pari passu with the then existing Equity Shares of the Company in all respects;
- c) no partly paid-up Equity Shares or other Eligible Securities shall be issued/allotted;
- d) the Relevant Date shall mean the ‘Relevant Date’ as defined under Regulation 171 of ICDR Regulations, on the basis of which the price of the Securities shall be determined;
- e) it shall be at such price which is not less than the price determined in accordance with Regulation 176 provided under Chapter VI of the ICDR Regulations (the “QIP Floor Price”) and that the Board may, however, at its absolute discretion in consultation with the book running lead managers, issue Equity Shares at a discount of not more than 5 per cent or such other discount as may be permitted under applicable regulations to the QIP Floor Price.

FURTHER RESOLVED that the Board be and is hereby authorised to appoint book running lead manager(s), depositories, custodians, registrars, bankers, lawyers, advisors, consultants and all such other agencies / intermediaries as are or may be required to be appointed, involved or concerned and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memorandums, documents, etc. with such agencies and also to seek the listing of such Equity Shares or other securities on the Stock Exchanges.

FURTHER RESOLVED that subject to the applicable provisions of the Act, the Board be and is hereby authorised, on behalf of the Company, to take all actions and do all such acts, deeds, matters and things and sign such documents as may be required in furtherance of, or in relation to, or ancillary to, the issue, offer and allotment of Securities including the finalisation and approval of the draft as well as final offer document(s), determining the form and manner of the Issue, identification of the eligible investors to whom the Securities are to be offered, utilization of the Issue proceeds, authorising any Director or Officer of the Company to sign offer documents, execute any necessary documents, agreements, forms, deeds, appointment of intermediaries, open and close the period of subscription of the Issue, determine the Issue price, premium amount on Securities as permitted under applicable law and all other terms and conditions of the Securities, signing of declarations, filing of necessary forms with regulatory authorities and to amend, vary or modify any of the above as the Board may consider necessary, desirable or expedient and to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purposes of the Issue and resolve and settle all questions or difficulties that may arise in regard to such issue, offer or allotment of Equity Shares or other Eligible Securities or any other securities and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the Issue proceeds, as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members and the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution and all actions taken by the Board in connection with any matters referred to or contemplated in any of the Resolution be and are hereby approved, ratified and confirmed in all respects.”

6. Appointment of Mr. Shiva Kumar as an Independent Director

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

“**RESOLVED** that Mr. Shiva Kumar (DIN: 06590343), who was appointed as an Additional Director of the Company with effect from August 4, 2022 by the Board of Directors (hereinafter referred to as the Board) and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“the Act”) and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

FURTHER RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act (including any statutory modification or re-enactment thereof for the time being in force) and the Rules framed thereunder, as amended from time to time, Mr. Shiva Kumar (DIN: 06590343), who meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director for a term of five years commencing August 4, 2022.

Notice (continued)

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

**For and on behalf of the Board of Directors
EDELWEISS FINANCIAL SERVICES LIMITED**

**Tarun Khurana
Company Secretary
(Membership No. A12344)**

Mumbai, August 4, 2022

**Registered Office:
Edelweiss House, Off C.S.T. Road,
Kalina, Mumbai – 400 098.
CIN : L99999MH1995PLC094641**

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in respect of the Special Business to be transacted at the Annual General Meeting (AGM/Meeting) is annexed hereto.
2. The Ministry of Corporate Affairs (“MCA”) has, vide its Circular dated May 5, 2022, read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021 and December 14, 2021 (MCA Circulars) and the Circulars issued by the Securities and Exchange Board of India from time to time (SEBI Circulars), permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without physical presence of the members at a common venue. In accordance with the MCA Circulars and applicable provisions of the Companies Act, 2013 (“the Act”) read with Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
3. Pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the information in respect of the Directors seeking appointment/re-appointment at the AGM is given as an Annexure to the Notice.
4. As per the provisions of the Act and the Articles of Association of the Company, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being conducted in accordance with the MCA and SEBI Circulars through VC/OAVM, the requirement of physical attendance of Members has been dispensed with. Accordingly, the facility of appointment of proxies by Members

will not be available for such meetings. Hence, the Proxy Form, Attendance Slip and Route Map of the venue of the AGM are not annexed to the Notice of the AGM. However, the Body Corporates, are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

The facility to join the Meeting shall be opened fifteen minutes before the scheduled time of the Meeting and shall be kept open throughout the proceedings of the Meeting. The Members are requested to follow the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to 1,000 Members on a first come first serve basis as per the MCA Circulars. The Large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. can attend the Meeting without restriction on account of first come first serve principle.

The Institutional Investors, who are Members of the Company, are encouraged to attend the meeting through VC/OAVM mode and vote electronically. Pursuant to the provisions of the Act, such Members are required to send a scanned certified true copy (PDF/JPG Format) of the resolution/authorisation of its Board or governing body, authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said certified resolution/authorisation shall be sent to the Scrutinizer at narasimhan.b8@gmail.com/venkatk1960@yahoo.co.in with a copy marked to evoting@nsdl.co.in.

5. In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the AGM.

6. QUORUM

The attendance of the Shareholders attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. BOOK CLOSURE

The Register of Members and the Share Transfer Books of the Company will remain closed from August 27, 2022 to September 1, 2022 (both days inclusive).

8. DIVIDEND:

The dividend, as recommended by the Board, if approved at the AGM, will be paid subject to deduction of tax at source, as may be applicable, between September 6, 2022 to September 30, 2022, to those Members:

- a) whose names appear as Beneficial Owners as on August 27, 2022 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the equity shares held in electronic form; and
- b) whose names appear as Members in the Register of Members of the Company as on August 27, 2022 in respect of the equity shares held in physical form, after giving effect to valid request(s) received for transmission/ transposition of equity shares.

Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of Members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at the prescribed rates. For detailed information on the same, please refer the Company's website at www.edelweissfin.com.

Notice (continued)

9. UNCLAIMED DIVIDEND

Members are requested to note that dividend which has remained unpaid or unclaimed for 7 consecutive years or more from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF) as per Section 124 of the Act.

Accordingly, pursuant to the provisions of the Act and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company has transferred a sum of ₹ 9,30,953 to the IEPF during the year 2021-22.

Further, 11,228 equity shares of ₹ 1 each of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the beneficiary owner account of the IEPF Authority.

Members are further requested to note that the unpaid or unclaimed dividends and/or the equity shares transferred to the IEPF can be claimed by them by making an on-line/electronic application in Form IEPF-5. Upon submitting duly completed form, applicants are requested to take a print of the same and send the physical copy, duly signed, along with the requisite documents specified in Form IEPF-5, to the Company/ the RTA of the Company, M/s. Link Intime India Private Limited (Unit: Edelweiss Financial Services Limited), C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083, e-mail: rnt.helpdesk@linkintime.co.in/ iepf.shares@linkintime.co.in. The Rules and the application form (Form IEPF-5), as prescribed by the Ministry of Corporate Affairs (MCA) for claiming the shares/ dividends are available on the website of MCA/IEPF authority – www.iepf.gov.in.

In view of the above, Members who have not claimed / encashed the Dividend Warrants are requested to claim their unpaid dividends within stipulated timelines by writing to the Company / RTA giving the necessary details.

10. GENERAL GUIDANCE TO SHAREHOLDERS

• **NOMINATION FACILITY**

As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The Members are requested to submit the said Form to their Depository Participant (DP) in case the shares are held in electronic form and to Link Intime India Private Limited, the Registrar & Transfer Agent (RTA) of the Company in case the shares are held in physical form.

• **BANK MANDATES**

Members holding shares in physical form are requested to intimate the Registrar & Transfer Agent under the signature of the Sole/First holder, the following information:

- i. Name of the Sole/First holder and the folio number
- ii. Particulars of Bank Account viz.,
 - a. Name of the Bank
 - b. Name of the Branch
 - c. Complete address of the Branch with Pin code
 - d. Bank Account Number allotted by the Bank.

In respect of the matters pertaining to Bank details, NECS mandates, nomination, power of attorney, change in name/address, etc., the Members are requested to approach:

- the Company's Registrar & Transfer Agent, in case of shares held in physical form; and
- the respective Depository Participants, in case of shares held in electronic form.

In any correspondence with the Company/Registrar & Transfer Agent, the Members are requested to quote their account/ Folio numbers or DP ID and Client ID in respect of physical or electronic holdings, respectively.

- **MODE OF HOLDING SHARES**

As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with holding physical shares, the Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's Registrar and Transfer Agent for any support in this regard.

- **UPDATION OF PERSONAL DETAILS**

- i. Pursuant to SEBI circular dated April 20, 2018, shareholders whose ledger folios having incomplete details with regard to PAN and Bank particulars are required to compulsorily furnish the same to the Registrar and Transfer Agent (RTA)/ Company for registration in the folio.
- ii. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to Link Intime India Private Limited in case the shares are held in physical form.
- iii. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA of the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

11. DISPATCH OF ANNUAL REPORT IN ELECTRONIC FORM AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT BY E-MAIL:

- i. In accordance with the MCA and the SEBI Circulars and owing to the difficulties involved in dispatching of physical copies of the Annual Report for the financial year 2021-22 (including the Financial Statements, Board's Report, Auditor's report or other documents required to be attached thereto) (the Annual Report 2021-22), and the Notice of the AGM, are being sent in electronic mode to Members and other persons entitled to receive the Notice, whose e-mail address is registered with the Company or the Depository Participant(s).
- ii. The Members holding Equity Shares of the Company in Demat Form or Physical Form and who have not yet registered their e-mail address are requested to follow the procedure stated in point no. 12 given below for the purpose of registration.

Notice (continued)

- iii. A copy of the Annual Report 2021-22 along with the Notice of the AGM and Explanatory Statement is available on the website of the Company at www.edelweissfin.com, BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com & www.nseindia.com respectively and National Securities Depository Limited (NSDL) at www.evoting.nsdl.com.

12. PROCEDURE FOR REGISTRATION OF EMAIL IDS WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND FOR E-VOTING ON THE RESOLUTIONS SET OUT IN THIS NOTICE:

- i. In case the shares are held in physical mode, shareholders are requested to provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN and Aadhar Card by e-mail to the Company at Efsl.Shareholders@edelweissfin.com.
- ii. In case the shares are held in demat mode, please provide DPID & CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, self-attested scanned copy of client master or copy of Consolidated Account statement, PAN and Aadhar Card to the respective Depository Participants.
- iii. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained in these notes.
- iv. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

13. PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

- i. As the AGM is being conducted through VC / OAVM the Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number (DP ID & Client Id) / folio number, email id, mobile number at Efsl.Shareholders@edelweissfin.com.
- ii. Members desirous of getting any information in respect of the contents of the Annual Report are requested to forward the same to the Company Secretary at least 10 days prior to the AGM so that the required information can be made available. The same will be replied by/on behalf of the Company suitably.
- iii. In order to enable smooth conduct of AGM, the Members who would like to express their views during the AGM may register themselves as a Speaker by sending an email to Efsl.Shareholders@edelweissfin.com, alongwith your name and DP ID/CLIENT ID from Saturday, August 27, 2022 (9.00 A.M. IST) to Monday, August 29, 2022 (5.00 P.M. IST).

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

14. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Tuesday, August 30, 2022 at 9:00 A.M. and ends on Thursday, September 1, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. August 24, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none">Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jspVisit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on

 App Store  Google Play



Notice (continued)

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none">Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistrationAlternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- (i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- (ii) Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- (iii) A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- (iv) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- (v) Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

Notice (continued)

- If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
- (vi) If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
- a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- (vii) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- (viii) Now, you will have to click on “Login” button.
- (ix) After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to narasimhan.b8@gmail.com/venkatk1960@yahoo.co.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also

upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “**Upload Board Resolution / Authority Letter**” displayed under “**e-Voting**” tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Efsl.Shareholders@edelweissfin.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Efsl.Shareholders@edelweissfin.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

Notice (continued)

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH

VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at Efsl.Shareholders@edelweissfin.com. The same will be replied by the company suitably.
6. Members desirous of getting any information in respect of the contents of the Annual Report are requested to forward the same to the Company Secretary at least 10 days prior to the AGM so that the required information can be made available. The same will be replied by/on behalf of the Company suitably.
7. In order to enable smooth conduct of AGM, the Members who would like to express their views during the AGM may register themselves as a Speaker by sending an email to Efsl.Shareholders@edelweissfin.com, alongwith your name and DP ID/CLIENT ID on Monday, August 29, 2022 between 9 A.M. to 6 P.M.

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

GENERAL INFORMATION FOR SHAREHOLDERS

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such a event, you will need to go through the “Forget User Details/Password?” or “Physical User Rest Password?” option available on www.evoting.nsdl.com to reset the password.
2. The Statutory Registers under the Act and documents, if any, referred to in the Notice and Explanatory Statement pursuant to Section 102 of the Act will be available electronically for inspection by the Members during the AGM. Documents, if any, referred to in the Notice will also be available for electronic inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to Efsl.Shareholders@edelweissfin.com.

3. The Board of Directors of the Company has appointed Mr. B. Narasimhan, Proprietor - M/s. BN & Associates, Company Secretaries, failing him, Mr. Avinash Bagul, Partner - M/s. BNP & Associates, Company Secretaries, failing him, Mr. K. Venkataraman, Practicing Company Secretary as the Scrutinizer(s) to scrutinize the voting and remote e-voting process in a fair and transparent manner. The Scrutinizer's decision on the e-voting shall be final.
4. The Scrutinizer shall, after the conclusion of voting at the AGM, count the votes cast at the meeting, and the votes cast through remote e-voting and make, within two working days from the of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
5. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.edelweissfin.com and on the website of NSDL e-voting viz. www.evoting.nsdl.com after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be forwarded to BSE and NSE.

Notice (continued)

ANNEXURE TO THE NOTICE DATED AUGUST 4, 2022

STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 ('the Act')

ITEM NO. 5:

The Company has been consistently exploring various avenues for raising funds for various purposes including but not limited to augmenting its long-term resources, general corporate purposes, etc. The requirement of funds is proposed to be met through issue of securities, subject to approval of the Members of the Company, if required and other appropriate approvals, for an aggregate amount of upto ₹ 2,000 crores, to the eligible investors.

The consent of the Members is therefore being sought by way of a Special Resolution as set out in Item No. 5 of the Notice, pursuant to applicable provisions of the Companies Act, 2013 ("the Act"), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("the ICDR Regulations") and any other law for the time being in force and applicable for the issue/allotment of Equity Shares or Eligible Securities or any other securities which may be consummated in one or more tranches at such time and at such price, whether at a discount or premium to market price and on such terms and conditions as the Board (hereinafter referred to as the Board which term shall be deemed to include any Committees constituted/to be constituted by the Board) may in its absolute discretion decide, taking into consideration prevailing market conditions and other relevant factors and wherever necessary in consultation with advisors, book running lead managers and such other authority or authorities as may be necessary and subject to, the ICDR Regulations, and other applicable guidelines, notifications, rules and regulations, as amended. The proposed Issue of Equity Shares/other securities by way of QIP/FPO or through any other mode may be offered to investors who may not be Members of the Company and hence approval of shareholders is sought in terms of the Act.

The pricing of the Equity Shares and/or any other securities shall be determined in accordance with the relevant provisions of the ICDR Regulations, the Act, and any other applicable law. In case of QIP, the Board in accordance with applicable law and in consultation with book running lead managers, may offer a discount of not more than 5 per cent or such percentage as permitted under applicable law on the floor price determined pursuant to the ICDR Regulations (i.e. not less than the average of the weekly high and low of the closing prices of the equity shares quoted on a stock exchange during the two weeks preceding the 'Relevant Date'). The 'Relevant Date' for the purpose of pricing the Securities shall be as defined under Regulation 171 of the ICDR Regulations. The pricing of the Securities where the Securities are issued as ADRs/GDRs or FCCBs shall be determined in accordance with the provisions of the applicable laws, rules and regulations issued by relevant authorities.

The allotment of Equity Shares or other Securities shall be completed within timeline prescribed, if any, under applicable laws. The Equity Shares shall rank pari passu in all respects, including in respect of entitlement to dividend with the then existing equity shares and in accordance with the provisions of the placement document(s).

The Equity Shares allotted would be listed on BSE Limited and National Stock Exchange of India Limited and in case of ADR/GDR, on overseas stock exchange(s). The offer/ issue / allotment would be subject to the availability of the regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap and relevant foreign exchange regulations.

Accordingly, the Board of Directors recommends passing of the Special Resolution set out in Item No. 5 of the Notice. None of the Promoters or Directors and Key Managerial Personnel will be eligible to participate in the QIP and there will not be change in control.

None of the Directors, Key Managerial Personnel and/or their relatives, are in any way, financially or otherwise, concerned or interested in this Resolution, except to the extent of their shareholding in the Company.

ITEM NO. 6:

Based on the recommendations of the Nomination and Remuneration Committee (“NRC”), the Board of Directors of the Company (“the Board”) at its meeting held on August 4, 2022, appointed Mr. Shiva Kumar (DIN: 06590343) as an Additional Director of the Company. As per the provisions of Section 161 of the Companies Act, 2013 and the Rules framed thereunder (the Act), Mr. Kumar holds office up to the date of the forthcoming Annual General Meeting (AGM). Mr. Kumar was also appointed as an Independent Director for a period of 5 years with effect from August 4, 2022.

Brief profile of Mr. Shiva Kumar:

Mr. Shiva Kumar has served at State Bank of Bikaner & Jaipur (now merged with the State Bank of India) as Managing Director. At State Bank of India, he was Deputy Managing Director and has held various positions at the Bank. Mr. Kumar was also the Project Leader for the business process re-engineering project for complete transformation of the largest Bank in India in collaboration with McKinsey & Company. He was a part of their credit card project and had set up metal gold business for the Bank. He was also a representative of Associate Banks on the Managing Committee of Indian Banks’ Association.

Mr. Kumar holds a Bachelor of Arts degree from Patna University. He is also an associate member of the Indian Institute of Bankers. In 2013, he received the ‘Business Leadership Award’, which was presented to him by Institute of Public Enterprises (IPE).

Mr. Kumar has given his consent for appointment as an Independent Director of the Company and a declaration to the effect that he meets the criteria of independence as prescribed under Section 149 of the Act and the Securities and Exchange Board of India (Listing Obligations and Requirements) Regulations, 2015 (the Listing Regulations), as applicable, and that he is not disqualified from being appointed as a Director of the Company as per the provisions of the Act and the Listing Regulations. Mr. Kumar is not debarred from being appointed as a Director by the Securities and Exchange Board of India and any other authority.

Mr. Kumar is a person of integrity and has relevant skills, experience and expertise in the area of Financial Services and Banking, for him to be appointed as an Independent Director on the Board of the Company. The Board is of the view that Mr. Kumar possesses and has the requisite skills and capabilities having worked as Managing Director of a public sector bank, he has expertise in financial services sector having complex business and regulatory contexts, strategic planning and understanding of economic trends. He has leadership experience in handling financial management, as identified and required for an Independent Director of the Company.

Based on the recommendations of the Nomination & Remuneration Committee and considering the qualifications, experience, the Board recommends the appointment of Mr. Kumar as an Independent Director for a term of five years from August 4, 2022. The Company has also received a notice from a member proposing the candidature of Mr. Kumar as an Independent Director of the Company.

Mr. Kumar is not related to any Promoter, Director and Key Managerial Personnel of the Company.

The Board recommends the passing of Resolution as set out in Item No. 6 of the Notice as an Ordinary Resolution.

Notice (continued)

Except Mr. Kumar, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested in this item of business, in any manner whatsoever.

Details of Directors seeking appointment/re-appointment at the Annual General Meeting pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2):

Particulars	Mr. Rashesh Shah	Mr. Shiva Kumar
Age	58 years	69 years
Date of first Appointment	November 21, 1995	August 4, 2022
Experience in functional Area	Has diverse experience of over three decades in financial services sector.	Has diverse experience of over four decades in banking sector
Qualifications	B. Sc., MBA from IIM, Ahmedabad Diploma in International Trade from the Indian Institute of Foreign Trade, New Delhi	Bachelor of Arts degree from Patna University and an associate member of the Indian Institute of Bankers.
Terms and Conditions of Appointment/ Reappointment	Appointed as a Managing Director w.e.f. April 1, 2022 for a period of 5 years	Appointed as an Independent Director for the first term of 5 years from August 4, 2022.
Remuneration to be paid	Entitled for payment of Salary, Perquisites and Bonus as approved by the Members of the Company at the Annual General Meeting held on September 3, 2021.	Entitled for sitting fees for attending Meetings of Board & Committees and also commission
Remuneration last drawn	Refer Corporate Governance Report forming a part of the Annual Report	Nil
No. of Board Meetings attended during the year	5	Not Applicable
Directorship in other Companies (Public Limited Companies)	ECL Finance Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Tokio Life Insurance Company Limited Edelweiss Securities Limited Edelweiss General Insurance Company Limited	Edelweiss Real Assets Managers Limited Edelweiss Asset Reconstruction Company Limited ECL Finance Limited

Particulars	Mr. Rashesh Shah	Mr. Shiva Kumar
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	Ms. Vidya Shah, a Non-Executive Non-Independent Director of the Company is the spouse of Mr. Rashesh Shah	None
No. of shares held in the Company	14,56,01,730 Equity Shares of ₹ 1 each	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 FINANCIAL SERVICES LIMITED**

**Tarun Khurana
Company Secretary
(Membership No. A12344)**

Mumbai, August 4, 2022

**Registered Office:
Edelweiss House, Off C.S.T. Road,
Kalina, Mumbai – 400 098.
CIN : L99999MH1995PLC094641**

Awards and Recognitions



Best Private Bank for Family Offices, India

Asiamoney Asia Private Banking Awards 2021



Best Customer Experience & Contact Center Management

Alden Global in association with NASSCOM



Edelweiss SME - "Best Digital Strategy"

Digital Customer Experience Summit & Awards 2021



Edelweiss Tokio Life Insurance – Bancassurance & Agency Sales

India's Most Trusted & Promising Insurance Brand Award



Best Broker – India

FinanceAsia Country Awards 2021



Among Top 100 fund raisers globally in private debt

PDI Top 100 Fund Raisers globally for Private Debt



Edelweiss Tokio Life Insurance

Great Place To Work's Best Workplaces in Life Insurance India 2022



India's most trusted insurance brand

Customer Obsession & Sachet Products





Registered Office:

Edelweiss Financial Services Limited

Edelweiss House, Off CST Road, Kalina,
Mumbai 400 098 Maharashtra, India

CIN L99999MH1995PLC094641

Tel: 022 4009 4400 | Fax: 022 4086 3759

Email: efsl.shareholders@edelweissfn.com

www.edelweissfn.com

