PIVOTING WITH PURPOSE

EMBRACING LESSONS FOR THE WAY FORWARD

ANNUAL REPORT 2022 - 2023

Edelweiss
Ideas create, values protect
ECL Finance Ltd.

On the
COVER

In the graceful somersault of a swimmer, we find the embodiment of our theme - 'Pivoting with Purpose.' Imagine that moment suspended in time, where the world tilts, and everything hinges on the skilful pivot. This image encapsulates our journey, where every pivot signifies intention, and every shift defines purpose. Just as the swimmer's poised motion captures our attention, we too, at ECL Finance, seize change as an opportunity, and every pivot becomes a strategic step forward. With each turn, we navigate with precision, driven by purpose, propelling towards innovation and success. Just as an athlete's pivot can be a game-changer, our strategic pivots define our success.

Presenting the ECL Finance Annual Report 2022-23, enveloped in the theme 'Pivoting with Purpose.' Just as athletes deftly pivot to alter their course, this theme encapsulates ECL Finance's adept navigation of change, drawing poignant parallels to the pivotal moments in sports that shape victory.

Our narrative seamlessly intertwines with these visual metaphors. From the high jumper's leap to the cyclist's swift turn, each separator echoes our journey. These athletic visuals mirror our approach to change, turning challenges into opportunities, much like the athlete's pivot redefines their play.

'Pivoting with Purpose' symbolises our commitment to channel change towards innovation, growth, and success. The swimmer's poised somersault captures this essence, embodying the fluidity of an athlete's pivot - powerful, precise, and purposeful.

This theme reflects the idea that change isn't just a shift; it's a deliberate pivot towards progress. Immerse yourself in this year's Annual Report as we explore our strategic agility, echoing the athlete's pivot - confident, dynamic, and relentless. Step into a journey where change is not simply embraced; it's leveraged with intent, propelling us towards success.

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Letter from the
MANAGING DIRECTOR

Dear Stakeholders,

I am delighted to present my first ECL Finance Annual Report for 2022-23.

As I look back at the exemplary work done by our team over the years, and particularly over the past one year, I'm proud of all that we have achieved together.

In a manner of speaking, we are a start-up with

Net Worth of ₹20.8 Bn

Geographically Spread Across 80 Locations

Strong Team of 500+ Employees

3 Co-lending Partnerships

Fully Tested and Latest Technology Platform

So much has happened over the last few years, yet there's so much more to do!

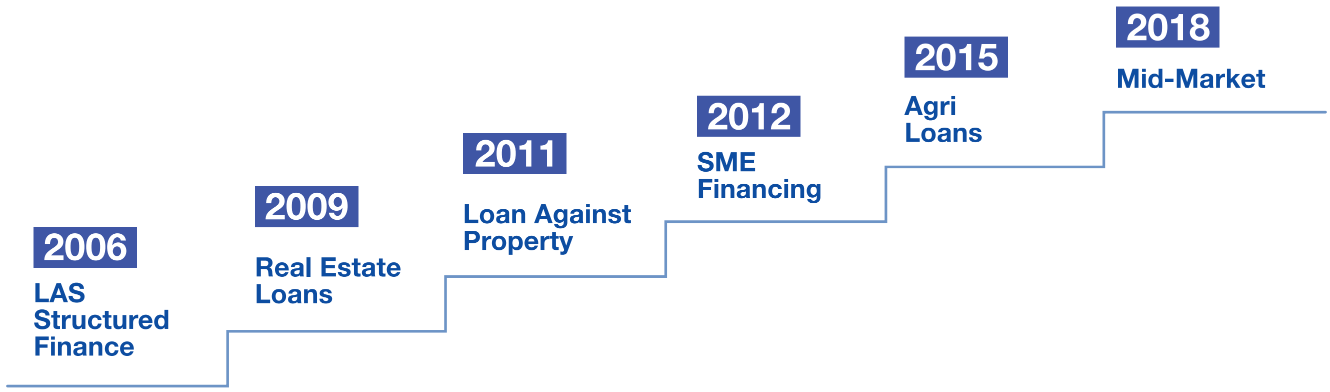
To understand the transformation that has been undertaken, let me take you through the journey of ECL Finance over the last few years.

> *Don't be afraid to give up the good to go for the great.*
>
> **- John D. Rockefeller**

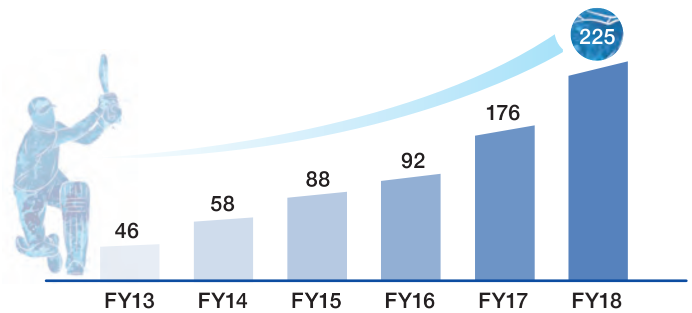
Pre 2019 | Gaining Scale

We grew rapidly with a portfolio across Structured Finance and Real Estate. We were also active in IPO Financing and Securities Financing. The company established itself as a leader in Wholesale Lending. During this time, the company also entered the mSME space and established itself as an efficient and solid player.

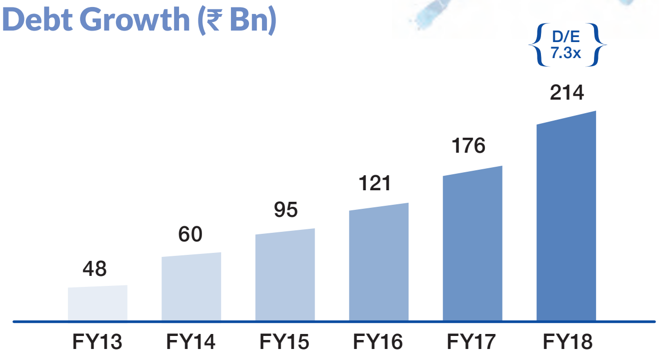
Evolution of ECL Finance Products



Credit Loan Book Growth (₹ Bn)



Debt Growth (₹ Bn)



As we grew, it was becoming evident both from the market developments (e.g., bond markets) and potential risks carried by NBFCs - especially the ALM profile of an NBFC, which did not seem right for project lending and with the tightening of regulations especially on asset quality made wholesale lending much better suited to a private credit structure like Alternate Investment Fund (AIF). While we had built significant capabilities in wholesale lending and in workouts, we were not comfortable to further scale up our wholesale lending business. We actively started moving the wholesale lending business to Edelweiss Alternate Asset Advisors (EAAA) and started building the foundations for our then fledgling retail business.

This commenced our journey of transforming from a wholesale-led to a retail-led NBFC.

2019 - 2023 | Pivoting with Purpose - Embracing Learnings for the Way Forward

The epitome of what we can call living in a VUCA world sums up this phase. The country having gone through its near-Lehman moment followed by COVID-19 staring at us in the eye - **we learnt, lost, and most importantly lived through it all.**

> *"But never waste a crisis"*

We shifted gears to our new course of action, and we fast-forwarded. We changed our plan, not our goal. We pivoted.

By this time, we were well on our way to achieving targets we had set for ourselves - actively working towards reducing our wholesale book and using that to pare down debt further. This strengthened us, made our balance sheet healthier. We raised equity and proactively took material markdowns preparing ourselves for the tougher terrain ahead. At the same time, overall credit growth in the economy continued to be subdued, but with the mSME sector benefiting from formalisation and the shift in market share from public to private players, our mSME lending business was building and testing its capabilities for the imminent economic upswing.

By 2020ish, the ongoing health crisis impacted society in multiple ways, shattering health and livelihoods and causing great personal grief and economic dislocation. People across economic and social strata struggled to cope with the uncertainty of a pandemic-hit world. Businesses, across sectors and of all sizes, were focused on staying afloat despite lost revenue as a result of lockdowns and economic slowdown. Our endeavour, above all else, during these trying times was to support our employees and our customers.

I truly believe in the saying...sweet are the uses of adversity.

Even as we embarked on a re-start phase, it was with caution and prudence that we adopted new ways of working and staying connected. The key was to find the right balance in ensuring a healthy and safe workplace. Our people have been, and continue to be, at the core of our business. Each one worked relentlessly to ensure that our customers were adequately supported during this period through various initiatives such as ECLGS loans, moratoriums and more.

As the world came to a pause, it provided us an opportunity to speed up the transformation that we had initiated to be a retail NBFC. This we did amid some of the most profound changes that were taking place in the socio-economic environment around us.

- Evolution of the relationship between banks and NBFCs
- Digitalisation

What was interesting to see was the evolving relationship between banks and NBFCs. The relationship was changing from being liquidity providers to equal partners in the lending lifecycle - through a variety of programs such as co-origination, co-lending and securitisation. This, we believe, is a change that is here to stay as it creates a win-win situation for banks, NBFCs and customers. We have embraced this development wholeheartedly and have been at the forefront of partnering with various banks to unlock more value for all stakeholders.

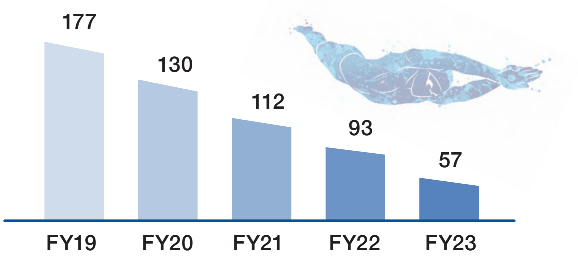
And with this, we started to cross the chasm.

Another important change that was taking hold across the industry was rapid digitalisation and a technological revolution - with the India Stack. We responded to this by revamping our technology stack (cloud, data lakes) and adopting the latest technology practices (viz. Agile methodology, Low Code platform) to take advantage of these developments. One such investment, Digital Lending Platform (DLP), helped accelerate decision making and disbursements via smart eligibility checks, paperless functionality and instant validation of applicants' credit worthiness using artificial intelligence and machine learning algorithms.

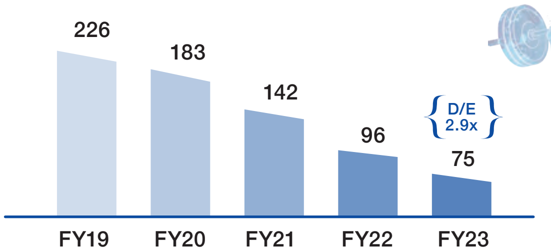
As the world unmasked themselves, so did we, but in a new avatar. Qualitatively, it has been a remarkable year on several parameters. We strengthened our back-offices, scaled up our enterprise functions and improved our systems and processes. **We made our CORE stronger than ever before!**

> *"The only way to make sense out of change is to plunge into it, move with it and join the dance."*
>
> **- Alan Watts**

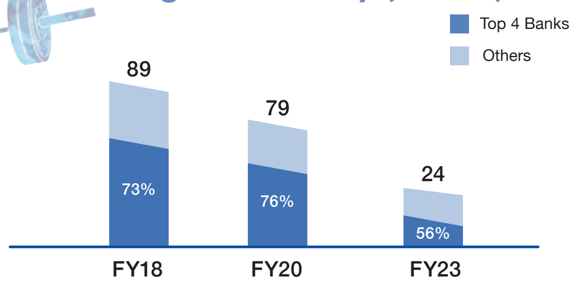
We Continued To Work On Reducing The Wholesale Balance Sheet. (INR Bn)



Used These Funds To Deleverage Ourselves. (INR Bn)



Resulting In The Bank Borrowings Reducing Substantially. (INR Bn)



ECL Finance in FY 2024

For us, the last year was about transformation and faith building the foundation of an asset-light mSME business while winding down our wholesale business in line. Over the past two years, we have reduced our wholesale exposure by 40% and the aim is to substantially run down this book by 2025. The mSME business, having successfully tested its model during this interregnum, is well poised for growth.

We are as thankful for the ups as we are for the downs, which have taught us some of our best life lessons, yet...

> *"I am still learning."*
>
> **- Michaelangelo, at the age of 87**

At ECL Finance, we have embraced learnings for the way forward and we will continue to focus on excelling in innovation, employee and customer experience. Against this backdrop, the stage is set for us to pivot, but with a purpose. We are already poised on the runway and set to take flight alongside India's vision of becoming a $5 trillion economy by FY 2027.

As we move forward with your unwavering support, we are committed to delivering sustainable value to all our stakeholders.

Yours sincerely,

Phanindranath Kakarla
Managing Director

A batsman artfully pivots to position for a perfect shot, aligning his stance with precision and anticipation. The same precision and anticipation is echoed in our financial performance. We stand on the front foot, poised to capitalise on opportunities as they approach. With precision, we navigate the financial landscape, aligning resources for maximum impact. As the ball nears the bat, we pivot with calculated intent, seizing opportunities with focused determination. Just as the shot is a symphony of timing and technique, our financial highlights reflect the orchestrated fusion of expertise and opportunity.

Financial **HIGHLIGHTS** FY23

Net Worth*

₹20.8 Bn

Balance Sheet

₹146.4 Bn

FY23 PAT

₹1.1 Bn

GNPA | NNPA

2.0% | 1.2%

D/E Ratio

2.9x

CAPAD

30.8%

IRAC | Ind AS Provisions

₹0.7 Bn | ₹3.5 Bn

Borrowings

₹100.6 Bn

*net of Deferred Tax Assets

Our mSME journey echoes the determination of an athlete in mid-flight, soaring beyond the bar. In the face of challenges, we pivot decisively, aiming higher with every leap. This resilience is emblematic of our commitment to pushing boundaries and navigating change with a resolute spirit. Our strategic approach propels us to clear hurdles and reach new summits.

Our **mSME** Story

ECL Finance ventured into the mSME lending space around 2012. Over the past decade, we have successfully cultivated a strong understanding of the mSME segment. This comprehensive understanding has been built through a combination of factors including data analysis, technology adoption, relationship building and extensive industry knowledge.

We are well positioned to participate in the Government's vision to make an 'Atmanirbhar Bharat' whilst contributing and supporting the micro and small enterprises achieve their dreams and prosper.

> *Our vision is to be a trusted financial partner to the micro and small enterprises in their growth journey to success.*

- Mehernosh Tata
Chief Executive Officer, mSME Business

Our product suite consists of

Loan Against Property (LAP)

A term loan facility granted to mSME customers for business end use, backed by a flexible basket of hard collaterals, including residential, commercial and industrial properties. We provide small ticket LAP loans from ₹ 2 million to large-ticket loans for bigger businesses where the loan amount could go as high as ₹ 200 million.

Business Loans

These loans, assessed on the basis of cashflows of the customers, with average ticket size ranging from ₹ 0.3 million to ₹ 5 million. These are short tenor loans ranging from 18 to 48 months providing flexibility of repayment.

Vendor Financing

This finance facility involves purchase bill discounting of vendors supplying goods and services to mid corporates. Dealer/distributor bill discounting is also offered through this facility to pay to the mid-corporates on behalf of the mSME customer. These products are short tenor, backed by bills and offer much-needed liquidity to the suppliers/dealers to grow their business.

Pioneering mSME Growth

Our Purposeful Pivot

mSMEs are the backbone of India's economic fabric, driven by growth, innovation, and employment. Their role goes beyond just contributing to the economy, they have a profound impact on societal well-being and development. As India steadily moves forward in its journey of becoming a $5 trillion economy by 2025, nurturing and supporting the growth of mSMEs is paramount to realising this vision. Today, the Indian mSME sector is the growth engine of our economy and accounts for 30% of the country's GDP, over 42% of the country's exports and generates 120 million jobs across industries.

We, at ECL Finance, are deeply committed to these enterprises, and over the years, we are honoured to have been a part of celebratory growth stories of thousands of mSMEs across the country. Our commitment to offer innovative and flexible lending solutions and thus bolster their growth continues unwaveringly.

We commenced our mSME lending business with the small ticket loans product to meet immediate working capital requirements of small and micro enterprises. Over the years we have expanded our product bouquet to include loans for medium-sized enterprises, a strategic move to grow the business. To make the most of our expansion, it was important to continue using data insights to refine our product offerings. Analysing data related to customer behaviour, credit history, financial health, and market trends is key to us - to better understand our target audience and design loan products that meet their specific needs.

In FY 2020, we started to pivot by offering a wider bouquet of secured lending products. This has helped better balance our lending mix and the secured lending share in disbursements inched up from 14% in FY 2020 to more than 50%
in FY 2023.

With this pivot, also came in unique challenges in the face of the COVID-19 pandemic. mSMEs were among the most severely impacted due to limitations in resources and their vulnerability to economic shocks. More importantly, the crisis demonstrated the significance of agility and flexibility required in responding to rapidly changing circumstances. Embracing digital tools, investing in data analytics capabilities, building a diversified loan portfolio, fostering a network of long-term partnerships, and incorporating scenario analysis into risk management strategies served as some powerful learning experiences for us.

Our business being over a decade old now, the last couple of years have specifically witnessed significant evolution. Technology, innovation, and a deeper understanding of customer needs have driven these changes, ultimately making financing more accessible, efficient, and tailored to the unique needs of mSMEs.

Here are some of the key pillars of our pivoting journey:

Analytics
Our vision has always been to make data-based decision-making the norm rather than the exception. This year, we have made significant strides towards realising this vision. We reduced our credit costs by leveraging analytics-based underwriting scorecards and models. We embarked on an ambitious journey of analytics-led process redesign to be more streamlined and efficient, which also resulted in automating of several processes. Our commitment to using data and analytics extends to our marketing and customer engagement efforts, which also led to an increase in customer satisfaction and loyalty.

Technology
In an era where data is the new oil, our decision to invest in a Digital Lending Platform (DLP) based on a microservices architecture has proven pivotal. This platform has revolutionised our customer onboarding process, by reducing complexities and significantly improving user experience. Since its inception, more than 40,000 applications have been processed through DLP. The platform has also acted as a catalyst for the transition to a more data-centric approach, underscoring our belief that data-driven insights are integral to our success.

Collections
We have built a robust infrastructure with specialised teams and a multi-channel approach for collections and recoveries. The efforts of the collection teams are strongly supplemented by our analytics team. A strong post-approval monitoring system including credit bureau scrubs help the collections team to identify early stress in accounts. Our intent has always been to educate the customers to be responsible borrowers by keeping a clean credit track record to be able to raise more funds in future for business expansion.

Customer Service Experience
Our unwavering focus on the customer has been at the heart of our transformation. Every decision and every digital journey is designed with the end-customer in mind. Our customers are more than just numbers to us; they are our partners in success. By leveraging technology and analytics, we aim to create an environment that empowers them, caters to their financial needs, and ensures their success. Looking ahead, we remain committed to pushing the boundaries of what is possible with digital technology and data analytics.

Asset-light Model
Our business strategy involves partnering with banks to co-lend to the mSME sector. But why is co-lending is the new norm, and how are we leveraging this space?

Co-lending has been around for a while in India, but everybody wants a piece of this pie now owing to the rise in newer players in the Fintech and NBFC industry. With NBFCs bringing wider reach and responsiveness, and better last mile connectivity and Banks more importantly bringing lesser interest rates and ability to absorb higher credit loss, it is a win-win partnership for all parties, and the arrangement gets best of both the worlds to the mSME customer. The asset-light business model helps us to avoid ALM risks and ensures that we can price our loans more competitively, and attract a better cohort of credit customers. Furthermore, it lends itself to a virtuous cycle of building a quality portfolio and generating liquidity from the same by way of assignment or securitisation and thereby reducing the dependence on incremental borrowing. Overall, it also helps the company balance their debt/equity ratio with this model.

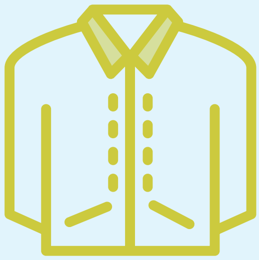
To help channelise credit to the priority sector, we have entered into three co-lending partnerships with Central Bank of India, IDFC First Bank and Standard Chartered Bank.

Being a responsible lender has been important to us, and we are sincerely committed to implementing robust risk management policies and procedures to ensure that our lending practices are sustainable and ethical. While we are aligned on our business priorities, we are extremely clear on where our strength lies – our people are at the heart of our ecosystem, and their commitment to excellence has made us a trusted financial partner today.

Voices of our
CUSTOMERS

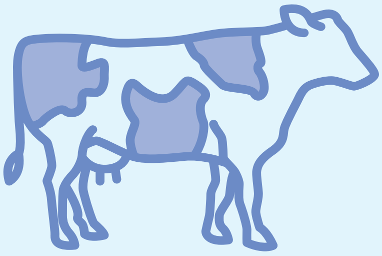
“ECL Finance gave the working capital to my company which indeed helped me for my business expansion initiatives like purchasing raw material and hiring skilled people.”

Ujwala Babar, Mumbai
Woman entrepreneur and owner of Maauli Associates, a product packaging venture



"அவசரமாக எங்களுக்கு பணம் தேவைப்பட்டபோது இ சி எல் பைனான்ஸ் நிதி உதவி எங்களுக்கு வழங்கியது. எங்கள் பெரிய ஆடைகளுக்கான ஏற்றுமதி ஆர்டர்களை நிறைவேற்றுவதற்கு தேவைப்படும் மூலப் பொருட்களை கொள்முதல் செய்ய இந்த நிதி உதவி எங்களுக்கு உதவியது."

கே. மாரியம்மா*, திரிபுரா
M/s கிராஃப்ட்ஸ் - ஆடைகள் ஏற்றுமதி நிறுவனத்தின் பார்ட்னர்



“ECL Finance helped me with my working capital need and the loan money has helped me place bulk orders at a discounted rate. Now with good money rolling in my business, there is an increase in profit margins.”

Arjun Saste, Pune
Proprietor of Nageshwar Pashu Khadya Kendra, a cattle/animal food manufacturing and trading business

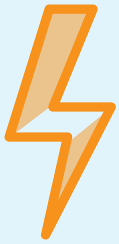
“The loan money from ECL Finance has helped me enhance my working capital needs and I am also happy that this has created job opportunities for our local youth.”

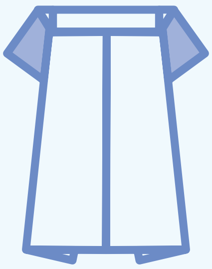
Vikas Choudhary, Jaipur
Proprietor of Choudhary Trading House, an authorised dealer of dairy and frozen food

*The name has been changed to maintain anonymity of the customer

“The money from ECL Finance really helped me, as I had anticipated receiving additional orders. I got the best offer from ECL Finance as compared to other lenders.”

Kalpesh Shah, Thane
Director of Aditya Isolator Industries Private Limited,
a wholesale dealer of electrical cables





“The loan I got from ECL Finance has significantly helped improve my business turnover and increased it to more than 20%.”

Narayan Patil and **Shrikant Patil**, Mumbai
Directors of Aaroka Fashion Private Limited,
a garment manufacturing company

"ईसीएल फायनांन्स के बिजनेस लोन की वजह से मेरा बिजनेस सप्लाई स्मूथ होने लगा। ईसीएल फायनांन्स से लोन मिलने के बाद मेरे पेमेंट पैटर्न में काफी सुधार होने लगा और प्रॉफिट मार्जिन में भी बढ़ोतरी हुई, जिससे बिजनेस भी अच्छी तरह से बढ़ रहा हैं। थैंक यू ईसीएल फायनांन्स!!!"

झिया अल अमीन, कानपुर
प्रॉपराइटर मेसर्स रायन इंटरनेशनल, शू बिजनेस।

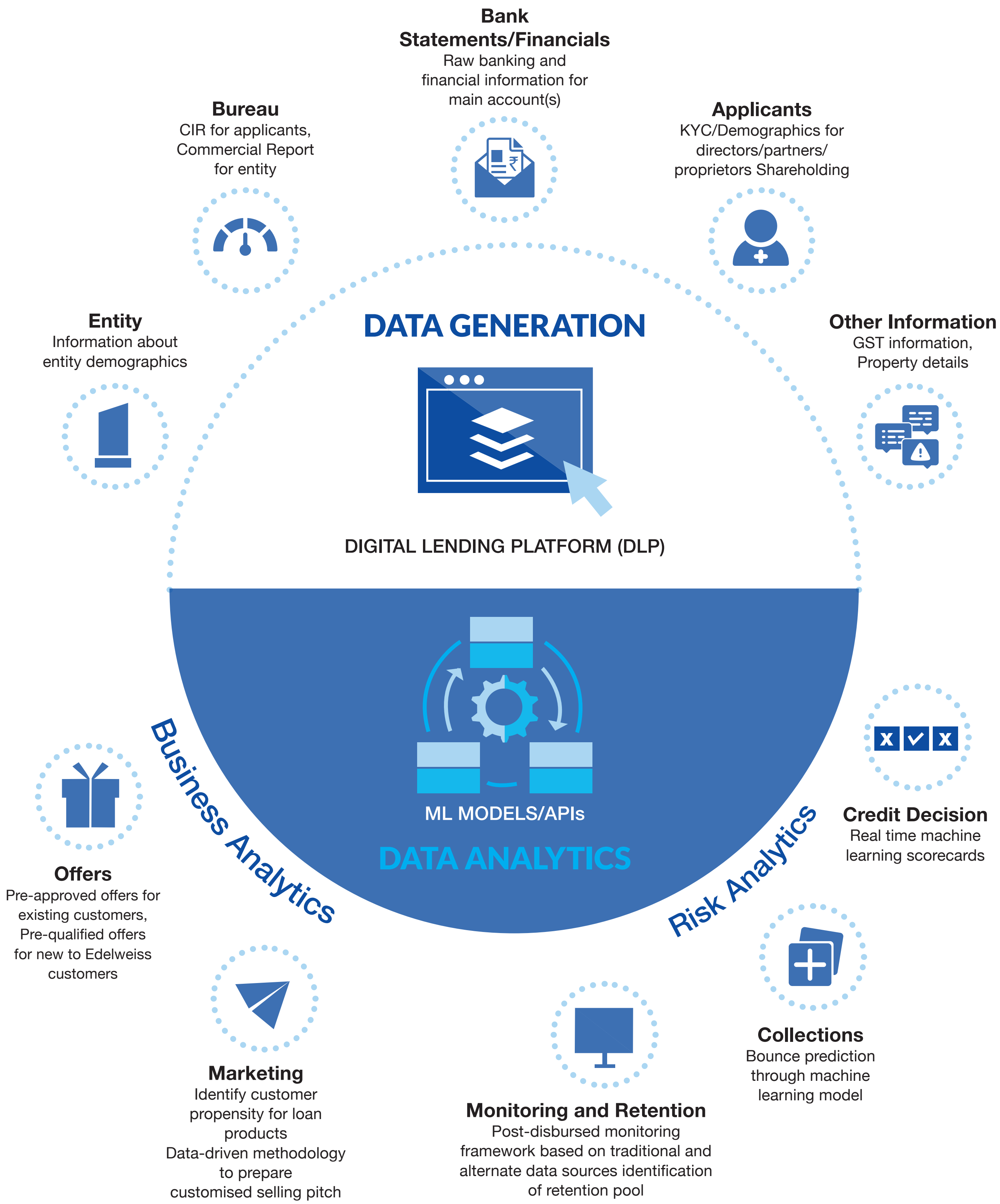
“ECL Finance has helped in funding my working capital needs. I utilised the loan money to purchase new products and thereby increase sales and export. I could also invest in sourcing of new products – recently introduced many new varieties of honey. This has led to growth in revenue of my business.”

Ratnakara Joisa, Navi Mumbai
Proprietor of Tanjeeth Enterprises,
a wholesaler of spices and pulses

As technology-aided front-runners, we race ahead like a cyclist leading the pack. Each twist and turn on the tech track represents our strategic navigation through innovation. With focused energy, we pedal forward, leveraging agility to maintain the lead. When it comes to steering the race, our adept manoeuvring propels us to stay ahead in the dynamic technology landscape.

TECHNOLOGY & DATA ANALYTICS

LEVERAGING ANALYTICS: DATA-BASED DECISIONING



In our people-focused approach, collaboration blooms akin to a well-executed football pivot. We skilfully adjust to each challenge, ensuring collective momentum. Just as the footballer's swift pivot changes the game's direction, our dynamic approach embraces diverse perspectives. This strategic flexibility empowers our workforce, fostering an environment where success is born from synchronised efforts.

PEOPLE & CULTURE

In a rapidly changing industry landscape, ECLF has proven its resilience and adaptability by 'Pivoting with Purpose'. This transition has been successful, in no small part due to the vibrant and diverse team at its core, each member contributing distinct perspectives and skills, further enriching our collective narrative and stimulating our sustained growth.

Our commitment is to foster a work culture where every individual feels acknowledged, respected, and valued, encouraging both personal and professional growth in unison.

As we navigate this purposeful pivot, our emphasis remains on creating an environment that nurtures and catalyses potential, offering avenues for mentorship and opportunities for progressive learning.

We are more than a team – we are a close-knit community of fervent professionals unified by a revised yet resolute vision, committed to innovation, creativity, and adapting to change with zest and zeal. This harmonised approach keeps us aligned with our long-term goals, setting the stage for sustained success.

Acknowledging our journey's milestones and challenges is vital to our organisational ethos, a practice that fosters gratitude and appreciation towards every team member for their relentless commitment and significant contributions. Together, we have cultivated a culture that not only propels us to new heights but has been instrumental in steering our ambitious transition.

As we move forward, our aim is to continue enhancing an empowering workspace that cherishes diversity and nurtures a hotbed of flourishing ideas. United, we shall persist in our endeavours to add substantial value to our employees, business strategies, and stakeholders, reaffirming our steadfast journey.

"*Within our organisation, we foster a culture that celebrates diversity and individuality, but also embraces collaboration*"

- Shama Asnani
Chief Human Resources Officer, ECL Finance

THRIVING THROUGH ADAPTATION

Navigating Growth via Seamlessly Executed Pivots

In the tapestry of our organisation's success, the individuals at ECLF form the pivotal threads that intricately bind everything together.

Embracing the process of learning isn't merely a catchphrase for us; it's a foundational strategy that fosters agility and fuels innovation.

Our culture reverberates with values that stimulate growth, flexibility, and inventive thinking. We not only recognise but also celebrate the diverse perspectives and talents that every team member brings to the table, reflecting our commitment to adaptability and perpetual learning as a means to fluidly pivot and drive forward.

Nurturing an
INCLUSIVE AND EMPATHETIC CULTURE

A Sanctuary of Inclusivity and Empathy

We strive to create an environment that has the,right mix of nurturing, empathising, and understanding. Our employee-friendly policies, such as flexi-leaves, parental leaves, bereavement and health emergency leaves collectively exemplify our commitment of standing by our people during personal exigencies and supporting them as and when needed. While our employees are important to our success, so is our extended ECLF community, which includes the family members of our employees. Our mediclaim insurance which extends coverage to employees' parents underscores our unwavering dedication to the well-being of our people and their families.

Igniting Dialogues

Collaboration and open dialogue are the lifeblood of our organisational culture. We bridge the gap between our leadership and our people through platforms like SPARK through which we endeavour to make learning a habit.

SPARK, our leaders share inspiring stories of their professional and personal journey, giving our people some valuable insights and life-lessons. Similarly, monthly Townhalls, where employees come together to celebrate, brainstorm, or simply connect, fosters a two-way communication channel across the organisation. These platforms offer a unique space where professional and personal journeys intertwine, and this bonding is the core of who we are.

Coffee Conversations

We recognise that fostering a culture of open dialogue and teamwork is essential for nurturing strong bonds within the organisation. To encourage these vital interactions, we've launched 'Coffee Conversations', a space where employees from varied teams and ranks can connect freely. These casual discussions are not only breeding grounds for innovative ideas and synergistic collaborations but also strengthen our communal spirit as we navigate the path of 'Pivoting with Purpose', fostering collective wisdom and adaptability in our journey forward

Innovation and Creativity

Ingenuity and forward-thinking are core elements of our identity. We motivate our team to traverse beyond established paradigms, question traditional practices, and propose original approaches.

Our yearly '**Creativity and Innovation Quarter**' epitomises this philosophy, celebrating a culture deeply rooted in artistic thought. This mindset is not confined to professional endeavours, as we inspire our personnel to integrate these insights into their personal lives as well.

Our commitment to evolution is clearly seen in our internal frameworks, where the goal is to refine our employees' experience to be more streamlined and thus, more fruitful. The deployment of Darwinbox, our integrated human resources management system, marks a significant step in our journey of pivoting with a clear sense of purpose. This advanced tool simplifies numerous HR functions, allowing our team to zero in on key strategic initiatives, facilitating a purpose-driven pivot in their roles and contributions. By harnessing technology to enhance efficiency, we are encouraging our personnel to rise to their fullest potential in line with our rererenewed focus and direction.

People Wellbeing

We firmly believe in a holistic approach towards health and wellbeing of our people, and this will always remain among our top priorities. At ECLF, employee wellbeing

addresses their physical, emotional, and mental health. Our initiative ‘What the Health’ is a comprehensive wellness programme designed to encourage our people to lead healthier lifestyles. With an external nutritionist on board, this platform equips our people with all the resources required to balance their mind, body and soul. Our health initiatives do not stop here, as we also organise sports events, health check-ups, and educational workshops for on-going wellness support of our people.

Siksha Learning Hub

Our 'Siksha' programme epitomises our endeavours to foster and guide our personnel as we pivot with purpose. Acknowledging the value of ongoing learning, we've sculpted 'Siksha' as a holistic platform for career progression. This facilitates our team members in honing their skills, keeping abreast with the industry dynamics, and forging ahead in their professional journeys. This commitment to career development not only fortifies our employees on a personal level but markedly uplifts the collective prowess and adaptability of ECLF.

With 'Siksha', we provide a broad spectrum of learning

and development initiatives devised to amplify technical prowess, leadership capacities, and sectorial knowledge. Our 'Learning Week' and 'Managerial Excellence Programme' are testimonies to our devotion to perpetual growth and adeptly pivoting with a defined sense of purpose in our pursuits.

Kaun Banega CEO for the Day

In accord with our philosophy of catalysing transformative shifts, we have launched distinctive initiatives such as 'Kaun Banega CEO for the Day'. This programme not only acknowledges extraordinary talents but also nurtures managerial ambitions amongst our team members. Through this venture, we create an avenue for individuals to embody the roles of our senior executives, acquiring precious perspectives and direct experience. By nurturing their leadership readiness, we cultivate a milieu of adaptability and empowerment that resonates deeply within our organisation.

A Team that Celebrates Together, Stays Together

Celebrations play a significant role in fostering team

spirit and camaraderie. We believe in celebrating both professional milestones and personal occasions. Regular celebrations, including birthdays, and team offsites, provide opportunities to the employees to gettogether, bond, and recharge. We have a diverse employee base and celebrating different festivals through the year allows us to revel in the different backgrounds and cultures of our people. This is a matter of great pride for us.

Jump-Start Friday

We are committed to championing a work-life balance that simultaneously fosters creativity and personal well-being. In line with this, we've initiated 'JumpStart Friday,' a programme that facilitates personal growth and a seamless integration of work and life. On the first Friday of each month, our team members immerse themselves in activities that resonate with their personal interests and hobbies, be it attending workshops or participating in community services. This initiative not only rejuvenates our team but also acts as a springboard for pivoting with purpose, allowing them to discover new facets of themselves. These moments stand testament to the cohesive spirit and shared mission that form the cornerstone of our organisation's journey towards deliberate and purpose-driven transformation.

These occasions serve as a reminder of the collective strength and shared purpose that underpins our organisation's success, unlocking the potential of our teams to achieve greatness.

Valuing Success and Hard Work

Our culture is one that is driven by performance and merit. Celebrating success and recognising the hard

work of our employees is a significant part of ECLF's culture. We believe in the power of appreciation, and we manifest this belief through various award programmes that cover different stages of the employees' tenure with us. Long standing commitment is recognised through our tenure-award 'Bandhan'. We also have more function-specific/spot recognition platforms!

"You can't do a good job if your job is all you do!"

New Office Locations Unlocking Geographical Frontiers

As a forward-thinking organisation, we constantly endeavour to broaden our scope and embrace new possibilities. Establishing new office premises not only enables us to cater to our clients more proficiently but also unveils novel avenues for collaboration. These expansions foster interdisciplinary engagements, empowering our teams to draw upon varied viewpoints and adeptly align with our renewed purpose and direction

Working GEM

One such unique initiative designed to acknowledge outstanding individual performance. This program is the proof of our commitment to encourage a sense of value and recognition amongst our employees. The winners of the 'Working GEM' (where GEM stands for Going the Extra Mile) are those who not only excel in their work roles but also exemplify ECLF's core values, thus encouraging others to strive for the same level of dedication and excellence.

Achieving Excellence

Our devotion to superior standards has garnered respect and accolades within the industry, making us the proud recipients of numerous esteemed awards. These stand as a testament to our unfaltering journey towards excellence. In the past fiscal year, we have had the privilege of receiving awards such as the 'Best NBFC in SME Co-lending', 'Best Digital Transformation Initiative SME Finance Company', and 'Best MSME Lender of the Year (in Co-Lending)', to highlight a few. These honours mirror our pledge to premium quality and reaffirm that our strategic pivots have been astutely placed. These recognitions amplify our resolution to constantly elevate our benchmarks and establish loftier standards.

By nurturing a welcoming and understanding environment, encouraging innovation and progression, facilitating avenues for personal development, applauding efforts and brilliance, fostering robust ties and networks, and broadening scopes, we empower our team members to align their growth with the organisation's evolving vision. Through these strategies, we fortify our establishment and carve out a prestigious niche within the financial services sector. Together, we foster a culture of adaptability and vision, setting the stage for a luminous future.

Our People at ECLF

Much like a golfer's precise putt, the compliance landscape hinges on meticulous execution, where every move shapes success. Our approach mirrors a golfer's unwavering focus, taking calculated steps to navigate intricate terrains. With purposeful precision, we chart a steadfast course, aligning integrity and intention. Our compliance journey, akin to a well-aimed putt, propels us along a path to resolute accomplishment.

RISK & COMPLIANCE

In our domain, where actions reverberate beyond mere financial figures, we weave a narrative of stability, trust, and eminence. This tale is etched through skilful risk management, unwavering compliance, and exceptional governance.

> *"Efficiency in execution outweighs the time spent justifying errors."*
>
> **- Henry Wadsworth Longfellow**

Our mantras

Respect for risk is central to every business decision at ECLF. This principle-based approach has stood well in protecting the organisation from vagaries of the external world. The risk strategy for us starts with evaluating all the decisions based on; **"Is it worth it?" and "Can we afford it?"**

We believe that compliance is not just a box to be ticked, or a set of regulations to be followed; it is an integral part of who we are as an organisation, deeply ingrained in our DNA shaping every single action of ours.
At ECLF, Compliance is everybody's business.

Risk management is an integral part of all businesses at ECLF. We have devised an enterprise risk management framework – an in-house ‘eleven-risk vector framework’ formalising the process to assess, evade, manage and mitigate risks across business verticals in a continuous manner.

RISK MANAGEMENT

CREDIT RISK

- Comprehensive client assessment
- Counterparty and collateral evaluation
- Diversified exposure within limits
- Selection of quality collateral

MARKET RISK

- Tracking positions, value at risk and asset duration
- Monitoring asset liability mismatch and collateral margins
- Diversification in borrowing sources
- Compliance with regulatory limits

OPERATIONAL RISK

- Balancing operational risk at key points
- Review and strengthening of critical processes
- Exception management and risk control self-assessment

FRAUD RISK

- Anti-fraud framework with proactive reporting
- Regular training and awareness campaigns
- Strict due diligence on borrowers

BUSINESS CONTINUITY RISK

- Preparedness for pandemics, natural calamities, and acts of terrorism
- Robust Business Continuity Plan

INFORMATION AND CYBER RISK

- Adoption of industry best practices
- Quick response team for mitigating information and cyber risks

Our Compliance and Governance philosophy encompasses comprehensive adherence to regulatory and legal requirements, which aims at a high level of business ethos, effective supervision, and enhancement of value for all stakeholders. We promote a culture of accountability, transparency and ethical conduct across the Company. The policy establishes overarching principles and commitment to action – to achieve compliance in letter and spirit.

At ECLF, we strongly believe that compliance is not just a box to be ticked or a set of regulations to be adhered to; it is an integral part of who we are as an organisation, deeply ingrained in our DNA shaping every single business action of ours. Our commitment to compliance begins at the top, with a strong governance structure that emphasises transparency, accountability, and ethical behaviour.

Our Management Team and Board of Directors set the tone by championing a culture of compliance, fostering a shared understanding that adherence to laws, regulations, and ethical standards are non-negotiable.

MANAGEMENT TEAM

From left to right

Mehernosh Tata	Phanindranath Kakarla	Deepak Mittal	Braj Chandak	Shama Asnani
Chief Executive Officer, mSME Business	Managing Director, ECL Finance	Vice Chairman, ECL Finance	Chief Executive Officer, Wholesale Business	Chief Human Resources Officer, ECL Finance

BOARD OF DIRECTORS

Our Board of Directors are industry veterans with significant experience and achievements, who play a crucial role in shaping the strategic direction of ECL Finance.

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, and 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 & Non-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, under his leadership, 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.

Aalok Gupta - Independent Director

Aalok Gupta possesses over three decades of banking experience, with a particular focus on retail and SME businesses. He has held positions in foreign banks such as Bank of America and HSBC, as well as private Indian banks including HDFC Bank and YES Bank. Aalok Gupta's notable assignment was as MD & CEO of MUDRA, the nodal agency for the Pradhan Mantri Mudra Yojana, which refinances banks, NBFCs, and MFIs.

Currently, he serves as a mentor with GDC-IIT, Madras, promoting entrepreneurial thinking in STEM institutions across India.

Anita George - Investor Nominee Director

Anita George has over three decades of experience. She is Executive Vice-President, Strategic Partnerships - Growth Markets, CDPQ. She joined CDPQ as the Managing Director, South Asia in April 2016. Prior to joining CDPQ, she was Senior Director of the World Bank's Energy and Extractive Industries Global Practice. She also held the positions of Director, Infrastructure and Natural Resources of the International Finance Corporation, a member of the World Bank Group, and Head of Siemens Financial Services in India. Her various roles have led her to work in several regions of the world, including Europe, Asia, the Middle East and Africa.

Anita holds a BA in Economics and Spanish from Smith College, Massachusetts, a Masters in Economics and an MBA in Finance from Boston University.

Atul Pande - Independent Director

Atul Pande has a varied industry experience spanning more than 25 years. In the initial two decades of his professional career, Atul worked across sectors such as FMCG, BPO, Financial Services and Television. Atul is an avid traveller and passionate about outdoor sports. Some of Atul's key professional assignments have been Business Director – GE Capital, MD Citicorp – Maruti, MD Cholamandalam Investment and CEO – Ten Sports.

An MBA from Indian Institute of Management, Ahmedabad, Atul is also an Engineering Graduate.

BOARD OF DIRECTORS

Biswamohan Mahapatra - Independent Director

Biswamohan Mahapatra's illustrious career spans over three decades. He retired as Executive Director of the Reserve Bank of India (RBI) in August 2014. During his tenure at RBI, he oversaw banking regulation, policy, and supervision. Following his retirement, he served as an Advisor to RBI on the new bank licensing process. Biswamohan Mahapatra has represented RBI at various national and international forums and chaired several RBI committees. Notably, he played a significant role as Member-Secretary to the Committee responsible for introducing a financial holding company structure in India. He was also involved in formulating Basel-II and Basel-III regulations. Additionally, he serves as an Independent Director on the Boards of various companies and was recently appointed as the Non-Executive Chairman of the National Payments Corporation of India.

He holds a Master of Science in Management (MSM) Degree from the Arthur D. Little Management Education Institute, Cambridge, and an MBA from the University of Delhi.

Sameer Kaji - Independent Director

Sameer Kaji's has over three decades of experience that spans industries and geographies. His key focus areas have been growth strategy, mergers & acquisitions, operational improvement, and transformation, to name a few. He has played a significant part in assisting companies in their business development by providing out of box solutions, while bringing resolutions to complex management, manufacturing, or financial issues. In his experience, he has acted as an advisor to many companies such as Adani Group and McKinsey. He has been associated with a gold mine owned by Rio Tinto in Reno, Nevada as a Director, and also led the disinvestment and management transition programmes. He was also the Chairman & Managing Director, RAS Propack Lamipack, which was founded by him and led a 500+ FTE company to a successful IPO (40x over-subscribed).

Sameer is a Management Graduate from Babson F.W. Olin Graduate School of Business.

Shiva Kumar - Independent Director

Shiva Kumar served as Managing Director at the State Bank of Bikaner & Jaipur, which has now merged with the State Bank of India. His tenure at the State Bank of India included the role of Deputy Managing Director and various other positions. Shiva Kumar played a pivotal role in a business process re-engineering project in collaboration with McKinsey & Company, transforming India's largest bank. He led their credit card project and set up the metal gold business for the bank. Additionally, he represented the Associate Banks on the Managing Committee of the Indian Banks' Association. In recognition of his contributions, Shiva Kumar received the 'Business Leadership Award' from the Institute of Public Enterprises in 2013.

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

Deepak Mittal - Vice Chairman, ECL Finance

Deepak Mittal has more than two decades of experience in financial services and has played several key roles in the organisation, the most recent being the CEO of Edelweiss Tokio Life Insurance – one of the fastest growing insurance companies in India. Prior to this, Deepak helped scale up the Capital Markets business at Edelweiss and went on to become the Chief Financial Officer, where he helped steer the firm through a successful Initial Public Offering in 2007. He has also led the Group's new strategic initiatives and played a key role in the expansion of various Group businesses, including the acquisition and integration of Anagram Stock Broking.

An MBA from the Indian Institute of Ahmedabad, Deepak also holds a Chemical Engineering Degree from IIT-BHU.

Phanindranath Kakarla - Managing Director

Phanindranath Kakarla has spent over two decades in the financial services industry has been an integral part of the Edelweiss team for over eight years. Throughout his tenure, he has held various roles, including Head of Corporate Services Group, Head of Human Resources for the Group, Chief Operating Officer, and Chief Finance Officer for ECL Finance Limited. Phanindranath brings comprehensive experience in banking, asset management, and driving organisational transformation encompassing people, processes, and technology. His previous engagements include leading roles at prominent banks such as HSBC, JPMorgan Chase, and Deutsche Bank, among others.

An MBA graduate from the Indian Institute of Management, Calcutta, Phanindranath also holds an Engineering Degree from the Indian Institute of Technology, Bombay.

Mehernosh Tata - Executive Director

Mehernosh has over 22 years of experience in the Consumer and Commercial Banking space. At Edelweiss, he has led the digital transformation agenda and built a culture that is driven by data and analytics. He has steered the Co-Lending agenda for Edelweiss in partnership with multiple banks to ensure the business remains asset light.

He is a qualified Chartered Accountant, articled from PWC, and a Certified Coach for Consumer Lending and Banking concepts.

BOARD'S REPORT

To the Members of ECL Finance Limited

The Directors hereby present their 18th Annual Report on the business, operations and the state of affairs of the Company together with the Audited Financial Statements for the year ended March 31, 2023:

Financial Highlights (Standalone) **(₹ in million)**

Particulars	FY 2023	FY 2022
Total Income	**16,021.96**	**16,607.69**
Total Expenditure	14,678.69	16,081.94
(Loss)/Profit before Tax	**1,343.27**	**525.75**
Provision for tax (including Deferred Tax and fringe benefit tax, if any)	234.86	(267.78)
(Loss)/Profit after Tax	**1,108.41**	**793.53**
Other Comprehensive Income/(Loss)	(8.36)	(79.83)
Add: Profit and Loss account balance brought forward from previous year	4,904.54	2,476.29
Profit available for appropriation	**6,004.59**	**3,189.99**
Appropriations	-	-
• ESOP charge	21.42	57.54
• Impact of Lease accounting	-	-
• Transfer to special reserve under Section 45-IC of the Reserve Bank of India Act, 1934	(221.70)	(158.71)
• Transfer from revaluation reserve	30.29	86.76
• Transfer from Debenture Redemption Reserve	232.59	1,728.96
• Impairment reserve	-	-
• Deemed distribution during the year	-	-
Surplus carried to balance sheet	**6067.19**	**4,904.54**
Net worth (Net worth = Equity share capital + Other equity)	**26,716.01**	**25,594.54**

Note: The impairment allowances under Ind AS 109 carried by the Company is in excess of total provision required under IRACP (including provision on standard assets), as at March 31, 2023 and March 31, 2022 accordingly, no amount is required to be transferred to the Impairment Reserve.

Information on the State of Affairs of the Company

Information on the Operational and Financial performance, amongst others, is given in the Management Discussion and Analysis Report which is annexed to this Report as Annexure I and is in accordance with the SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, ("Listing Regulations") and the provisions of the RBI Master Direction No. DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, as amended from time to time.

During the year there was no change in the nature of business of the Company.

Reserves and Surplus

The details of the Reserves and Surplus are given in the Financial Statements attached herewith.

Share Capital

During the year, there was no change in the Authorised Share Capital and Paid-up Share Capital of the Company. As at March 31, 2023, the Authorised Share Capital and Paid up Share Capital of the Company stood at ₹ 6,740 million and ₹ 2,138 million respectively.

Dividend

With a view to conserve the resources of the Company, the Directors are not recommending any dividend for the year ended March 31, 2023.

Finance and Credit Rating

The Company continued to borrow funds from various sources including commercial papers and bank borrowings.

During the year, the Company raised ₹ 243 crores and ₹ 752 crores by way of term loans and commercial papers (non-episodic) respectively. The funds from term loans have been utilized for business disbursements in line with the overall Company strategy. The outstanding bank borrowings as on March 31, 2023, stood at ₹ 1,837 crores.

The Company enjoys credit ratings from various Rating Agencies. The details of the credit ratings are furnished in the Notes to the Financial Statements as well as in the Corporate Governance Report of the Company.

Subsidiaries, Joint Ventures and Associate Company

During the year, neither did the Company have any Subsidiary or Associate Company, nor did it enter into any Joint Venture Agreement under the provisions of the Companies Act, 2013 ("the Act").

Our Network of Offices

We operate through a wide network of 34 offices as of March 31, 2023 spread across 15 States and 2 Union Territories. The reach of our branches allows us to service our existing customers and attract new customers. We service multiple products through each of our offices, which reduces operating costs and improves total sales. Our spread-out office network reduces our reliance on any one region in India and allows us to apply best practices developed in one region to other regions. Our geographic diversification also mitigates some of the regional, climatic and cyclical risks, such as heavy monsoon or droughts.

Loans, Investments and Guarantees

The Company is a NBFC registered with the Reserve Bank of India. During the year, the Company did not give any guarantee. Further, the provisions of Section 186 of the Companies Act, 2013 pertaining to giving of loans, guarantees or providing security are not applicable to the Company.

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 https://eclfinance.edelweissfin.com/investor-relations/.

Particulars of contracts or arrangements with the Related Parties as prescribed in Section 188 of the Act in Form AOC -2 is annexed to this Report as Annexure II. All the Related Party Transactions as required under the applicable Accounting Standards are reported in the Financial Statements.

Material changes and commitments, if any, affecting the financial position of the Company

No Material changes and commitments, affecting the financial position of the Company have occurred between the end of the Financial Year to which the Financial Statement relates (i.e., March 31, 2023) and the date of the Report.

Annual Return

Pursuant to Sections 92 and 134 of the Act, the Annual Return as at March 31, 2023 in Form MGT-7, is available on the website of the Company at the link:
https://eclfinance.edelweissfin.com/investor-relations/.

Directors and Key Managerial Personnel

(i) Independent Directors

In accordance with the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have given a declaration that they meet the criteria of independence as provided in the said section. Accordingly, the Company confirms that in the opinion of the Board of Directors, the Independent Directors fulfil the conditions specified in Section 149(6) of the Companies Act, 2013 and that the Independent Directors are independent of the Management. In the opinion of the Board, the Independent Directors are persons of integrity and possess relevant expertise, experience and proficiency. Further, the Independent Directors have, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

(ii) Change in Directors

a. The Board re-appointed Mr. Kunnasagaran Chinniah as an Independent Director of the Company for a second term of five years with effect from February 19, 2022, to February 17, 2027, subject to the approval of the Members of the Company. The Board of Directors and Nomination and Remuneration Committee, considering the expertise, experience and contribution made by Mr. Kunnasagaran Chinniah during the first term and based on his performance evaluation, is of the opinion that his continued association would immensely benefit the Company. The Members also approved his re-appointment at their Extraordinary General Meeting held (EGM) on April 13, 2022.

b. The Board re-appointed Mr. Biswamohan Mahapatra as an Independent Director of the Company for the second term of five years with effect from conclusion of the 17th Annual General Meeting ("AGM") of the Company. The Board of Directors and Nomination and Remuneration Committee, considering the expertise, experience and contribution made by Mr. Biswamohan Mahapatra during the first term and based on his performance evaluation, is of the opinion that his continued association would immensely benefit the Company. The Members also approved his re-appointment at their 17th AGM held on September 16, 2022.

c. Mr. Venkatchalam Ramaswamy and Mr. S Ranganathan retired by rotation at the 17th AGM of the Company held on September 16, 2022 and, being eligible, were re-appointed by the Members at the aforesaid AGM.

d. The Board appointed Mr. Shiva Kumar as an Additional

(Independent) Director of the Company at its meeting held on July 28, 2022, who held the office till the conclusion of the 17th AGM. The Members also, at the said AGM approved his appointment as an Independent Director of the Company for a period of five years w.e.f. July 28, 2022, to July 27, 2027. Considering the expertise and experience of Mr. Shiva Kumar, the Board is of the opinion that his association would immensely benefit the Company.

e. Ms. Vidya Shah resigned as Non-Executive Director of the Company with effect from close of business hours on July 31, 2022. Mr. S Ranganathan tendered his resignation as Managing Director in the Company effective January 31, 2023. The Board placed on record their appreciation for the services rendered by Ms. Vidya Shah and Mr. S. Ranganathan during their tenure as a Director of the Company.

f. Mr. P. N. Venkatachalam ceased to be a Director on the Board of the Company with effect from conclusion of the 17th AGM of the Company held on September 16, 2022, on account of completion of his second and final term as an Independent Director. The Board placed on record their appreciation for the services rendered by Mr. P. N. Venkatachalam during his tenure as a Director of the Company.

g. The Board appointed Mr. Aalok Gupta and Mr. Sameer Kaji as Additional (Independent) Directors of the Company at their meeting held on September 29, 2022, subject to approval of the Members of the Company. In the opinion of the Board, both the Directors possess relevant expertise and experience, and their association would immensely benefit the Company. The Members at their Extraordinary General Meeting held on January 20, 2023 approved their appointment as Independent Directors of the Company for a period of five years w.e.f. September 29, 2022 to September 28, 2027.

h. Subject to approval of the Members, the Board at its Meeting held on September 29, 2022, appointed Mr. Phanindranath Kakarla as an Additional (Executive) Director to be designated as Deputy Managing Director of the Company for a period of five (5) years subject to and with effect from the date of RBI approval. The Company had received RBI approval for the same on December 23, 2022. Subsequently, the Members approved the same at their EGM held on January 20, 2023. Thereafter, the Board re-designated Mr. Phanindranath Kakarla as Managing Director of the Company effective February 1, 2023, till remainder of his tenure i.e., December 22, 2027, subject to the approval of the Members of the Company. The Members approved the same at their EGM held on March 13, 2023.

i. The Board appointed Mr. Atul Pande as an Additional (Independent) Director of the Company effective January 24, 2023, subject to the approval of the Members of the Company. The Members at their EGM held on March 13, 2023 approved his appointment as an Independent Director of the Company for a period of five years w.e.f. January 24, 2023 to January 23, 2028. Considering the expertise and experience of Mr. Atul Pande, the Board is of the opinion that his association would immensely benefit the Company.

j. The Board at its meeting held on January 24, 2023, appointed Mr. Mehernosh Tata as Additional Director to be designated as Executive Director for a period of 5 years with effect from February 1, 2023. The Members also approved the same at their Extraordinary General Meeting held on March 13, 2023.

k. Mr. Rashesh Shah and Mr. Deepak Mittal retire by rotation at the forthcoming AGM and, being eligible, have offered themselves for re-appointment.

l. Mr. Kunnasagaran Chinniah resigned as Independent Director of the Company with effect from close of business hours on May 19, 2023, due to other professional commitments. The Board placed on record their appreciation for the services rendered by Mr. Kunnasagaran Chinniah during his tenure as a Director of the Company. Mr. Kunnasagaran Chinniah has confirmed that there were no material reasons for his resignation other than reason mentioned herein.

(iii) Key Managerial Personnel

There were following changes in the Key Managerial Personnel of the Company:

Name of the KMP	Nature of Change	Effective Date
Mr. Phanindranath Kakarla	Appointed as Deputy Managing Director of the Company	December 23, 2022
Mr. Phanindranath Kakarla	Resigned as Chief Financial Officer	January 31, 2023
Mr. S Ranganathan	Resigned as Managing Director	January 31, 2023
Mr. Phanindranath Kakarla	Redesignated as Managing Director	February 1, 2023
Mr. Mehernosh Tata	Appointed as Executive Director	February 1, 2023
Mr. Sandeep Agarwal	Appointed as Chief Financial Officer	February 1, 2023

Number of Board Meetings held

During the year under review, seven Board Meetings were convened and held, the details of which are given in the Corporate Governance Report, which forms part of this Report (Annexure III). The intervening gaps between the Meetings were within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Nominations and Remuneration Policy and Criteria for making payment to Non-Executive Director

The Company has formulated a Nomination and Remuneration Policy ("Policy") as per the provisions of Section 178 of the Companies Act, 2013. The said Policy is placed on the website of the Company at https://eclfinance.edelweissfin.com/investor-relations/. The Policy is directed towards a compensation philosophy and structure that will reward and retain talent; and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals. The Policy, inter-alia, provides for criteria for payment to Executives and Non-Executive Directors, Board diversity etc.

Evaluation of The Performance of The Board

The Board has framed a Board Evaluation Policy ("the Policy") for evaluating the performance of the Board, Chairman, Directors and the Committees of the Board. The said Policy is placed on the website of the Company at https://eclfinance.edelweissfin.com/investor-relations/.

The Policy inter-alia provides the broad criteria for performance evaluation and authorises the Nomination and Remuneration Committee to prescribe criteria/framework for Board Evaluation. Accordingly, the Nomination and Remuneration Committee has prescribed a detailed methodology/approach for the aforesaid evaluations. Based on the same, the performance was evaluated for the financial year ended March 31, 2023. The Independent Directors at their meeting reviewed the performance of the Board, Non-Independent Directors, and Board Chairperson. The Board of Directors in its meeting evaluated the performance of Independent Directors, performance of Board and its Committees along with flow of information for conducting meetings of Board/ Committees. The Nominations and Remuneration Committee also evaluated the performance of all Directors.

Internal Financial Controls and Internal Control System

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. The Company has a robust Internal Audit function in place.

Based on its internal evaluation and as confirmed by the Statutory Auditors of the Company, the Management believes that adequate Internal Financial Controls exist in relation to its Financial Statements.

Risk Management

Risk management is an integral part of the Company's business strategy. We have a robust risk management framework / policy in place to identify, assess, manage, prioritise, monitor and report risks. It helps us make decisions based on a conscious and careful risk-return trade-off in line with the defined strategy and within its risk appetite. It ensures financial stability and continuity of the business by monitoring its risk profile periodically and ensuring risk management activities are executed effectively to manage the overall Risk levels within approved limits.

The Risk Management Committee oversees the risk management framework of the Company through regular and proactive intervention by senior management personnel. Further details on the same is given in the Management Discussion and Analysis Report which is annexed to this Report as Annexure I.

Committees of the Board

The Board of Directors has constituted the following Board Committees:

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

For details on the Committee composition, number of meetings held and attendance of the Committee members, please refer to the Corporate Governance Report (Annexure III).

Joint Statutory Auditors

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder (the Act) and RBI circular ("Circular") dated 27th April 2021 on the Guidelines for appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs), M/s. Chetan T. Shah & Co LLP and M/s. V.C Shah & Co. LLP are the current Joint Statutory Auditors of the Company.

The Statutory Audit Report does not contain any qualifications, reservations and adverse remarks.

Secretarial Audit

M/s MG Ghia & Associates ware the Secretarial Auditors of the Company since past few years. With an intention to enhance the audit quality, to let the Company have a different perspective and to maintain the trust of various stakeholders, the Company follows a policy of cooling off for Secretarial Auditors. Accordingly, M/s Alwyn Jay & Co., Company Secretaries was appointed as the Secretarial Auditors of the Company for FY23.

The report issued by the Secretarial Auditors is attached herewith as Annexure IV. The Secretarial Audit Report does not contain any qualifications, reservations and adverse remarks.

Prevention of Sexual Harassment of Women at Workplace

The Company prohibits any form of sexual harassment, and any such incident is immediately investigated, and appropriate action is taken in the matter against the offending employee(s) based on the nature and the seriousness of the offence. The Company has in place, a corporate policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace (the 'Policy') and matters connected therewith or incidental thereto covering all the aspects as contained under the 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013' ("POSH Act"). The Company also has in place an Internal Committee constituted under POSH Act and Rules made thereunder to look into all complaints of sexual harassment made by an Aggrieved Person provided the sexual harassment has taken place at workplace or in the course of official duties. There was no complaint filed during the financial year and no complaint was pending at the end of the financial year.

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

A. Conservation of energy

(i) Steps taken or impact on conservation of energy:

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

- Quarterly /Periodic maintenance of Air Conditioners are carried out for better performance and to control power consumption across branches.
- Electrical Planned Preventive Maintenance is performed at the branches to ensure that the health of the Electrical set-up is maintained, which in turn conserves energy.
- changed the HVAC schedule running operation which reduces the unnecessary running of Air conditioners

(ii) the steps taken by the Company for utilising alternate source of energy – though the operations of the Company are not energy intensive, the Company shall explore alternative source of energy, as and when the necessity arises.

(iii) the capital investment on energy conservation equipment - Nil

B. Technology absorption

(i) The efforts made towards technology absorption:

The following efforts have been taken towards technology absorption:

a) The Company is continually working towards streamlining and optimising the business workflows via technology absorption for most of the business functions and operations of the Company;

b) Majority of legacy applications have been, either consolidated, or decommissioned; and have been replaced with digital workflows and modern technology solutions;

c) Engineering of better technology solutions and elimination of fragmented applications, legacy applications, or applications functioning in silos; a continuous process; shall continue in parallel; so that there are no outages and zero business continuity risks;

d) The Company is continually working towards digitisation across various business verticals;

e) The Company has adopted a cloud-first approach, for all of its existing and future applications; with a keen intent of optimising technology spends and embracing cutting-edge tech stack.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

a) Reduction of data-loss during customer onboarding.

b) Consolidation of digital assets, storage and speedy retrieval.

c) Various product enhancements.

d) Cost and resource optimisation of ownership and upkeep of multiple applications [manpower, infrastructure, support, maintenance].

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not applicable

(iv) The expenditure incurred on Research and Development:

a) We do not have a dedicated R&D division.

b) We have been adopting cutting edge technology stack (low-code / no-code development platform, etc.) and unconventional models for solution engineering; for fastest go-to-market product deliveries

The Company operates in a highly automated environment and makes use of the latest technologies to support various operations. It has in place a governance framework, information security practices and a business continuity plan to mitigate information technology-related risks. It is also guided by the Information Security Policy and Cyber Security Policy laid down by RBI Master Direction - Information Technology Framework for the NBFC Sector. In addition, employees mandatorily and periodically undergo information security training and sensitisation exercises.

C. Foreign exchange earnings and outgo

There were no foreign exchange earnings during the year. There was outgo of ₹ 13.92 million (previous year: ₹ 19.20 million).

Secretarial Standards

The Company has complied with applicable provisions of the Secretarial Standards issued by Institute of Company Secretaries of India. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

Other Disclosures

- No disclosure is required in respect of the details relating to the issue of Equity Shares with differential rights as to dividend, voting or otherwise and Sweat Equity Shares, as the Company has not issued these types of shares.
- There were no significant or material orders passed by any regulator or court or tribunal which would impact the status of the Company as a going concern and the Company's operations in future.
- Further, no fraud was reported by the Auditors under sub-section (12) of section 143 during the year.
- There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year. There was no instance of one-time settlement with any Bank/Financial Institution in respect of loan taken by the Company.
- There was no revision in the financial statements of the Company.
- Disclosure pertaining to maintenance of cost records as specified under the Act is not applicable to the Company.

Public Deposits

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

Whistle Blower Policy/Vigil Mechanism

Pursuant to Section 177 of the Companies Act, 2013 read with Regulation 22 of the Listing Regulations, the Company has in place a Whistle Blower Policy for establishing a vigil mechanism for Directors and employees to report instances of unethical and/or improper conduct and to take suitable steps to investigate and correct the same. Directors, employees, vendors, customers or any person having dealings with the Company may report non-compliance of the Policy to the reporting platforms as mentioned in the Policy. The copy of the Policy is available on https://eclfinance.edelweissfin.com/investor-relations/.

The Directors and the Management personnel maintain confidentiality of such reporting and ensure that the whistleblowers are not subjected to any discrimination. The Audit Committee of the Board of Directors of the Company oversees the vigil mechanism. No person was denied access to the Audit Committee during the year.

Particulars of Employees

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 aforesaid 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 Alwyn Jay & Co., Company Secretaries, on compliance with the conditions of Corporate Governance during the financial year ended March 31, 2023, is provided in Annexure III and forms part of this Report.

Directors' Responsibility Statement

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

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) accounting policies have been selected and applied consistently and judgments and estimates made, 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, 2023 and profit and loss of the Company for the financial year ended on that date;

(iii) proper and sufficient care has 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 have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Debenture Trustees

SBICAP Trustee Company Limited	Axis Trustee Services Limited	Beacon Trusteeship Limited
202, Maker Tower – E, Cuffe Parade, Mumbai 400 005 and an office at Apeejay House, 6th Floor, 3 Dinshaw Wachha Road, Churchgate, Mumbai – 400020 Tel: + 022 4302 5555 Fax: +91 22 4302 5500 E-mail: corporate@sbicaptrustee.com Website: www.sbicaptrustee.com Contact Person: Ms. Savitri Yadav	2nd Floor, E-Wing, Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025. Tel:- 022 2425 5215 / 5216 E-mail: debenturetrustee@axistrustee.com Website: www.axistrustee.com Contact Person: Chief Operating Officer.	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 Contact Person: Mr. Vitthal Nawandhar

Acknowledgments

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

For and on behalf of the Board of Directors
ECL Finance Limited

Deepak Mittal Vice Chairman DIN: 00010337	**Phanindranath Kakarla** Managing Director DIN: 02076676

Date: May 19, 2023
Place: Mumbai

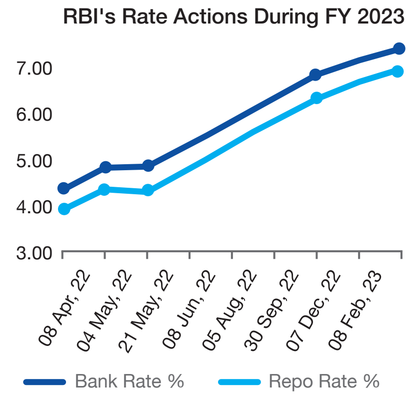
MANAGEMENT DISCUSSION & ANALYSIS REPORT

Annexure I

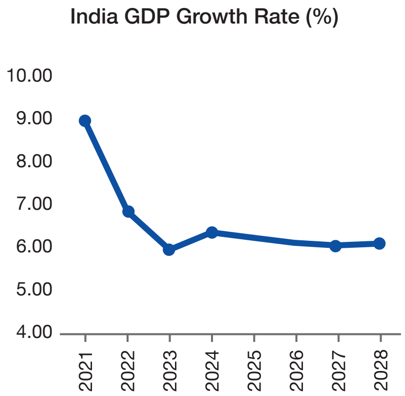
Macro Economy: Review and Outlook

The global economy has faced several challenges in 2022 and host of them have also got carried forward in 2023, including the ongoing war in Ukraine, rising inflation, and central bank tightening. Down from 3.6% in 2022, the International Monetary Fund (IMF) has downgraded its forecast for global growth in 2023 to 2.8% and a slight increase to 2.9% in 2024.

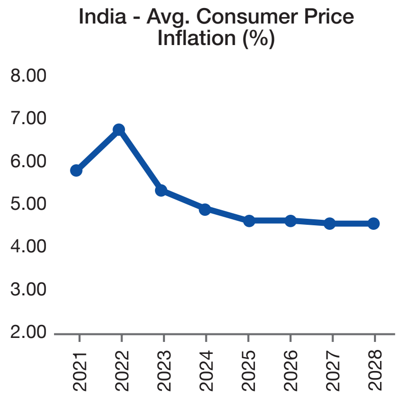
Central banks across the world have raised interest rates to cool inflation which could slow economic growth. Back home, in its bid to tame inflationary pressures during FY2022, the Reserve Bank of India (RBI) has increased interest rates by 2.5% through six monetary policy committee interventions.



Source: Reserve Bank of India



Source: IMF's World Economic Outlook (April 2023)



Source: IMF's World Economic Outlook (April 2023)

Domestically, India's GDP growth clocked an annual increase of 7.2% in FY2023 against RBI's expectation of 7.0% while the Central Bank pronounced that the economic activity remained resilient during the fiscal gone by. With global commodity prices having moderated significantly from their heightened levels in 2022, cost conditions eased, and inflation expectations of households also edged down. However, adverse climatic conditions pose risk to the future inflation trajectory in India. The RBI has projected consumer price inflation (CPI) to moderate to 5.2% in FY2024 on the assumption of an annual average crude oil price (Indian basket) of US$ 85 per barrel and a normal monsoon.

Industry Structure and Developments

Backed by robust credit demand supported by economic rebound, non-banking financial companies (NBFCs) were expected to grow their assets under management (AUM) by 13-14% during FY2023, which was twice the 7% AUM growth seen during FY2022. A substantial part of FY2023 saw NBFCs having mixed bag of advantages like stronger balance sheets with higher provisioning and lower leverage and receding asset-quality concerns. While competition from banks continued to remain intense, the rising interest rate environment exerted pressure on margins and limited the competitive abilities of NBFCs.

In the current scenario of higher interest rates liquidity plays a more significant role for NBFCs, and co-lending as an avenue becomes more significant owing to the asset-light nature of the operating model.

Taking comfort from the cool down in inflation, in the June 2023 monetary policy meeting, the RBI, maintained status quo on interest rates. Lower inflation could prompt the central bank to cut interest rates during FY2024, which could propel demand for credit. The NBFCs, which have comfort of better NPAs in the current cycle would be in a better position to augment the growth in retail credit demand.

The improving macroeconomic scenario will aid confidence of the mSME sector which will open a strong credit demand opportunity for the NBFCs to augment.

MSME

India's Micro, Small and Medium Enterprises (MSME) sector is a major contributor to the economy, accounting for over 49% of the country's manufacturing output, 33% of its exports, and 45% of its employment. In FY2023, the MSME sector is pegged to have grown by 9.5%, led by strong demand for its products and services both domestically and internationally.

The growth of the MSME sector is being driven by a host of factors like the government's focus on promoting entrepreneurship and innovation, the increasing availability of credit and other financial services to MSMEs, and the rise of the digital economy, which is creating new opportunities for MSMEs to provide services and solutions to businesses and consumers.

ECL Finance's Outlook

Volatility from macroeconomic and geopolitical factors have sector-agnostically affected organisations of all sizes in multiple ways. However, at the outset of FY 2024, we have started seeing positive signs in macroeconomic conditions viz. improved GDP growth, declining inflation, and probable rate cuts from the RBI, which are expected to provide a strong growth path for the Company in FY2024. The vibrancy in the economy along with lower borrowing costs would give a boost to demand for loans from mSME as well as retail borrowers. While, co-lending will help us maintain an asset-light business model, better asset quality will create stronger securitisation opportunities, and relatively lower borrowing rates will help in improving net interest margins. The ongoing thrust on digitalisation will further improve the operating metrics of the Company as higher efficiency and lower turnaround time will help in delivering a stellar customer experience.

ECL Finance Overview

ECL Finance Limited (ECLF) was incorporated on July 18, 2005, as a Public Limited Company. It is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) registered with the Reserve Bank of India.

Our Company has obtained a certificate of registration dated April 24, 2006, bearing Registration No. N-13.01831 issued by the Reserve Bank of India under section 45 IA of the Reserve Bank of India Act, 1934, to commence/carry on the business of Non-Banking Financial Institution not accepting public deposits subject to the conditions mentioned in the Certificate of Registration.

At ECLF, we offer a wide range of products and services with a clear focus on customer needs and relevance while designing our products.

Key Financial Performance Highlights

(₹ million)

Particulars	FY2023	FY2022
Total Income	**16,022**	**16,608**
Total Expenditure	14,679	16,082
(Loss)/Profit before Tax	**1,343**	**526**
Provision for tax (including Deferred Tax and fringe benefit tax, if any)	235	-268
(Loss)/Profit after Tax	**1,108**	**794**
Other Comprehensive Income/(Loss)	-8	-80
Add: Profit and Loss account balance brought forward from previous year	4,905	2,476
Profit available for appropriation	**6,005**	**3,190**
Appropriations		
ESOP charge	21	58
Impact of Lease accounting	-	-
Transfer to special reserve under Section 45-IC of the Reserve Bank of India Act, 1934	-222	-159
Transfer from revaluation reserve	30	87
Transfer from Debenture Redemption Reserve	233	1,729
Impairment reserve	-	-
Deemed distribution during the year	-	-
Surplus carried to balance sheet	**6,067**	**4,905**
Net worth (Net worth = Equity share capital + Other equity)	**26,716**	**25,595**

Note: The impairment allowances under Ind AS 109 carried by the Company is in excess of total provision required under IRACP (including provision on standard assets), as at March 31, 2023, and March 31, 2022, accordingly, no amount is required to be transferred to the impairment reserve.

Summary of ECL Finance standalone financial highlights during FY2023:

- Total Revenue: ₹16,022 million (₹16,608 million for FY2022), down 3.53%
- Profit after Tax: ₹1,108 million (₹794 million for FY2022), up 39.55%
- Net Worth: ₹20,840 million (₹19,487* million at the end of FY2022)
- Return on Average Equity: 4.24% (3.24% for FY2022)
- Return on Average Assets: 0.82% (0.48% for FY2022)
- Earnings per Share: ₹0.52 (₹0.37 for FY2022) (Face Value: ₹1.00 per share)

**Net of Deferred Tax Assets*

Income

Fund Based Revenue

Fund based revenue comprises of interest income and revenue from treasury and dividend income.

Interest income continued to be a major contributor to the gross revenue from operations at ₹10,163.70 million as against ₹12,119.50 million during the previous year, constituting around 63.44% of the total revenue from operations. The decrease in interest income is due to the reduction in the average loan book during the year.

Net profit on fair value changes on financial instrument stood at ₹4,052.69 million as against ₹3,609.87 million during the previous year, constituting 25.29% of total revenue from operations.

Fee and Commission Revenue

Our fee and commission revenue was ₹835.80 million for the year, compared to ₹704.36 million in FY2022, up by 18.66%.

Net Operating Revenue

For NBFCs, like the banking industry, the concept of Net Revenue (net of interest cost) is another way of analysing the performance. This is because interest costs, as with all banks and large NBFCs, should reflect above the expenses line. On a net revenue basis, our 'Fee and Commission Revenue' for FY2023 was ₹835.80 million (₹704.36 million for FY2022) and 'Interest Income' and 'Fund based revenue', i.e., net of interest cost, all the interest cost being for fund based revenue, for FY2023 was ₹4,030.50 million (₹1,701.38 million for FY2022). Thus, the total 'Net Operating Revenue' for FY2023 was ₹4,866.30 million (₹2,405.74 million for FY2022). In addition, the 'Other Income' for FY2023 was ₹969.77 million, compared to ₹173.96 million in FY2022.

Expenses

Our total expenses for FY2023 were ₹14,678.69 million (₹16,081.94 million in FY2022), down by 8.73%.

Credit Cost

During the current fiscal year ended March 31, 2023, the Company has recorded an amount of ₹ (119.65) million towards impairment on financial instruments, ₹1,985.58 million towards loss on derecognition of financial instrument.

Employee Benefit Expenses

Employee benefit expenses for FY2023 were ₹782.05 million (₹896.45 million in FY2022), down by 12.76%.

Other Expenses

Other expenses, including depreciation and amortisation, for FY2023 were ₹1,844.83 million (₹1,631.74 million in FY2022), up by 13.06%.

Profit After Tax

The Company has posted profit after tax of ₹1,108.41 million for FY2023, against ₹793.53 million for FY2022.

Dividend

The Company has not paid any dividend in FY2023.

Analysis Of Profitability

The Company has posted profit after tax of ₹1,108.41 million for FY2023 which has improved from FY2022, primarily due to higher net interest income, net profit/(loss) on fair value changes on financial instrument, profit on sale of investment property partially offset by higher credit cost in FY2023.

Balance Sheet Gearing

We believe that a strong balance sheet imparts unique ability to our company to be able to meet the demands of our customers, capture any episodic opportunities and be able to raise debt capital whenever required. ECLF has a total net worth of ₹20.84 billion as at the end of FY2023 compared to ₹19.49 billion at the end of FY2022. The amount of debt on the Balance Sheet as on March 31, 2023, was ₹100.68 billion (₹109.55 billion as on March 31, 2022), a Gearing Ratio of 2.91 times. The gross balance sheet size at the end of FY2023 was ₹146.44 billion compared to ₹143.40 billion a year ago.

Asset Quality

The asset quality of the overall credit book continued to remain under control despite headwinds with Gross NPLs at 1.96% and Net NPLs at 1.17% as on March 31, 2023, compared to 2.84% and 2.00% respectively a year ago. The specific Provision Coverage Ratio (PCR) on Gross NPLs was 40.99% at the end of FY2023 compared to 30.15% at the end of FY2022. Total Provision Cover including the expected credit loss provision on Stage I and II assets is 467.83% at the end of this fiscal year compared to 231.21% at the end of FY2022.

Capital Adequacy Ratio

As per the Non-Banking Financial Companies Prudential Norms stipulated by RBI, all NBFCs–ND–SI are required to maintain a minimum Capital to Risk-weighted Assets Ratio ("CRAR") of 15%. Our CRAR over the period of last three fiscal years is as under;

	FY23	FY22	FY21
CRAR prescribed by RBI (%)	15.00	15.00	15.00
Total CRAR (%)	**30.84**	**30.50**	**25.29**
Out of which:			
Tier I CRAR (%)	15.82	16.38	13.70

Opportunities

Financial services in India continue to offer enormous and scalable opportunities for companies like yours, as digitisation propelled by the prolonged pandemic has played a catalytic role in the long-term growth story of India which remains intact:

- Democratisation of credit, aspirations of younger population and increasing entrepreneurship, household savings moving to investments and increasing number of demat accounts, increasing financial literacy in the Country will continue to present growth opportunities for companies like yours.
- The monsoon is predicted to be normal for another year which will boost farm sentiments and improve overall prospects for the economy which is already on strong footing.
- Decline in interest rates would provide dual boost to the operating performance of the NBFC sector as well as the relative cheaper credit offtake.
- De-escalation, or end, of the Russia-Ukraine war could have a positive geopolitical impact on the global growth.

Threats

While the economy has come way far from the shadows of the pandemic, following threats cannot be ruled out and these, if they materialise, could reverse the current revival of the economy including the NBFC sector in India:

- An inception of another COVID-19 wave may reverse recovery of macro-economy, domestically as well as globally.
- The direction of interest rates, which have been on the rise, would have a bearing on operating performance of NBFCs as well as their balance sheets if NPAs begin to rise.
- Any abnormal surge in oil prices, or weak monsoon, or major lag in revival of the capex cycle can also inhibit the economic growth.
- Escalation of the Russia-Ukraine war could have a negative geopolitical impact on the global growth.

Business Segment-Wise Performance Highlights

Wholesale Book Reduction

Our Wholesale book largely comprised of Real Estate Developer loans. Subsequent credit events post 2018 led to the industry facing liquidity crunch for completion financing. At the group level, we proactively made a conscious strategy of scaling down the Wholesale lending book in the NBFCs with incremental Wholesale credit business through the fund structure in Alternatives. This was envisaged to be achieved through a combination of organic repayments and sell down.

Our sell down strategy was formed through a combination of;

a) Selling to ARCs, seen as a better platform for recovery

b) AIF structure, which allowed for completion financing and improved the recovery potential.

Our rigor on the resolution plans started yielding results from Q4-FY2022, wherein we witnessed material inflows assisting book reduction. The momentum continued through FY2023, which, augmented by the increased investor demand, helped reduce our Wholesale lending book significantly.

As a result, our Wholesale lending book scaled down significantly by ~40% in FY2023 and ~ 50% since FY2021 as seen in the chart below. The book stands at ₹57 billion as of FY2023 compared to ₹112 billion as of FY2021. During the current fiscal year, we generated net liquidity of ~₹52 billion through recoveries, resolution and sell downs. Our aim is to continue reducing the Wholesale lending book, and expect to reduce it by another ₹27 billion to ₹30 billion in FY2024.

During FY2023, our effective strategy was aided by an improved residential real estate market, which witnessed double-digit sales growth despite pressures from higher input costs, increasing interest rates, and domestic and global economic challenges. The sector witnessed a strong revival, driven by strong demand and supply consolidation and we expect the momentum to continue going forward.

While we work on the resolution of our assets via monitoring and executing the resolution strategy to improve recoveries, we continue to actively engage with global institutional investors for asset monetisation which will further help accelerate reduction of our Wholesale loan book.

mSME Finance Business

Our mSME business vision is to be the most trusted financial partner in the growth journey to success of India's micro and small enterprises.

Core Capabilities

During FY2023, we have heavily invested in building our core capabilities around origination and underwriting loans to mSMEs. While most of these loans are tagged as Priority Sector Loans (PSL), close to 90% of our fresh loan disbursals are to support mSMEs.

During the year, we introduced a slew of products/ variants to offer a comprehensive suite of products, both secured loans and business loans to meet the requirements of the mSME sector. The year also saw a stabilisation of co-lending arrangements with our existing partner banks as well as adding new partners. All this while, we have continued to maintain focus on credit quality while moving further on our growth trajectory and have now laid a strong foundation for growth going forward.

We recognise that underwriting capabilities are crucial to our credit health, and we are adopting digital processes and an analytical approach which will significantly help us improve accuracy as well as achieve higher processing efficiency.

Channel Partners

On the origination front, we are intensifying the engagement with channel partners - we do believe that our wider product suite across multiple process points will significantly help our origination capabilities. We have relationships with 5,000-plus channel partners and remain focused on engaging with them. We have a well-defined rewards and recognition program for our channel partners.

Strategic Initiatives

At ECLF, we continue to build on our unique asset-light model. Our key focus remains to drive co-lending model (CLM) origination and have signed two new bank partnerships towards co-lending priority sector loans (PSL) to Indian mSME entrepreneurs during FY2023. As we continue to build scale through the asset-light model, our Book to AUM ratio will continue to decrease. As of March 2023, our Book to AUM ratio was ~73%.

The scorecard and parameterised approach have helped us originate high credit-quality customers which is reflective of our portfolio performance and pool upgrades. Investment in building a robust collection infrastructure supported by data analytics-led bounce prediction model and recovery efforts have further helped us manage our credit quality.

We aim to make lending to the mSME segment more efficient through digitalisation. We have invested in our proprietary Digital Lending Platform (DLP) which has unique features of being;

- A low code and agile platform,
- Micro-services-based architecture to improve processing efficiency, and
- Enabled with dynamic Business Rule Engine (BRE) for automated decision-making.

We are embedding a data-led decision-making culture and are leveraging our data analytics for;

- Sourcing direct customers
- Retaining customers
- Building scorecards to underwrite
- Prioritising new cases at early stages.

Awards and Recognition

During the year we have bagged some of the prestigious industry awards;

- NBFC & Fintech Excellence Awards 2022 for 'Best Digital Transformation Initiative'.
- Big BFSI Future Tech Show & Awards 2022 in recognition of 'Exemplary Tech Initiatives and Innovation'.
- India NBFC Summit & Awards 2022 for 'Best NBFC in SME Co-Lending'.
- NBFC 100 Leader of Excellence 'Outstanding Performer' Award for 'Business Transformation'.

Enterprise Risk Management

At ECLF, we are committed to adhering to the highest standards of responsible governance practices and ethical behavior. We have robust risk awareness embedded in our organisational culture. Employees take ownership and are accountable for the risks that ECLF is exposed to. We strive for continual improvement through efforts to enhance controls, while ongoing employee training modules ensure that employees are made aware of the company's risk appetite.

The management continued its focus on strengthening the balance sheet and achieved a major rundown on the Wholesale lending book which reduced by ~40% from FY2022. Real estate concentration in the Wholesale lending book reduced significantly to 63% in FY2023, from 84% as of FY2022. Gross Non-Performing Assets (GNPAs) reduced to 1.96% in FY2023, from 2.84% in FY2022.

ECLF's current business strategy is to focus on an asset-light business model and scale up the retail book through CLM partnerships. The company tightened its underwriting norms and enforcement processes to improve the asset quality. The company continues to leverage on data analytics to embed a data-led decision-making culture and focus on simplifying processes and digitalisation.

The company is constantly engaging with all the employees towards awareness of information security. Various workshops are conducted during the year and emailers (mentioning Do's and Don'ts) are circulated frequently within the organisation. Adequate checks and controls are in place to handle Data Loss Prevention (DLP) cases and brand protection. All DLP breaches are handled with sensitivity and strict disciplinary actions are taken wherever necessary.

Internal Control Policies and their Adequacy

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

The internal controls at ECLF 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 reasonable assurance with regards to maintaining proper accounting controls, substantiation of financial statements and adherence to IND AS requirements, safeguarding of resources, prevention and detection of frauds and errors, ensuring operating effectiveness, reliability of financial reporting, and compliance with applicable regulations and relevant matters covered under section 134 (5) (e) of the Companies Act 2013.

Human Resources

At ECLF, our people are a priority, and we provide them with plenty of opportunities to thrive, in a work environment that is ethical and productive.

All our effort is focused towards enhancing the overall employee experience and contributing to their personal and professional development. Every stage of an employee's journey, whether pre-boarding, on-boarding, integration or beyond, is carefully planned to ensure our people have access to all the resources required to succeed.

The journey of each ECLF employee begins from the day the offer is rolled out, and we endeavour to provide them with a great experience from the pre-boarding stage itself. Regular check-ins to help individuals understand our culture better ensures a seamless transition into the organisation.

Our people friendly policies, and intent towards building a well-balanced culture, supported by strong organisational values, keep us ahead of the curve. Flexible leaves, health workshops, opportunities to pursue hobbies, job rotation, an equitable and secure work environment, and a healthy work life balance, are a few ways we ensure our teams feel supported and valued.

It is only when our people grow and develop, can we succeed as an organisation, and our learning umbrella- Siksha, is one such platform that helps us stay relevant by upskilling ourselves. Siksha caters to diverse learning needs and covers subject matters across domain, behavioural, and technical topics. Apart from implementing trainings to acquire new skills, we encourage on the job learning through internal movements – vertical and lateral. A dedicated career platform facilitates these internal movements, enabling employees to pursue aspirational roles.

We value our people and all that they do, and acknowledging their achievements is a significant part of our culture. Our robust reward and recognition program enables us to applaud important milestones, and various platforms that recognise both upcoming talent and tenured employees help us drive a merit-based culture.

Our teams will always be our biggest strength and will continue to inspire us to adopt the best people practices.

Technology

ECLF believes in effectively leveraging technology to drive innovation, improve operational efficiency, enhance customer experience, and ensure regulatory compliance.

Keys pillars of our digital transformation initiatives:

Customer Experience: We are also in the process of developing chatbots for customer support, and self-service customer portal options for account management.

Operational Efficiency: We have implemented robotic process automation (RPA), digitised our document management process, and utilised data analytics for better decision-making.

Data Analytics and Insights: We have been leveraging data analytics to gain actionable insights and make informed business decisions which helps us to better understand our customers, detect frauds, manage risks, and develop targeted products and services.
Technology Infrastructure: For establishing a robust and scalable technology infrastructure which is fundamental for digital transformation, we have adopted cloud computing, modernised legacy systems, and ensured robust cybersecurity measures. We are also considering exploring emerging technologies like artificial intelligence (AI), and machine learning (ML) to drive innovation and stay competitive.

Regulatory Compliance: As we continue to embrace digital transformation, we have ensured adherence to RBI's master direction on Information Technology framework, relevant regulations governing data privacy, consumer protection, anti-money laundering (AML), and Know Your Customer (KYC) norms. We are also in the process of implementing automated digital solutions for regulatory reporting.

Collaboration and Partnerships: We have been in collaboration with fintech firms, technology providers, and other stakeholders for our customer on-boarding journey.

A summary of various technology projects completed, and in-process, during FY2023;

1. To streamline lending operations and improve efficiency, ECLF has successfully implemented Beacon–new Wholesale Lending Management System which has replaced the Tally system.
2. To enhance the treasury operations, ECLF implemented CashTrea, replacing the previous system–Apollo, which ensures better control and visibility over our treasury activities.
3. In our pursuit of operational excellence, ECLF has upgraded from Oracle EBS to Oracle Fusion, the new enterprise resource planning (ERP) system, which provides a robust platform to support our organisational growth and scalability.
4. To meet the regulatory reporting obligations, ECLF has implemented BALM (Banking and Accounting Log Manager) solution which simplifies the process of generating and submitting regulatory reports, ensuring compliance with regulatory requirements. The implementation of BALM is currently in progress.
5. ECLF is in the process of upgrading from Finnone to Finnone Neo, a more advanced and comprehensive loan origination and management system, which will enable the company to enhance the efficiency of its lending processes, improve customer experience, and ensure compliance with regulatory guidelines. The implementation of Finnone Neo is currently in progress.

Information Security

During the COVID-19 pandemic, the threat landscape reached a critical tipping point that changed cybersecurity outlook. It not only increased digitisation but also cybercrimes. To cater to this changing landscape;

- ECLF has **adopted a zero-trust security model**. This new model requires strict identity verification for every person and device trying to access resources on a private corporate network, regardless of whether they are sitting within or outside of the corporate perimeter.
- ECLF has further **strengthened the cyber security posture** of the organisation; the company migrated all the critical internet-facing interfaces behind an established cloud-based web application firewall to safeguard against web application attacks as well as distributed denial of service attacks.
- Further, regular **vulnerability assessment and penetration testing,** review of segregation of duties, other audit, and compliance testing(s) have ensured that ECLF's information technology assets are safe and secure.
- **An awareness program** is conducted for all employees using digital channels regarding cyber security. ECLF employees are required to undergo a mandatory online learning module on information security and affirm that they have understood and are aware of the protocols to be followed. Regular information security related flyers/e-mailers are sent to all employees for awareness and training purposes.
- As a best practice, ECLF will continue its focus on the automation of security orchestration to respond to cyber incidents through its **24X7 Security Operations Centre (SOC).**

During FY2023, an Information System (IS) audit was conducted by a CERT-In empaneled audit firm. The areas audited were, inter alia, user access management, patch management, business continuity and disaster recovery, data protection and the information security management system framework including cyber security. The audit revealed no major observations.

Customer Experience

We consider customer experience as a key pillar of business success. With this motto in sight, we have continued to build a culture of customer-centric business processes. To drive this agenda, we have also implemented various measures to enable customers to resolve their queries online and make it hassle-free.

Some customer-centric achievements during FY2023;

- Enhanced First Time Right resolution rates - 62% achievement (FY2023) as against 22% (FY2022) resulting in improvement overall customer satisfaction.
- Positive National Net Promoter Score (NPS) scores–57.
- Omni-channel customer service concept introduced creating seamless customer requests' onboarding and fulfilment.
- Self-service options for customers on web portal which provides account statement, repayment schedule, interest certificate, TDS filing, and updating of contact details.

Annexure II

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 there to:

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
-	-	-	-	-	-	-	-	-

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

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 (₹ in millions)	Date of approval by Board	Amount paid as advances, if any
1	Nido Home Finance Ltd (Formerly Edelweiss Housing Finance Limited)	Loans taken from	One Year	4,040	March 24, 2022	NIL
2	Ecap Equities Limited (Formerly Edel Land Limited)	Loans taken from	One Year	4,180	March 24, 2022	NIL
3	Edelweiss Retail Finance Limited	Loans Given to	One Year	1,890	March 24, 2022	NIL
4	Ecap Equities Ltd (Formerly Edel Land Limited)	Loans Given to	One Year	5,840	March 24, 2022	NIL
5	Ecap Sec & Investment ltd	Loans Given to	One Year	3,100	March 24, 2022	NIL
6	Ecap Equities Limited (Formerly Edel Land Limited)	Purchases/ Subscription of securities/fund	One Time	2,086.49	July 28, 2022	NIL
7	India Credit Investment Fund III	Purchases/ Subscription of securities/fund	One Time	6,088.80	March 24, 2022	NIL

8	Edelweiss Tokio Life Insurance Company Limited	Sale / subscription of securities	One Time	1,983.70	July 28, 2022	NIL
9	Nido Home Finance Ltd (Formerly Edelweiss Housing Finance Limited)	Assignment of loan book to	One Time	1,998.46	March 24, 2022	NIL
10	Edelweiss Rural and Corporate Services Limited	Assignment of loan book from (Including assignment/ Securitisation)	One Time	1,889.04	July 28, 2022	NIL
11	Edelweiss Retail Finance Limited	Sale of securities receipts to	One Time	4,166.40	July 28, 2022	NIL
12	India Credit Investment Fund III	Sale of securities receipts to	One Time	5,062.80	July 28, 2022	NIL
13	Edelweiss Asset Reconstruction Company Limited	Sale of securities receipts to	One Time	4,613.36	March 24, 2022	NIL
14	Edelweiss Asset Reconstruction Company Limited - Trusts	Sale of loans to EARC Trust	One Time	10,615	March 24, 2022	NIL
15	Edelweiss Asset Reconstruction Company Limited - SC 453	Investment in Security Receipts	One Time	6,840.90	March 24, 2022	NIL

Note:

1. As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business.
2. Pursuant to Ind AS 24 – Related Party Disclosures, maximum amount of loans given and repaid alongwith the transaction volume are disclosed above. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.
3. Date of Board Meeting is the date on which the transaction was approved first time by the Board. This does not include modification date.

For and on behalf of the Board of Directors
ECL Finance Limited

Deepak Mittal
Vice Chairman
DIN: 00010337

Phanindranath Kakarla
Managing Director
DIN: 02076676

Date: May 19, 2023
Place: Mumbai

Annexure III

Corporate Governance Report

Corporate Governance Philosophy

At ECL Finance Limited, we strongly uphold good governance practices to promote fairness, transparency, accountability and integrity. In line with this philosophy, Guiding Principles have been framed and these form an integral part of Company's Corporate Governance practices. Processes have been designed to run the businesses responsibly and harmonise diversified interests of various stakeholders thereby enhancing stakeholder value.

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

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

The Board of Directors

The Board of the Company represents an optimal mix of professionalism, knowledge and experience, which enables the Board to discharge responsibilities and provide effective leadership for the achievement of a long-term vision and the highest governance standards. As on March 31, 2023, the Board comprised of 11 Directors – 3 Executive Directors and 8 Non-executive Directors including 5 Independent Directors.

A tentative meetings calendar of the Board/ Committees is circulated to help them plan their schedule and ensure meaningful participation in meetings. Additional meetings are convened wherever necessary. Generally, meetings of the Board/ Committees are held in Mumbai and/or through video conferencing / other audio-visual means.

During FY 2022-23, the Board met 7 (seven) times on May 9, 2022, June 23, 2022, July 28, 2022, September 29, 2022, November 3, 2022, January 24, 2023, and March 13, 2023. The maximum interval between any two Board meetings did not exceed the regulatory timelines.

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the FY 2022-23 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, 2023, are as under:

Name and DIN of the Directors	Category	No. of Board Meetings attended	Attendance at the last AGM held on Sep 16, 2022	No. of directorships in other Public Limited Companies$	Name of other Listed entities where person is a Director and Category of Directorships#	Committee Position*	
						Member	Chairman
Mr. Rashesh Shah (DIN: 00008322)	Non-Executive Director and Chairman	7	No	4	Edelweiss Financial Services Limited (Managing Director)	Nil	Nil
Mr. Venkatchalam Ramaswamy (DIN: 00008509)	Non-Executive Director and Vice Chairman (in Non-executive capacity)	3	No	6	Edelweiss Financial Services Limited (Executive Director)	3	1
Mr. Deepak Mittal (DIN: 00010337)	Executive Director and Vice Chairman	7	No	2	-	2	Nil
Mr. Aalok Gupta[1] (DIN: 08195214)	Independent Director	3	NA	Nil	-	1	Nil
Ms. Anita George (DIN: 00441131)	Nominee Director	6	No	1	Piramal Enterprises Limited (Director)	1	Nil
Mr. Atul Pande[2] (DIN: 00074361)	Independent Director	1	NA	Nil	-	1	Nil
Mr. Biswamohan Mahapatra (DIN: 06990345)	Independent Director	7	Yes	6	Edelweiss Financial Services Limited (Independent Director)	2	3

Mr. Kunnasagaran Chinniah (DIN: 01590108)	Independent Director	7	No	5	Nirlon Limited (Nominee Director)	2	Nil
Mr. Mehernosh Tata[3] (DIN: 08603284)	Executive Director	1	NA	Nil	-	Nil	Nil
Mr. Phanindranath Kakarla[4] (DIN: 02076676)	Managing Director	2	NA	1	-	1	Nil
Mr. Shiva Kumar[5] (DIN: 06590343)	Independent Director	5	No	1	Edelweiss Financial Services Limited (Independent Director)	5	2
Mr. Sameer Kaji[1] (DIN: 00172458)	Independent Director	3	NA	Nil	-	1	1

[$]Only Directorships of Public Limited Companies incorporated in India have been considered and excludes Private Limited Companies, Section 8 Companies and Foreign Companies.

[#]Only Companies having its Equity Shares listed on either BSE or NSE are considered.

*Only the Audit Committee and Stakeholders' Relationship Committee, in other Public Limited Companies, have been considered for the Committee position.

[1] Appointed w.e.f., September 29, 2022 | [2] Appointed w.e.f., January 24, 2023 | [3] Appointed w.e.f., February 01, 2023 |
[4] Appointed w.e.f., December 23, 2022 | [5] Appointed w.e.f., July 28, 2022 |

Based on the disclosures received, none of the Directors on the Board holds directorships in more than ten Public Companies and none of the Independent Directors serves as an Independent Director on more than seven listed entities as on March 31, 2023. Further, no Whole-time Director serves as an Independent Director in any other listed company. As required under Regulation 26 of SEBI (LODR) Regulations, none of the Directors on the Board is a member of more than 10 Committees and Chairperson of more than 5 Committees, across all public limited companies in which he/she is a Director. 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.

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

Board skills/expertise/competence matrix

The Board has 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. Deepak Mittal	*	*	*	*	*	*	-	*	*	*	*
Ms. Anita George	*	*	*	*	*	*	-	*	*	*	*

Mr. Aalok Gupta	*	*	*	*	*	*	-	*	*	*	*
Mr. Atul Pande	*	*	*	*	*	*	-	*	*	*	*
Mr. Biswamohan Mahapatra	*	*	*	*	*	*	*	*	*	*	*
Mr. Kunnasagaran Chinniah	*	*	*	*	*	*	*	*	*	*	*
Mr. Mehernosh Tata	*	*	*	*	*	*	-	*	*	*	*
Mr. Phanindranath Kakarla	*	*	*	*	*	*	-	*	*	*	*
Mr. Shiva Kumar	*	*	*	*	*	*	-	*	*	*	*
Mr. Sameer Kaji	*	*	*	*	*	*	-	*	*	*	*

Directors Induction and Familiarisation Programme

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

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

The details of familiarisation programmes for Independent Directors are posted on the website of the Company and can be accessed at https://eclfinance.edelweissfin.com/investor-relations/.

Committees of The Board

The Company has the following Board Committees under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015:

- Audit Committee.
- Stakeholders Relationship Committee.
- Corporate Social Responsibility Committee.
- Nomination and Remuneration Committee.
- Risk Management Committee.

In addition to the above, the Company has also constituted IT Strategy Committee and Asset Liability Management Committee under the RBI Guidelines.

The Board also constitutes specific committee(s) from time to time, depending on business needs.

1. Audit Committee

During FY 2022-23, the Committee met five times on May 9, 2022, July 28, 2022, November 3, 2022, January 24, 2023 and March 13, 2023.

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. All the members possess financial/ accounting expertise/ exposure and have held relevant financial/accounting experience. The Composition as on March 31, 2023 and attendance during the year ended March 31, 2023 is as under:

Name	No. of Meetings attended
Mr. Biswamohan Mahapatra - Chairperson	5[1]
Ms. Anita George	4
Mr. Kunnasagaran Chinniah	5
Mr. Shiva Kumar	3[2]
Mr. Sameer Kaji	2[3]
Mr. P. N. Venkatachalam	2[4]

[1]Mr. Biswamohan Mahapatra has been a member of the Committee since 18-07-2017 and has been appointed as the Chairperson on 29-09-2022

[2]Mr. Shiva Kumar was inducted in the Committee w.e.f. 29-09-2022

[3]Mr. Sameer Kaji was inducted in the Committee w.e.f. 03-11- 2022

[4]Mr. Mr. P. N. Venkatachalam ceased to be a Director of the Company accordingly ceased to be a member of the Committee w.e.f. 16-09-2022

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

Terms of Reference of the Committee is attached as Annexure VI.

2. Stakeholders Relationship Committee

During FY 2022-23, the Committee met two times on April 28, 2022, and November 16, 2022.

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Composition as on March 31, 2023 and attendance during the year ended March 31, 2023 is as under:

Name	No. of Meetings attended
Mr. Sameer Kaji - Chairperson	1[1]
Mr. Phanindranath Kakarla	0[2]
Mr. Aalok Gupta	1[3]
Mr. Atul Pande	1[4]
Ms. Vidya Shah	1[5]
Mr. S Ranganathan	2[6]
Mr. P. N. Venkatachalam	1[7]

[1] Mr. Sameer Kaji was inducted in the Committee w.e.f. 03-11-2022
[2] Mr. Phanindranath Kakarla was inducted in the Committee w.e.f. 24-01-2023
[3] Mr. Aalok Gupta was inducted in the Committee w.e.f. 03-11-2022
[4] Mr. Atul Pande was inducted in the Committee w.e.f. 13-03-2023
[5] Ms. Vidya Shah ceased to be a Director of the Company accordingly ceased to be a member of the Committee w.e.f. 31-07-2022
[6] Mr. S Ranganathan ceased to be a member of the Committee w.e.f. 24-01-2023
[7] Mr. P. N. Venkatachalam ceased to be a Director of the Company accordingly ceased to be a member of the Committee w.e.f. 16-09-2022

Terms of Reference of the Committee is attached as Annexure VI.

Ms. Kashmira Mathew is the Company Secretary and Compliance Officer of the Company.

Based on the reports received from the Registrar & Share Transfer Agents during the year ended March 31, 2023, the Company received 26 requests/complaints from the investors which were satisfactorily resolved/replied. As on March 31, 2023, there were no outstanding requests/complaints.

3. Corporate Social Responsibility (CSR) Committee

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013. Since the CSR obligations were not applicable to the Company for FY 22-23, no meeting of the Committee was held.

The Composition of the Committee as on March 31, 2023, is as under:

Name	No. of Meetings attended
Mr. Shiva Kumar[1]	NA
Mr. Phanindranath Kakarla[2]	NA
Mr. Kunnasagaran Chinniah	NA
Mr. Sameer Kaji[3]	NA
Mr. Mehernosh Tata[4]	NA
Mr. S Ranganathan[5]	NA
Mr. P. N. Venkatachalam[6]	NA

Notes:
[1] Mr. Shiva Kumar was inducted in the Committee w.e.f. 29-09-2022
[2] Mr. Phanindranath Kakarla was inducted in the Committee w.e.f. 24-01-2023
[3] Mr. Sameer Kaji was inducted in the Committee w.e.f. 03-11-2022
[4] Mr. Mehernosh Tata was inducted in the Committee w.e.f. 24-01-2023
[5] Mr. S Ranganathan ceased to be a member of the Committee w.e.f. 24-01-2023
[6] Mr. P. N. Venkatachalam ceased to be a Director of the Company accordingly ceased to be a member of the Committee w.e.f. 16-09-2022

Terms of Reference of the Committee is attached as Annexure VI.

The Corporate Social Responsibility Policy ("CSR Policy") was devised in accordance with section 135 of the Companies Act 2013 as amended from time to time. The CSR policy is aimed at promoting social welfare through its comprehensive programs. The said Policy is available for reference at the Company's website at https://eclfinance.edelweissfin.com/investor-relations/.

4. Nomination and Remuneration Committee

During FY 2022-23, the Committee met five times on April 28, 2022, June 23, 2022, July 28, 2022, September 29, 2022 and January 24, 2023. The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Composition as on March 31, 2023, and attendance during the year ended March 31, 2023, is as under:

Name	No. of Meetings attended
Mr. Biswamohan Mahapatra – Chairperson	5
Mr. Shiva Kumar	2[1]
Mr. Kunnasagaran Chinniah	5
Mr. Rashesh Shah	2[1]
Ms. Vidya Shah	3[2]
Mr. P. N. Venkatachalam	3[3]

[1] Mr. Shiva Kumar and Mr. Rashesh Shah were inducted in the Committee w.e.f. 29-09-2022
[2] Ms. Vidya Shah ceased to be a Director of the Company accordingly ceased to be a member of the Committee w.e.f. 31-07-2022
[3] Mr. P. N. Venkatachalam ceased to be a Director of the Company accordingly ceased to be a member of the Committee w.e.f. 16-09-2022

Terms of Reference of the Committee is attached as Annexure VI.

Evaluation of the performance of the Board

The details of the Board evaluation are provided in the Board's Report.

Remuneration of Directors

The Company pays sitting fee of ₹ 75,000 to the Independent Directors for attending the each meeting of the Board and its Committees thereof.

The details of the remuneration paid and shareholding of the Directors during the Financial Year ended March 31, 2023 are as under:

Name of the Director	Remuneration (fixed & performance bonus)	Perquisites	Sitting Fees	Total	No of Equity Shares held
Mr. Rashesh Shah	-	-	-	-	-
Mr. Venkatchalam Ramaswamy	-	-	-	-	-
Mr. Deepak Mittal	5,00,98,401	12,74,568	-	5,13,72,969	5,000 Equity Shares of Rs 1/- each
Mr. Aalok Gupta	-	-	3,05,000	3,05,000	-
Ms. Anita George	-	-	-	-	-
Mr. Atul Pande	-	-	75,000	75,000	-
Mr. Biswamohan Mahapatra	-	-	7,90,000	7,90,000	-
Mr. Kunnasagaran Chinniah	-	-	6,90,000	6,90,000	-
Mr. Mehernosh Tata	2,11,79,166	2,84,572	-	2,14,63,738	5,000 Equity Shares of Rs 1/- each
Mr. Phanindranath Kakarla	2,36,90,315	2,59,596	-	2,39,49,911	5,000 Equity Shares of Rs 1/- each
Mr. Shiva Kumar	-	-	4,55,000	4,55,000	-
Mr. Sameer Kaji	-	-	3,40,000	3,40,000	-
Ms. Vidya Shah	-	-	-	-	-
Mr. P.N. Venkatachalam	-	-	2,20,000	2,20,000	-
Mr. S Ranganathan	1,84,72,123	4,07,514	-	1,88,79,637	-

No Commission was paid to any Director during FY 22-23. The service contract of the Managing Director and the Executive Directors is as approved by the Members and the notice period is as per the Rules of the Company. Severance fees – NA.

The Company has not granted any Stock Options to any Director.

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

5. Risk Management Committee

During FY 2022-23, the Committee met four times on May 23, 2022, August 11, 2022, November 17, 2022, and February 9, 2023. The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013, and provisions of the SEBI (LODR) Regulations, 2015.

The Composition as on March 31, 2023, and attendance during the year ended March 31, 2023, is as under:

Name	No. of Meetings attended
Mr. Kunnasagaran Chinniah - Chairperson	4
Mr. Biswamohan Mahapatra	4
Mr. Aalok Gupta	2[1]
Mr. Deepak Mittal	3
Mr. Phanindranath Kakarla	1[2]
Mr. S Ranganathan	3[3]
Mr. P.N Venkatachalam	2[4]

[1] Mr. Aalok Gupta was inducted in the Committee w.e.f. 03-11-2022
[2] Mr. Phanindranath Kakarla was inducted in the Committee w.e.f. 24-01-2023
[3] Mr. S Ranganathan ceased to be a member of the Committee w.e.f. 24-01-2023
[4] Mr. P. N. Venkatachalam ceased to be a Director of the Company accordingly ceased to be a member of the Committee w.e.f. 16-09-2022

The Chief Risk Officer (CRO) along with the Chief Financial Officer are permanent invitees to the Committee.

The Committee also meets the CRO excluding the presence of the Executive Directors and Management on a quarterly basis, in terms of the RBI Circular No. RBI/2018-19/184 dated May 16, 2019.

Terms of Reference of the Committee is attached as Annexure VI.

6. **IT Strategy Committee**

   IT Strategy Committee is constituted in compliance with the applicable RBI guidelines. The Committee's composition and terms of reference are in compliance with the provisions of the RBI Guidelines.

   During FY 2022-23, the Committee met two times on June 9, 2022, and November 11, 2022.

   Terms of Reference of the Committee is attached as Annexure VI.

7. **Asset Liability Management Committee (ALCO)**

   The ALCO Committee is constituted in compliance with the applicable RBI guidelines. The Committee's composition and terms of reference are in compliance with the provisions of the RBI Guidelines.

   During FY 2022-23, the Committee met four times on May 18, 2022, August 8, 2022, November 17, 2022, and February 6, 2023.

   Terms of Reference of the Committee is attached as Annexure VI.

General body meetings - Details of past three Annual General Meetings (AGMs):

Year	Location	Date & Time	Special Resolutions passed
2019-20	Edelweiss House, off CST Road, Kalina, Mumbai - 400 098	15.10.2020 10:00 AM	Issue of Non-Convertible Debentures.
2020-21	Edelweiss House, off CST Road, Kalina, Mumbai - 400 098	24.09.2021 03:00 PM	– Issue of Non-Convertible Debentures; – Re-designating Mr. Deepak Mittal as Vice Chairman on the Board of the Company for remainder of his tenure; – Appointment of Mr. S. Ranganathan as Director and Managing Director of the Company.
2021-22	Edelweiss House, off CST Road, Kalina, Mumbai - 400 098	16.09.2022 04:00 PM	– Issue of Non-Convertible Debentures – Re-appointment of Mr. Biswamohan Mahapatra as an Independent Director of the Company for the second term – Appointment of Mr. Shiva Kumar as an Independent Director of the Company (First Term)

During 2022-23, the Company did not pass any resolution by postal ballot.

Means of Communication

Financial Results of the Company are posted on the Company's website https://eclfinance.edelweissfin.com/and are submitted to the Stock Exchanges on which the Company's debentures are listed, to enable them to host on their respective websites.

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

The financial results are generally published in at least two widely circulated dailies.

General Shareholders' Information

Annual General Meeting - Date, Time and Venue	Date: September 27, 2023 Time: 03.30 p.m. (IST) Venue: Edelweiss House, off CST Road, Kalina, Mumbai - 400 098.
Financial Year	April 1, 2022 – March 31, 2023
Dividend Payment Date	Not Applicable
Listing of Securities on Stock Exchanges and Stock Code	The International Securities Identification Number (ISIN) allotted to Company's shares under the Depository System - INE804I01010. The equity shares of the Company are not listed on any stock exchange. The Debentures of the Company are listed on the following Stock Exchanges: **BSE Limited (BSE)** P.J. Tower, Dalal Street, Mumbai - 400 001; and Scrip Code – 934951 **National Stock Exchange of India Limited** Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (E) Mumbai – 400 051. The Company has paid the listing fees to BSE & NSE for the Financial Year 2022-23. The Company has also paid annual custody fee for Financial Year 2022-23 to National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL).
Market Price Data and performance of share price in comparison to broad-based indices such as BSE sensex, CRISIL Index etc.	Not Applicable
Registrar and Share Transfer Agents.	**KFIN Technologies Limited** Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032. Tel: +91 40 6716 2222. Fax: ++040-23001153 Email: srinivassudheer.venkatapuram@kfintech.com. Website: www.kfintech.com Contact Person: Mr. Srinivas Sudheer Venkatapuram **Link Intime India Private Limited** C- 101, 1st Floor, 247 Park LBS Marg, Vikhroli (West), Mumbai 400083. Tel No.: +91 22 4918 6000. Fax No.: +91 22 4918 6060 Email: : bonds.helpdesk@linkintime.co.in. Website: www.linkintime.co.in Contact Person: Ms. Sayali Borchate
Share Transfer System, distribution of shareholding and dematerialisation of shares and liquidity	Equity Shares of the Company are not listed. All shares of the Company are in demat mode. Pursuant to Regulation 7 of the SEBI (LODR) Regulations, 2015, Compliance Certificate jointly signed by Compliance Officer and authorised representative of Registrar and Transfer Agent certifying compliance regarding maintenance of securities transfer facilities and Certificates for timely dematerialisation of the shares as per SEBI (Depositories and Participants) Regulations, 1996; have been submitted to stock exchanges within the stipulated time.

Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity.	As of March 31 2023, the Company does not have any outstanding stock options / Warrants / ADRs / GDRs. The Company has 10,39,49,680 Compulsory Convertible Debentures with face value of ₹ 100/- each outstanding as on March 31, 2023.
Commodity price risk or foreign exchange risk and hedging activities.	Not applicable
Plant locations.	The Company does not have any manufacturing or processing plants.
Address for correspondence.	The Registered Office of the Company is situated at Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kirol Road, Kurla (W), Mumbai – 400070. Stakeholders may write to the Company at the above address.

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad.

Rating Agency	Rating	Instruments	Date of revision (if any)	Revised Rating
Acuite	AA-/Negative	Perp-Debt	05-Aug-22	A+/Negative
Acuite	AA/Negative	LT-Retail NCD	05-Aug-22	AA-/Negative
BWR	AA-/Stable	LT-NCD	10-Oct-22	BWR AA-/ Negative (Reaffirmation and Change in outlook)
BWR	AA-/Stable	LT-Sub Debt	10-Oct-22	BWR AA-/ Negative (Reaffirmation and Change in outlook)
BWR	PP-MLD AA-/Stable	LT-PPMLD	10-Oct-22	BWR PP-MLD AA-/ Negative (Reaffirmation and Change in outlook)
BWR	A+/Stable	Perp-Debt	10-Oct-22	BWR A+/ Negative (Reaffirmation and Change in outlook)
CARE	A+/Stable	Bank line	06-Oct-22	CARE A+/Negative/ Reaffirmed; Outlook revised from Stable
CARE	A+/Stable	LT-Sub Debt	06-Oct-22	
CARE	PP-MLD A+/ Stable	LT-PPMLD	06-Oct-22	CARE A+/Negative/ Reaffirmed; Outlook revised from Stable
CARE	A1+	Commercial Paper	06-Oct-22	CARE PP-MLD A+; Negative Reaffirmed; Outlook revised from Stable
CARE	A1+	Commercial Paper (IPO)	06-Oct-22	Reaffirmed; No change
CRISIL	AA-/Negative	Bank line	03-Feb-23	Reaffirmed; No change
CRISIL	A+/Negative	Perp-Debt	03-Feb-23	Reaffirmed; No change
CRISIL	AA-/Negative	LT-Retail NCD	03-Feb-23	Reaffirmed; No change
CRISIL	AA-/Negative	LT-NCD	03-Feb-23	Reaffirmed; No change
CRISIL	AA-/Negative	LT-Sub Debt	03-Feb-23	Reaffirmed; No change
CRISIL	PPMLD AA-r/ Negative	LT-PPMLD	03-Feb-23	CRISIL PPMLD AA-/Negative (Migrated from 'CRISIL PPMLD AA-r/ Negative')
CRISIL	A1+	Commercial Paper	03-Feb-23	Reaffirmed; No change
CRISIL	A1+	Commercial Paper (IPO)	03-Feb-23	Reaffirmed; No change
ICRA	A+/Negative	Bank line	24-Jun-22	[ICRA]A+ (Stable) reaffirmed and outlook revised to Stable from Negative
ICRA	A+/Negative	LT-Retail NCD	24-Jun-22	[ICRA]A+ (Stable); reaffirmed and outlook revised to Stable from Negative
ICRA	PP-MLD A+/ Negative	LT-PPMLD	24-Jun-22	PP-MLD[ICRA]A+ (Stable); reaffirmed and outlook revised to Stable from Negative
ICRA	A+/Negative	LT-NCD	24-Jun-22	[ICRA]A+ (Stable); reaffirmed and outlook revised to Stable from Negative
ICRA	A+/Negative	LT-Sub Debt	24-Jun-22	[ICRA]A+ (Stable); reaffirmed and outlook revised to Stable from Negative

OTHER DISCLOSURES

- 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. Policy on dealing with Related Party Transactions is available on the website of the Company at https://eclfinance.edelweissfin.com/investor-relations.
- No material/adverse penalties, strictures was imposed on the Company by stock exchange(s) or the Securities & Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years.
- Details of the vigil mechanism and prevention of sexual harassment of Women at Workplace are provided in the Directors' Report.
- The Company does not have any subsidiary and accordingly policy for determining material subsidiaries is not applicable.
- During the year the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).
- M/s Alwyn Jay & Co., 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.
- M/s Chetan T Shah & Co. and M/s V.C Shah & Co. , the Joint Statutory Auditors of the Company, were paid a consolidated amount of ₹ 1.74 crores by the Company for all the services provided by them.
- 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.
- Apart from complying with all the mandatory requirements, the Company has also adopted Discretionary requirements specified under part E of Schedule II of SEBI (LODR) Regulations, 2015.
- 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, to extent applicable.
- The Company has obtained a certificate from M/s Alwyn Jay & Co., Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and paragraphs C, D and E of Schedule V of the SEBI (LODR) Regulations, 2015. A copy of the same is annexed along with this report as Annexure IIIA.

Code of Conduct for Directors and Senior Management

The Code of Conduct (Code) is applicable to all Directors and Senior Management of the Company. The Code is comprehensive and ensures good governance and provides for ethical standards of conduct on matters including conflict of interest, acceptance of positions of responsibility, treatment of business opportunities and the like. A copy of the Code can be found on https://eclfinance.edelweissfin.com/investor-relations/?Policies%20and%20Codes.

All the Board Members and Senior Management Personnel have affirmed compliance to the Code for the year ended March 31, 2023.

Code of Conduct to Regulate, Monitor and Report Trading by Insiders

With a view to prevent trading of securities of the Company by an Insider on the basis of Unpublished Price Sensitive Information, the Company has formulated Code for Prohibition of Insider Trading in Edelweiss Group Securities and Code for Prohibition of Insider Trading in Non-Edelweiss Group Securities. Further, pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has put in place a Policy on dealing with Unpublished Price Sensitive Information (UPSI). A copy of the said Policy can be found on the website of the Company on https://eclfinance.edelweissfin.com/?page_id=476.

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 Registrar and Transfer Agents (RTAs). Their address and contact details are mentioned under General Shareholders information as provided in the Report. Investors may also write to the Company Secretary as stated below:

The Company Secretary
ECL Finance Limited
Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City, Kirol Road, Kurla (W), Mumbai – 400070.
Tel: +91 22 42722200
E-mail:investorgrievances@eclf.com
Website: https://eclfinance.edelweissfin.com/

For and on behalf of the Board of Directors
ECL Finance Limited

Deepak Mittal
Vice Chairman
DIN: 00010337

Phanindranath Kakarla
Managing Director
DIN: 02076676

Date: May 19, 2023
Place: Mumbai

Annexure IIIA

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of **ECL FINANCE LIMITED,**

1. We have examined the compliances of the conditions of Corporate Governance by **ECL FINANCE LIMITED** ("the Company") for the financial year ended **31st March, 2023**, as prescribed in Regulations 17 to 27, clauses (a) to (i) of sub- regulation (1A) of regulation 62 and paras C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring 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.

3. In our opinion and to the best of our information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Mumbai
Date: 19th May, 2023

ALWYN JAY & Co.
Company Secretaries

Office Address:
Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai 400101.

[Alwyn D'Souza, FCS.5559]
[Partner]
[Certificate of Practice No.5137]
[UDIN : F005559E000339200]

Annexure IV
Secretarial Auditor's Report

FORM NO. MR.3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023
[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,
ECL FINANCE LIMITED,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ECL Finance Limited** (CIN - U65990MH2005PLC154854) (hereinafter called "the Company").

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliances to express our opinion thereon.

Based on our verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorised 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 **31st March, 2023** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and has required 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 **31st March, 2023**, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, **as applicable;**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), **as amended from time to time - As applicable to the Company with respect to its listed debentures:**

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – **Not Applicable to the Company;**

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- **Not Applicable to the Company;**

e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable to the Company;

f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable to the Company;**

g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company;**

h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

i) The Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018;

(vi) Other specific business/industry related laws applicable to the Company- The Company has complied with the Reserve Bank of India Act, 1934, Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016 and the other applicable general laws, rules, regulations and guidelines.

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

(a) the Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India; and

(b) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 **to the extent applicable to listed Non-Convertible Debentures.**

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

We further report that –

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

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

(c) The minutes of the Board meetings and Committee Meetings have not identified any dissent by members of the Board /Committee of the Board, respectively hence we have no reason to believe that the decisions by the Board were not approved by all the directors present. The Minutes of the Board Meetings and Committee Meetings were duly approved at the Meeting by the Chairman of the Meeting.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period, there were no specific events /actions have taken place that have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

Place: Mumbai
Date: 19th May, 2023

ALWYN JAY & Co.
Company Secretaries

Office Address:
Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai 400101.

[Alwyn D'Souza, FCS.5559]
[Partner]
[Certificate of Practice No.5137]
[UDIN : F005559E000339200]

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.

Annexure A

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
ECL FINANCE LIMITED,

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

1. The compliance of provisions of all laws, rules, regulations, standards applicable to ECL Finance Limited (hereinafter called 'the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further part of the verification was done on the basis of electronic data provided to us by the Company and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, we have obtained the management representation on the list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.

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.

Place: Mumbai
Date: 19th May, 2023

ALWYN JAY & Co.
Company Secretaries

Office Address:
Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai 400101.

[Alwyn D'Souza, FCS.5559]
[Partner]
[Certificate of Practice No.5137]
[UDIN : F005559E000339200]

ANNEXURE V

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 is as under:

Sr. No.	Disclosure Requirement	Disclosure Details		
1	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.	**Directors**	**Title**	**Ratio**
		Mr. Deepak Mittal	Vice Chairman (in Executive Capacity)	104.08
		Mr. S Ranganathan[1]	Managing Director	38.37
		Mr. Mehernosh Tata[2]	Executive Director	5.86
		Mr. Phanindranath Kakarla	Managing Director	49.21
		During FY 22-23, Independent Directors and other Non-Executives Directors were not paid any remuneration except payment of sitting fees, if applicable.		
2	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Directors/KMP's	Title	% Increase
		Mr. Deepak Mittal	Vice Chairman (in Executive Capacity)	-19.68%
		Mr. S Ranganathan	Managing Director	5.90%
		Mr. Phanindranath Kakarla[4]	Managing Director	NA
		Ms. Kashmira Mathew	Company Secretary	2.77%
		Mr. Mehernosh Tata[4]	Executive Director	NA
		Mr. Sandeep Agarwal[4]	Chief Financial Officer	NA
3.	Percentage increase in the median remuneration of employees in the financial year	24.78%		
4.	Number of permanent employees on the rolls of Company at the end of the year	As on March 31, 2023, 310 permanent employees were on the rolls of Company.		
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional Circumstances for increase in the managerial remuneration	The average increase in the remuneration for employees other than the managerial personnel is -2.2% and for managerial personnel -7.9%.		
6.	Affirmations that the remuneration is as per the remuneration policy of the Company	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.		

[1] Mr. S Ranganathan resigned as Managing Director of the Company wef January 31, 2023
[2] Mr. Mehernosh Tata had been appointed as an Executive Director wef February 1, 2023
[3] Mr. Phanindranath Kakarla was acting as Chief Financial Officer of the Company till January 31, 2023. Further he also acted as Deputy Managing Director from December 23, 2022, till January 31, 2023.
He was redesignated as Managing Director w.e.f. February 1, 2023
[4] Appointed during the year according % increase column is not comparable.

Annexure VI

Terms of reference of various committees

I. Audit Committee

1. Oversight of financial reporting process and disclosure of financial information of the Company to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for the appointment, removal, remuneration and terms of appointment of Statutory Auditors and Internal Auditors of the Company;

3. Approval of payment to Statutory Auditors for any other services rendered by them;

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 director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

   b. Changes, if any, in accounting policies and practices and reasons for the same;

   c. Major accounting entries involving estimates based on the exercise of judgment by management;

   d. Significant adjustments made in the financial statements arising out of audit findings;

   e. Compliance with listing and other legal requirements relating to financial statements;

   f. Disclosure of any related party transactions;

   g. Modified opinion (s) in the draft audit report;

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, private placement etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutional placement, and making appropriate recommendations to the board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with management, performance of Statutory and Internal Auditors and adequacy of the internal control systems;

13. Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with Internal Auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. 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;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. Reviewing the functioning of the whistle blower/vigil mechanism;

19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

21. Reviewing the utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the Subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

23. Review the Management discussion and analysis of financial condition and results of operations;

24. Review Management letters / letters of internal control weaknesses issued by the Statutory Auditors as well

as Internal Audit reports relating to internal control weaknesses;

25. Review the Statement of Deviations : Quarterly statement of deviation(s) including report of Monitoring Agency, if any, submitted to stock exchange(s) in terms of Regulation 32(1) and annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7);

26. To monitor fraud;

27. Consider and take on record the periodic statement/report of Related Party Transactions and grant omnibus approval for Related Party Transactions including any subsequent modifications from time to time;

28. Oversee implementation of regulatory policies including Anti Money Laundering and KYC (Know your Customer) Policies;

29. Ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the NBFCs;

30. Investigate into any matter in relation to the items specified in the relevant section of The Companies Act, 2013 or referred to it by the Board and for this purpose the Committee shall have full access to information contained in the records of the company and external professional advice, if necessary;

31. Review and approve such activities as may be stipulated under various statutes /laws/regulations including amendments thereof from time to time, to be performed by the Committee;

32. To do all such acts, things or deeds as may be necessary or incidental to give effect to the above;

33. To authorise any executives of the Company to sign and execute the documents \deeds\papers in connection with any of the aforesaid activities for and on behalf of the Company and to do all acts, deeds, matters and things, as may be necessary; and

34. Any other terms of reference as may be specified by the Board from time to time."

II. Stakeholders Relationship Committee

1. Consider and resolving the grievances of the security holders and customers, including complaints related to transfer/transmission of securities including review of cases for refusal of transfer/transmission of securities, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company;

5. Redressing of shareholders and investor complaints, transfer of Equity Shares and issue of duplicate/split/ consolidated share certificates, non-receipt of balance sheet, etc.;

6. Monitoring transfers, transmissions, dematerialisation, re-materialisation, splitting and consolidation of Equity Shares and other securities issued by the Company, including review of cases for refusal of transfer/ transmission of securities;

7. Reference to statutory and regulatory authorities regarding investor grievances and customer complaints;

8. Ensure proper and timely attendance and redressal of investor queries and grievances and customer complaints;

9. To do all such acts, things or deeds as may be necessary or incidental to give effect to the above; and

10. To review and approve such activities as may be stipulated under various statutes /laws/regulations including amendments thereof from time to time, to be performed by the Committee."

III. Corporate Social Responsibility Committee

1. Formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy, which shall include the following, namely:-

   a. The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

   b. The manner of execution of such projects or programmes;

   c. The modalities of utilisation of funds and implementation schedules for the projects or programmes;

   d. Monitoring and reporting mechanism for the projects or programmes; and

   e. Details of need and impact assessment, if any, for the projects undertaken by the Company.

2. Recommend to the Board, alteration of such plan at any time during the financial year, based on the reasonable justification to that effect;

3. Recommend the amount of expenditure to be incurred on the CSR activities;

4. Monitor the CSR Policy of the Company from time to time;

5. Review and approve such activities as may be stipulated under various statutes /laws/regulations including amendments thereof from time to time, to be performed by the Committee;

6. To do all such acts, things or deeds as may be necessary or incidental to give effect to the above; and

7. To authorise any executives of the Company to sign and execute the any documents \deeds\papers in connection with any of the aforesaid activities for and on behalf of the Company and to do all acts, deeds, matters and things, as may be necessary.

IV. Nomination and Remuneration Committee

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;

2. Annually review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;

3. Formulation of criteria for evaluation of performance of independent directors and the Board of Directors and whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent director;

4. Specify manner for effective evaluation of performance of the Board, its Committees and individual Directors and review its implementation and Compliance;

5. Identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, explore their interest and availability for board / senior management service, recommend to the Board their appointment and removal as and when need arise;

6. To ensure 'fit and proper' status and credentials of proposed /existing Directors;

7. Formulate the criteria for determining the qualifications, positive attributes etc. and independence of a Director;

8. To evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director

9. Annually review and recommend the salary, bonus, equity option plan other compensation to the Key Employees (as defined in Shareholders Agreement dated March 5, 2019 executed by and amongst the Company, its Members and CDPQ Private Equity Asia Pte. Ltd.), as well as the quantitative and qualitative objectives for the relevant Financial Year and the Key Performance Indicators (KPI) structure associated with the award of any incentives;

10. Make recommendations to the Board regarding:

    a. Policy relating to the remuneration for the Directors, Key Employees and other employees; and

    b. Plans for succession for both executive and non-executive Directors, Key Employees as well as Senior Management

11. Review the performance of Key Employees in case of significant underperformance by the Company w.r.t. expected profitability, net worth, quality of assets, etc. and review the reasons for such under performance and evaluate the performance of Key Employees. The Committee shall recommend to the Board to take appropriate steps including revision of the remuneration / compensation of the relevant Key Employee or any other action as it may deem fit.

12. The Committee shall report to the Board on its proceedings after each meeting on all matters within its responsibilities.

13. The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference

14. Recommend to the board, all remuneration, in whatever form, payable to senior management.

15. To review and approve such activities as may be stipulated under various statutes /laws/regulations including amendments thereof from time to time, to be performed by the Committee; and

16. Such other functions as may be prescribed from time to time.

V. Risk Management Committee

1. Identifying, measuring and monitoring the various risks faced by the Company;

2. To formulate a detailed risk management policy which shall include:

    a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the Committee;

    b. Measure for risk mitigation including systems and processes for internal control of identified risks.

    c. Business continuity plan.

3. To ensure that appropriate methodology, processes and systems are in place to identify, monitor and evaluate risks associated with the business of the Company including Stress testing in coordination with business departments;

4. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

5. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

6. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

7. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

8. Mitigating various risks associated with functioning of the Company through Integrated Risk Management Systems, Strategies and Mechanisms;

9. To deal with issues relating to credit policies and procedure and manage the credit risk, operational risk, management of policies and process;

10. To assist in developing the Policies and verifying the Models that are used for risk measurement to have oversight over implementation of risk and related policies;

11. Promoting an enterprise risk management competence throughout the organisation, including facilitating development of IT-related enterprise risk management expertise;

12. Establishing a common risk management language that includes measures around likelihood and impact and risk categories;

13. To evaluate the effectiveness in the made in placing a progressive risk management system and strategy followed by the Company;

14. To evaluate the overall risks faced by the Company, including liquidity risk, and report to the Board;

15. Evaluating the risks and materiality of all existing and prospective outsourcing activities;

16. To provide update on the non-cooperative borrowers (if any);

17. Review and approve risk management framework and related policies to ensure that all material risks are appropriately identified, measured, monitored and controlled and are commensurate with the Company's size, nature and complexities;

18. Ensure that the Company maintains adequate capital commensurate with its risk profile;

19. Supervision and review of Implementation of ICAAP;

20. To ensure that updates of all ICAAP working group will be presented to RMC; and

21. Any other matters as delegated by the Board."

VI. Asset Liability Management Committee

1. Review and monitoring of macro-economic scenario, impact of industry and regulatory changes monitoring the asset liability gap and if necessary, arrange for advising RMC suitably.

2. Strategising action to mitigate liquidity and other risks associated with the asset liability gap. Review and suggest corrective actions on liquidity mismatches, negative gaps and interest rate sensitivities. Formulate a contingency funding plan (CFP) for responding to severe disruptions and develop alternate strategies as deemed appropriate, which take into account changes in:

   a. Interest rate levels and trends

   b. Loan products and related markets

   c. Monetary and fiscal policy

3. Articulating and monitoring liquidity risk tolerance that is appropriate for its business strategy and its role in the financial system, and verifying adherence to various risk parameters and prudential limits;

4. Implementation of liquidity risk management strategy of the Company and reviewing the risk monitoring system;

5. Decide the strategy on the source, tenor and mix of assets and liabilities, in line with its business plans, taking into account the future direction of interest rates. Establish a funding strategy that provides effective diversification in the sources and tenor of funding;

6. Provide guidance to business/treasury to review interest rate environment, on various components of the Interest Rate model, product pricing for advances, prevailing interest rates offered by peer NBFCs / HFC's / Banks for similar services / products etc, approve any changes in the interest rate charged to existing and new customers as per the interest rate model policy and reset frequencies basis overall assessment of the liquidity and interest rate risk;

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

8. Endeavour to develop a process to quantify the liquidity costs, benefits and risk in the internal product pricing;

9. Review behavioural assumptions and validate models for study of assets and liabilities in preparation of Liquidity and Interest Rate Sensitivity Statements and ALM analysis;

10. Review stress test scenarios including the assumptions and results;

11. Analyse and deliberate at meetings, issues involving interest rate and liquidity risk;

12. Review the results of and progress in implementation of the decisions made in the previous meetings. Report the minutes of its meeting to the Board of Directors on quarterly basis;

13. Formulates and monitors ALM policy/guidelines for the Company and report any breach to RMC along with its views and comments action to be taken regarding the same;

14. In respect of liquidity risk oversight would include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company;

15. Should ensure that an independent party regularly reviews and evaluates the various components of the Company liquidity risk management process; and
16. Any other matters as delegated by the Board/ under ICAAP policy."

VII. IT Strategy Committee

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

2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;

3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;

5. Ensuring proper balance of IT investments for sustaining Nido Home Finance Ltd. (Formerly known as EHFL) growth and becoming aware about exposure towards IT risks and controls;

6. The Role of IT Strategy committee in respect of outsourced operations;

   a. Instituting an appropriate governance mechanism for outsourced processes, comprising of risk-based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner;

   b. Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;

   c. Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements;

   d. Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements;

   e. Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by the Board;

   f. Periodically reviewing the effectiveness of policies and procedures;

   g. Communicating significant risks in outsourcing to the Board on a periodic basis;

   h. Ensuring an independent review and audit in accordance with approved policies and procedures;

   i. Ensuring that contingency plans have been developed and tested adequately; and

   j. Ensuring business continuity preparedness is not adversely compromised because of outsourcing.

7. Review the functioning of the IT Steering Committee; and

8. The committee should appraise/report to the Board periodically and report on particular matters to the Audit Committee or Risk Committee, as required.

Financials

Much like the grace and power of the leading horse in a race, our financial journey embodies strategic momentum. With every surge forward, we mirror purposeful movement, propelling towards our objectives. Guided by strategic dexterity, we navigate the dynamic financial landscape, steering through twists and turns with finesse. Just as the lead horse sets the pace, our financial prowess sets the rhythm for sustained triumph, reflecting the artful balance of strategic precision and unwavering determination.


Pivoting is not the end of the disruption process, but the beginning of the next leg of your journey.
- Jay Samit
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Independent Auditor's Report

To The Members of ECL Finance Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of **ECL FINANCE LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules made 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report and describe the process how our audit addressed the matter.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibility described in the Auditors' responsibility for the audit of the Ind AS Financial Statements section of our report including in relation of this matter. Accordingly, our audit included the performance of procedures, design to respond to our assessment of the risk of material misstatement of the Ind AS Financial Statements. The result of our audit procedure including the procedures performed the matter to addressed below, provide the bases of our audit opinion on the accompanying financial statement.

i) **Impairment of financial assets** (expected credit losses)

Key Audit Matter	How the matter was addressed in our audit
The Company has recorded an impairment loss allowance of Rs. 3549.48 million as at 31 March 2023 and has reversed a charge of Rs. 187.52 million for the year ended 31 March 2023 in its statement of profit and loss. Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (ECL) model. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the	Our key audit procedures included: – Performed walkthroughs to identify the key systems, applications and controls used in the impairment loss allowance processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in the impairment loss allowance process on sample basis. – Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models and identification of Significant Increase in Credit Risk ('SICR') and staging of the assets.

Company's estimation of ECLs are:

Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.

Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Exposures at Default ("EAD"), Probabilities of Default ("PD") and Loss Given Default ("LGD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered one of the most significant judgmental aspects of the Company's modelling approach.

Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them.

Qualitative adjustments – Adjustments to the model-driven ECL results as overlays are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts.

The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the financial statements, we have considered this as a key audit matter.

- Testing assumption used by the management in determining the overlay for macro-economic factors.

- Tested the arithmetic accuracy of computation of ECL provisions performed by the company in spreadsheets.

- Assessed the disclosures made in relation to the ECL allowance to confirm compliance with the Ind AS provisions.

- Read the report on ECL model reviewed by external consultant during the year.

ii. IT Systems and Controls

Key Audit Matter

The reliability and security of IT systems play a key role in the business operations and financial accounting and reporting process of the Company. Since large volumes of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.

Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.

How the matter was addressed in our audit

We performed the following procedures for testing IT general controls and for assessing the reliability of electronic data processing, assisted by specialised IT auditors:

- The aspects covered in the IT General Control audit were (i) User Access Management (ii) Program Change Management (iii) Other related ITGCs – to understand the design and to test the operating effectiveness of such controls;
- Assessed the changes that were made to the key systems during the audit period and accessing the changes that have impact on financial reporting;
- Tested the periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorisation.
- Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system.
- Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

Information Other than the Ind AS 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 Board's Report but does not include the Ind AS Financial Statements and our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, the Board of Directors 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 the Board of Directors 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 Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Ind AS Financial Statements of the current period 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 section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit 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 Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) In our opinion and according to the information and explanation given to us, during the current year, the managerial remuneration paid by the Company to its Directors is in accordance with the provisions of Section 197 read with Schedule V of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its Financial position in its Ind AS Financial Statements – Refer note no :44 of the Ind AS 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 no :55.C of the Ind AS Financial Statements.

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

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on the audit procedures 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared and paid any dividend during the year which requires any compliance with respect to section 123 of the Act.

For Chetan T. Shah & Co.
Chartered Accountants
ICAI Firm Registration Number: 116652W

Chetan T. Shah
Partner
Membership No.: 101828
UDIN: 23101828BGYBPH8628
Mumbai, May 19, 2023

For V. C. Shah & Co.
Chartered Accountants
ICAI Firm Registration Number: 109818W

Viral J. Shah
Partner
Membership No.: 110120
UDIN: 23110120BGXNIO6808
Mumbai, May 19, 2023

Annexure - A to the Independent Auditors' Report of even date on Ind AS financial statements of ECL Finance Limited

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) All Property, Plant and Equipment have not been physically verified by the management during the year, but there is a regular programme of verification in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

(c) Based on the information provided to us the title deed of all the immovable properties disclosed in the financial statements are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets during the year. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.

(e) As represented by the Management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of paragraph 3 of the Order is not applicable.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. Quarterly return & statement filed by the Company with such banks or financial institutions are materially in agreement with the books of account of the company.

iii. (a) The Company being a registered Non-Banking Financial Institution, the provisions of Clause 3(iii) (a) & (e) of the Order are not applicable to the company.

(b) In our opinion and according to information and explanations given to us, the terms and conditions of investments, guarantee, security and loans granted during the year are not prejudicial to the interest of the Company.

(c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause) in this report, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification / staging of loans in note 14.B a to the Ind AS financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2023 and the details of the number of such cases, are disclosed in note 14.B a to the Ind AS financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

(e) In our opinion and according to information and explanations given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, the provisions of Clause (iii)(f) of paragraph 3 of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanation given to us there are no loans, investment, guarantee and security given in respect of which provision of section 185 and 186 of the Act are applicable and hence not commented upon.

v. According to information and explanations given to us, the Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules 2014 (as amended). Accordingly, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of paragraph 3 of the Order is not applicable to the Company.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which it relates	Amount under dispute (₹ in Mn.)	Amount paid* (₹ in Mn.)
Income tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2013-14	80.59	39.99
Income tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2014-15	123.09	29.17
Income tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2015-16	174.73	18.71
Income tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2016-17	5.61	1.12
Income tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2017-18	109.36	-
Income tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2018-19	704.25	149.30
CGST/SGCT Act, 2017	Goods and Service Tax	Appellate Authority	2018-19	0.55	-

*Amount paid also include Refund adjusted.

viii. According to information and explanations given to us, the Company has not surrendered or disclosed any unrecorded transaction as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, the provisions of Clause (viii) of paragraph 3 of the Order are not applicable to the Company.

ix. (a) The Company has taken loans and other borrowings from lenders. As per the information and explanation given and represented by the management, we report that there is no material default in case of any repayment of loans and borrowing.

(b) The Company has not been declared willful defaulter by any bank or financial institution or any other lender.

(c) Term loans were applied for the purpose for which the loans were obtained except term loans were raised at the fag-end of the year, the funds were temporarily kept under cash & bank balances.

(d) On an overall examination of the Ind AS Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) Based on the information received and as represented by the management, the Company does not have any subsidiary, associates or joint venture. Hence, the provisions of Clause (ix)(e) and (f) of paragraph 3 of the Order are not applicable to the Company.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause(x)(b) of paragraph 3 of the Order is not applicable.

xi. (a) According to information and explanation provided to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the year. Accordingly, the provisions of Clause (xi)(a) of paragraph 3 of the Order are not applicable to the Company.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the provisions of Clause (xi)(b) of paragraph 3 of the Order are not applicable to the Company.

(c) As represented by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and hence, reporting under clause (xii) of paragraph 3 of the Order is not applicable.

xiii. According to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not commented upon.

xvi. a) The Company is registered with the Reserve Bank of India ('RBI') as a Systematically Important Non-Deposit Taking Non-Banking Financial Company (NBFC-ND-SI) and has obtained the certificate of registration under section 45 IA of the Reserve Bank of India Act, 1934(2 of 1934). Since the registration is obtained as NBFC-ND-SI provisions of Clause (xvi)(b) and (xvi)(c) of paragraph 3 of the Order are not applicable to the company.

(b) According to the information and explanations given to us, the Company has only one Core Investment Company (CIC) in the group.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses aggregating to ₹ 1967.74 million during the current financial year and an amount of ₹ 3,748.60 million in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Ind AS 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 towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Hence, reporting under clause (xx)(a) of paragraph 3 of the Order is not applicable for the year to the Company.

(b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on any ongoing projects requiring a transfer to a special account in compliance with sub-section (6) of Section 135 of the said Act. Hence, reporting under clause (xx)(b) of paragraph 3 of the Order is not applicable for the year to the Company.

For Chetan T. Shah & Co.
Chartered Accountants
ICAI Firm Registration Number: 116652W

Chetan T. Shah
Partner
Membership No.: 101828
UDIN: 23101828BGYBPH8628
Mumbai, May 19, 2023

For V. C. Shah & Co.
Chartered Accountants
ICAI Firm Registration Number: 109818W

Viral J. Shah
Partner
Membership No.: 110120
UDIN: 23110120BGXNIO6808
Mumbai, May 19, 2023

Annexure - B to the Independent Auditors' Report of even date on Ind AS financial statements of ECL Finance 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 over financial reporting of **ECL FINANCE LIMITED** (the "Company") as on March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting 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 ICAI.

Management's Responsibility for Internal Financial Controls

The Management of the Company 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 (the "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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountant of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Ind AS 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

For Chetan T. Shah & Co.
Chartered Accountants
ICAI Firm Registration Number: 116652W

Chetan T. Shah
Partner
Membership No.: 101828
UDIN: 23101828BGYBPH8628
Mumbai, May 19, 2023

For V. C. Shah & Co.
Chartered Accountants
ICAI Firm Registration Number: 109818W

Viral J. Shah
Partner
Membership No.: 110120
UDIN: 23110120BGXNIO6808
Mumbai, May 19, 2023

ECL Finance Limited

Balance Sheet as at March 31, 2023

(Currency: Indian rupees in million)

		Note	As at March 31, 2023	As at March 31, 2022
I.	**Assets**			
(1)	**Financial assets**			
	(a) Cash and cash equivalents	9	8,757.21	1,501.76
	(b) Bank balances other than cash and cash equivalents	10	555.71	736.58
	(c) Derivative financial instruments	11	50.21	148.48
	(d) Securities held for trading	12	26,069.71	10,184.48
	(e) Receivables			
	(i) Trade receivables	13	2,313.01	913.99
	(f) Loans	14	35,095.61	53,173.34
	(g) Other investments	15	44,703.48	62,229.74
	(h) Other financial assets	16	17,925.21	781.20
			1,35,470.15	**1,29,669.57**
(2)	**Non-financial assets**			
	(a) Current tax assets (net)	17	3,293.13	4,515.83
	(b) Deferred tax assets (net)	18	5,875.54	6,107.58
	(c) Investment property	19	249.25	1,162.00
	(d) Property, plant and equipment	20	950.73	931.95
	(e) Intangible assets under development	20A	16.72	-
	(f) Other intangible assets	20	11.57	1.57
	(g) Other non- financial assets	21	571.05	1,007.51
			10,967.99	**13,726.44**
	Total assets		**1,46,438.14**	**1,43,396.01**
II.	**Liabilities and equity**			
(1)	**Financial liabilities**			
	(a) Derivative financial instruments	11	165.89	618.60
	(b) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	1.87
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	22	6,731.50	5,644.95
	(c) Debt securities	23	49,976.02	55,135.92
	(d) Borrowings (other than debt securities)	24	37,370.37	39,016.30
	(e) Subordinated liabilities	25	13,335.64	15,399.31
	(f) Other financial liabilities	26	11,936.42	1,758.69
			1,19,515.84	**1,17,575.64**

Balance Sheet *(Continued)*

		Note	As at March 31, 2023	As at March 31, 2022
(2)	**Non-financial liabilities**			
	(a) Current tax liabilities (net)	27	-	-
	(b) Provisions	28	9.40	11.05
	(c) Other non-financial liabilities	29	196.89	214.78
			206.29	**225.83**
(3)	**Equity**			
	(a) Equity share capital	30	2,138.27	2,138.27
	(b) Other equity	31	24,577.74	23,456.27
			26,716.01	**25,594.54**
	Total liabilities and equity		**1,46,438.14**	**1,43,396.01**
			-	-

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

As per our report of even date attached.

For Chetan T. Shah & Co.
Chartered Accountants
ICAI Firms Registration
Number: 116652W

Chetan T. Shah
Partner
Membership No: 101828
Mumbai May 19, 2023

For V. C. Shah & Co.
Chartered Accountants
ICAI Firms Registration
Number: 109818W

Viral J. Shah
Partner
Membership No: 110120
Mumbai May 19, 2023

For and on behalf of the Board of Directors

Deepak Mittal
Vice Chairman
DIN : 00010337

Phanindranath Kakarla
Managing Director
DIN: 02076676

Sandeep Agarwal
Chief Financial Officer
Mumbai May 19, 2023

Kashmira Mathew
Company Secretary
Membership No: ACS-11833

ECL Finance Limited

Statement of Profit and Loss for the year ended March 31, 2023

(Currency: Indian rupees in million)

		Note	For the year ended March 31, 2023	For the year ended March 31, 2022
I.	**Revenue from operations**			
	Interest income	32	10,163.70	12,119.50
	Dividend income	33	-	5.67
	Fee and commission income	34	835.80	704.36
	Net profit/(loss) on fair value changes	35	4,052.68	3,604.20
II.	**Other income**	36	969.78	173.96
III.	**Total Revenue**		**16,021.96**	**16,607.69**
IV.	**Expenses**			
	Finance costs	37	10,185.88	14,027.99
	Net loss on derecognition of financial instruments	38	1,985.58	713.30
	Impairment on financial instruments	39	(119.65)	(1,187.54)
	Employee benefits expense	40	782.05	896.45
	Depreciation, amortisation and impairment	19 & 20	102.92	136.46
	Other expenses	41	1,741.91	1,495.28
	Total expenses		**14,678.69**	**16,081.94**
V.	**Profit/(Loss) before tax**		1,343.27	525.75
VI.	**Tax expenses**			
	Current tax [net of excess provision of earlier years(s) of Rs. 11.67 million (Previous year : 78.28 million)]	**42**	**-**	**-**
	Deferred tax (credit)		234.86	(267.78)
VII.	**Profit/(Loss) for the year**		**1,108.41**	**793.53**
	Other comprehensive income			
	(a) Items that will not be reclassified to profit or loss			
	Remeasurement loss on defined benefit plans (OCI)		(11.17)	(35.96)
	Deferred tax (charge) / benefit - OCI		2.81	9.05
	Total		**(8.36)**	**(26.91)**

Profit and Loss *(Continued)*

	Note		
(b) Items that will be reclassified to profit or loss			
Revaluation of buildings		-	(70.72)
Deferred tax (charge) / benefit - OCI		-	17.80
Total		**-**	**(52.92)**
Other comprehensive income		**(8.36)**	**(79.83)**
Total comprehensive income		**1,100.05**	**713.70**
Earnings per equity share	43		
(Face value of ₹ 1 each):			
Basic (INR)		**0.52**	**0.37**
Diluted (INR)		0.41	0.29

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

As per our report of even date attached.

For Chetan T. Shah & Co.
Chartered Accountants
ICAI Firms Registration
Number: 116652W

Chetan T. Shah
Partner
Membership No: 101828
Mumbai May 19, 2023

For V. C. Shah & Co.
Chartered Accountants
ICAI Firms Registration
Number: 109818W

Viral J. Shah
Partner
Membership No: 110120
Mumbai May 19, 2023

For and on behalf of the Board of Directors

Deepak Mittal
Vice Chairman
DIN : 00010337

Phanindranath Kakarla
Managing Director
DIN: 02076676

Sandeep Agarwal
Chief Financial Officer
Mumbai May 19, 2023

Kashmira Mathew
Company Secretary
Membership No: ACS-11833

ECL Finance Limited

Statement of Cash flows for the year ended March 31, 2023

(Currency: Indian rupees in million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
A.	**Operating activities**		
	Profit/(Loss) before tax	1,343.27	525.75
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and amortisation	102.92	136.46
	Impairment of financial assets (net)	(119.64)	(1,398.00)
	Loss/(Profit) on termination of lease	4.55	0.77
	Fair value of financial instruments (net)	(3,191.55)	(2,850.62)
	Expense on employee stock option scheme (ESOP)	17.68	7.63
	(Profit)/Loss on sale of of property, plant and equipment	(2.78)	17.46
	Interest on lease liabilities	14.26	5.80
	Interest on Income tax refund	(19.22)	-
	Profit on sale of investment property	(739.73)	-
	Operating cash flow before working capital changes:	**(2,590.24)**	**(3,554.75)**
	Adjustment for:		
	(Increase) / Decrease in loans	17,889.77	29,291.07
	(Increase) / decrease in trade receivables	(1,407.86)	1,499.97
	(Increase) / decrease in securities held for trading	(15,879.49)	317.06
	(Increase) / decrease in other investments	17,503.91	(3,689.95)
	(Increase) / decrease in other financial assets	(16,868.56)	8,154.92
	(Increase) / decrease in other non financial assets	382.62	356.05
	(Decrease) / Increase in trade payables	1,157.86	4,927.44
	(Decrease) / Increase in other financial liability	10,284.81	(1,463.21)
	(Decrease)/ Increase in non financial liabilities and provisions	(19.54)	22.00
		10,453.28	35,860.60
	Income taxes (net) - refund / (paid)	1,261.13	(1,265.21)
	Net cash generated from operating activities -A	**11,714.41**	**34,595.39**

Cash Flows *(Continued)*

B.	**Investing activities**		
	Purchase of property, plant and equipment and intangible assets	(36.07)	(42.26)
	Proceeds from sale of Investment Property	1,900.80	-
	Decrease/(Increase) in capital work-in-progress and intangibles under development	(16.72)	-
	Proceeds from sale of property, plant and equipment and intangible assets	4.37	10.09
	Net cash generated from/ (used) in investing activities -B	**1,852.38**	**(32.17)**
C.	**Cash flow from financing activities**		
	(Decrease) in debt securities (Refer note 1)	(3,000.82)	(15,433.99)
	(Decrease) in borrowings other than debt securities (Refer note 1)	(1,502.02)	(35,098.30)
	(Decrease) in subordinate debt (Refer note 1)	(1,755.40)	(81.92)
	Repayment of lease obligations	(53.10)	(34.41)
	Net cash (used) in financing activities - C	**(6,311.34)**	**(50,648.62)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**7,255.45**	**(16,085.40)**
	Cash and cash equivalent as at the beginning of the year	1,501.76	17,587.16
	Cash and cash equivalent as at the end of the year	8,757.21	1,501.76
	Operational cash flows from interest and dividends		
	Interest paid	10,944.88	14,562.05
	Interest received	11,372.74	13,937.05
	Dividend received	-	5.67

Notes:
1. 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
2. Cash flow statement has been prepared under indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013
3. For disclosure relating to changes in liabilities arising from financing activities refer note 47

As per our report of even date attached.

For Chetan T. Shah & Co.
Chartered Accountants
ICAI Firms Registration
Number: 116652W

Chetan T. Shah
Partner
Membership No: 101828
Mumbai May 19, 2023

For V. C. Shah & Co.
Chartered Accountants
ICAI Firms Registration
Number: 109818W

Viral J. Shah
Partner
Membership No: 110120
Mumbai May 19, 2023

For and on behalf of the Board of Directors

Deepak Mittal
Vice Chairman
DIN : 00010337

Phanindranath Kakarla
Managing Director
DIN: 02076676

Sandeep Agarwal
Chief Financial Officer
Mumbai May 19, 2023

Kashmira Mathew
Company Secretary
Membership No: ACS-11833

ECL Finance Limited

Statement of Changes in Equity for the year ended March 31, 2023

(Currency: Indian rupees in million)

A. Equity share capital

Particulars	Outstanding as on March 31, 2023	Outstanding as on March 31, 2022
Balance at the beginning of the year	2,138.27	2,138.27
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting year	-	-
"Changes in equity share capital during the current year"	-	-
Balance at the end of the year	2,138.27	2,138.27

(Equity shares of Re.1 each, fully paid-up)

B. Other Equity

Particular	Securities premium	Retained earnings	Statutory reserve	Debenture redemption reserve	Deemed capital contribution-equity	Revaluation Reserve	Total attributable to equity holders
Balance as at 1st April 2021	**11,879.96**	**2,476.29**	**5,028.78**	**2,736.39**	**140.02**	**423.59**	**22,685.03**
Profit for the year	-	793.53	-	-	-	-	793.53
Other comprehensive income	-	(26.91)	-	-	-	(52.92)	(79.83)
Transfer from revaluation reserve	-	33.84	-	-	-	(33.84)	-
Transfer to statutory reserve	-	(158.71)	158.71	-	-	-	-
Transfer from debenture redemption reserve	-	1,728.96	-	(1,728.96)	-	-	-
Total comprehensive income	**11,879.96**	**4,847.00**	**5,187.49**	**1,007.43**	**140.02**	**336.83**	**23,398.73**
ESOP Charge	-	57.54	-	-	-	-	57.54

Changes in Equity *(Continued)*

Balance as at March 31, 2022	**11,879.96**	**4,904.54**	**5,187.49**	**1,007.43**	**140.02**	**336.83**	**23,456.27**
Profit for the year	-	1,108.41	-	-	-	-	1,108.41
Other comprehensive income	-	(8.36)	-	-	-	-	(8.36)
Transfer from revaluation reserve	-	30.29	-	-	-	(30.29)	-
Transfer to statutory reserve	-	(221.70)	221.70	-	-	-	-
Transfer from debenture redemption reserve	-	232.59	-	(232.59)	-	-	-
Total comprehensive income	**11,879.96**	**6,045.77**	**5,409.19**	**774.84**	**140.02**	**306.54**	**24,556.32**
ESOP Charge	-	21.42	-	-	-	-	21.42
Balance as at March 31, 2023	**11,879.96**	**6,067.19**	**5,409.19**	**774.84**	**140.02**	**306.54**	**24,577.74**

As per our report of even date attached.

For Chetan T. Shah & Co.
Chartered Accountants
ICAI Firms Registration
Number: 116652W

Chetan T. Shah
Partner
Membership No: 101828
Mumbai May 19, 2023

For V. C. Shah & Co.
Chartered Accountants
ICAI Firms Registration
Number: 109818W

Viral J. Shah
Partner
Membership No: 110120
Mumbai May 19, 2023

For and on behalf of the Board of Directors

Deepak Mittal
Vice Chairman
DIN : 00010337

Phanindranath Kakarla
Managing Director
DIN: 02076676

Sandeep Agarwal
Chief Financial Officer
Mumbai May 19, 2023

Kashmira Mathew
Company Secretary
Membership No: ACS-11833

ECL Finance Limited

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

1. **Corporate information:**

ECL Finance Limited ('the Company') a public limited company domiciled and incorporated under the provisions of the Companies Act applicable in India is subsidiary of Edelweiss Financial services Limited. The Company was incorporated on July 18, 2005 and is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).

The Company's primary business is advancing loans and financing. The Company focuses on credit business, a mix of diversified and scalable verticals like retail credit, corporate credit and distressed credit. It offers home finance, retail construction finance, loan against property, SME finance agri & rural finance and loan against securities under retail credit and structured collateralised credits to corporates, real estate finance to developers under corporate credit.

2. **Basis of preparation:**

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

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

3. 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 (non–current) is presented in "Note 48-Maturity Analysis of assets and liabilities".

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

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

Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) 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.

4. **Significant accounting policies**

4.1 **Recognition of revenue:**

4.1.1 **Effective interest rate (EIR):**

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

The EIR is calculated by considering any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial asset. 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.

4.1.2 **Interest income:**

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

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

4.1.3 **Dividend income:**

The Company recognised Dividend income when the Company's right to receive the payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

4.1.4 **Revenue from contracts with customers:**

Revenue is measured at transaction price i.e. the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Company consider the terms of the contracts and its customary business practices to determine the transaction price. Where the consideration promised is variable, the Company excludes the estimates of variable consideration that are constrained.

The Company recognises fee income including advisory and syndication fees at a point in time in accordance with the terms and contracts entered between the Company and the counterparty.

4.2 **Financial instruments:**

4.2.1 **Date of recognition:**

Financial Assets and liabilities with exception of loans and borrowings are initially recognised on the trade date, i.e. the date 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 marketplace. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.

4.2.2 **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.

4.2.3 **Day 1 profit and loss:**

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

4.2.4 **Classification & measurement categories of financial assets and liabilities:**

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

Financial assets carried at amortised cost (AC)

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

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

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

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

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

4.3 Financial assets and liabilities:

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

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.

4.3.2 Financial assets held for trading:

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

4.3.3 Investment in equity instruments:

The Company 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 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

4.3.4 Financial liabilities:

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

4.3.5 Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, market risk and foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss.

4.3.6 Debt securities and other borrowed funds:

The Company measures debt issued and other borrowed funds at Amortised cost at each reporting date. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

The Company 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.

4.3.7 Financial assets and financial liabilities at fair value through profit or loss:

Financial assets and financial liabilities in this category are those that are 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 contractual interest rate.

4.3.8 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.

4.3.9 Loan commitments:

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

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

4.4 Reclassification of financial assets and liabilities

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

4.5 Derecognition of financial Instruments:

4.5.1 Derecognition of financial asset

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

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

- The Company has transferred the rights to receive cash flows from the financial asset or

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

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

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset 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.

The Company also derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial assets are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCI.

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.

4.5.2 Derecognition of financial liabilities

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

4.6 Impairment of financial assets:

The Company records provisions based on expected credit loss model (“ECL”) on all loans, other debt financial assets measured at amortised cost together with undrawn loan commitment, in this section all referred to as “Financial instrument”. Equity instruments are not subject to impairment.

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

Simplified approach

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

General approach

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

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

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

Company categories its financial assets as follows:

Stage 1 assets:

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

Stage 2 assets:

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

Stage 3 assets:

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

The ongoing assessment of whether a significant increase in credit risk has occurred for working capital facilities is similar to other lending products. The interest rate used to discount the ECLs for working capital facilities is based on the average effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

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

The expected credit losses on the loan commitment have been recognised together with the loss allowance for the financial asset.

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

4.7 Collateral valuation:

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

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers or based on housing price indices.

4.8 Collateral repossessed:

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

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

4.9 Write-offs:

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

4.10 Forborne and modified loan:

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

4.11 Determination of fair value:

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

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

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

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

Level 1 financial instruments:

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

Level 2 financial instruments:

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

Level 3 financial instruments:

Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing 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 Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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

4.12 Leases:

Company as a lessee:

The Company has applied Ind AS 116 using the partial retrospective approach.

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

Right of use assets:

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

Lease liabilities

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

Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight-line basis over lease term.

Company as lessor:

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

4.13 Earnings per share:

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

4.14 Foreign currency transaction:

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

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

4.15 Retirement and other employee benefit:

4.15.1 Provident fund and national pension scheme:

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

4.15.2 Gratuity:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

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

4.15.3 Compensated absences:

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

4.15.4 Deferred bonus:

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

4.15.5 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.

4.16 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 amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs are included in the asset's carrying amount orrecognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised in profit or loss during the reporting period, in which they are incurred.

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

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

Nature of assets	Estimated useful lives
Building (other than Factory Building)	60 years
Plant and Equipment	15 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

4.17 Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangibles such as software are amortised over a period of 3 - 5 years based on it's estimated useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in profit or loss when the asset is derecognised.

4.18 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 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 impairment is reversed subject to a maximum carrying value of the asset before impairment.

4.19 Provisions and other contingent liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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

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

4.20 Income tax expenses:

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

4.20.1 Current tax:

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

4.20.2 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 relating to unabsorbed depreciation/business losses/losses under the head “capital gains” are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

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

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

4.20.3 Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4.21 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. Significant accounting judgements, estimates and assumptions:

In the application of the Company’s accounting policies, which are described in note 4, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies:

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

5.1 Business model assessment:

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

5.2 Significant increase in credit risk:

As explained in note 52.D.1, ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Key sources of estimation uncertainty:

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

5.3 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.

5.4 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 4.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument

5.5 Impairment of Financial assets:

The measurement of impairment losses across all categories of financial assets requires judgement 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. Elements of the ECL models that are considered accounting judgements and estimates include:

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

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

5.6 Impairment of Non-Financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

5.7 Provisions and contingent liabilities:

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of its business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

5.8 Provisions for Income Taxes:

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

5.9 Leases:

Significant judgements are involved in evaluating if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company also uses significant judgement in assessing the applicable discount rate which is an equivalent to incremental borrowing rate estimated on best effort basis.

5.10 Investment Property

Properties 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 written down value 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. At the end of each accounting year, the Company reviews the carrying amounts of its investment property to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists investment property are tested for impairment so as to determine the impairment loss, if any.

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.

6. **Recent accounting pronouncements:**

   Ministry of Corporate affairs have made changes on March 31, 2023, in the following Indian Accounting Standards (Ind AS) amended namely Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115, Ind AS 1, Ind AS 8, Ind AS 12 and Ind AS 34. These amendments shall be applicable from annual reporting periods beginning on or after April 01, 2023.

7. Pursuant to Securities Subscription Agreement dated March 5, 2019 amongst the Company, Edelweiss Financial Services Limited, Edelweiss Securities Limited, Edelweiss Rural & Corporate Services Limited and Edel Finance Company Limited and CDPQ Private Equity Asia Pte Limited (as the "Investor"), a wholly owned subsidiary of Caisse de dépôt et placement du Québec (CDPQ), for an investment of US$ 250 million, amounting to approximately ₹ 18,000 million into the Company, the Investor has subscribed to 1000 Equity shares of ₹ 1/- each at premium of ₹ 31/- per Equity Share and 103,949,680 Compulsorily Convertible Debentures (CCDs) at Rs. 100 per CCD and accordingly paid the Company a total sum of Rs. 10,395 millions on May 7, 2019, towards first tranche.

8. A Scheme of Amalgamation for merger (Merger by Absorption) of Edelweiss Retail Finance Limited ("ERFL") with the Company ("Transferee Company") and their respective shareholders under section 230 to 232 of the Companies Act, 2013 and the Rules made there under has been filed with the Hon'ble National Company Law Tribunal ("NCLT") on March 26, 2019.

(Currency: Indian rupees in million)

		As at March 31, 2023	As at March 31, 2022
9.	**Cash and cash equivalents**		
	Cash on hand		
	Cash on hand	-	-
	Balances with banks		
	In current accounts	8,757.21	1,382.18
	In fixed deposits with original maturity less than 3 months	-	118.80
	Accrued interest on fixed deposits	-	0.78
		8,757.21	**1,501.76**

		As at March 31, 2023	As at March 31, 2022
10.	**Bank balances other than cash and cash equivalents**		
	Fixed deposit with banks	36.28	234.39
	Fixed deposits with banks to the extent held as margin money or security against borrowings, guarantees, securitisation	519.43	502.19
		555.71	**736.58**

Notes:

1) Fixed deposit balances with banks earns interest at fixed rate.

		As at March 31, 2023	As at March 31, 2022
10.A	**Encumbrances on fixed deposits held by the Company:**		
	Fixed deposits pledged for:		
	Bank guarantee for cash credit lines/overdraft		
	ICICI Bank Limited	7.00	10.00

(Currency: Indian rupees in million)

Security deposit for term loan and WCDL facilities		
Union Bank of India	6.17	5.90
IDBI Bank Limited	25.00	-
Bank guarantee for securitisation		
DCB Bank Limited	-	159.57
HDFC Bank Limited	270.42	270.42
ICICI Bank Limited	35.47	-
Development Bank	119.07	-
State Bank of India	**-**	**56.30**
Security deposit for meeting margin requirement for trading in cross currency swaps and forward margin		
State Bank of India	56.30	-
	519.43	**502.19**

		As at March 31, 2023	As at March 31, 2022
11.	**Derivative financial instruments**		
	Fair Value Assets		
	Mark to market on interest rate swap & Currency derivatives	50.21	53.61
	Premium paid on outstanding exchange traded options	-	94.87
		50.21	**148.48**
	Fair Value Liabilities		
	Premium received on outstanding exchange traded options (including MTM)	-	79.32
	Mark to Market on interest rate & currency derivatives	23.96	51.34
	Embedded derivatives in market-linked debentures (liabilities)	141.93	487.94
		165.89	**618.60**

(Currency: Indian rupees in million)

11. **Derivative financial instruments**

The Company enters into derivatives for risk management purposes. These include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.

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

	As at March 31, 2023							
Particulars	**Unit**	**Currency**	**Notional**	**Fair value asset**	**Unit**	**Currency**	**Notional**	**Fair value liability**
(i) Interest rate derivatives								
Interest rate swaps	Rupees	INR	13,250	50.21	Rupees	INR	7,500	23.96
Interest rate futures					G-Sec Units		-	-
Less: amounts offset								-
(Refer Note11.A & 51)								
Subtotal (i)				**50.21**				**23.96**
(ii) Equity linked derivatives								
Stock futures	No of Shares		-	-	No of Shares		-	-
Options purchased								
Options sold								
Less: amounts offset				-				-
(Refer Note11.A & 51)								
Subtotal (ii)				**-**				**-**
(iii) Index linked derivatives								
Index futures	Index Units		-	-				
Options purchased	Index Units		-	-				
Options sold					Index Units		-	-
Less: amounts offset				-				-
(Refer Note11.A & 51)								
Subtotal (iii)				**-**				**-**
(iv) Embedded derivatives*								
In market linked debentures	No of Debenture		-	-	No of Debenture		794.60	141.93
Subtotal (iv)				-				**141.93**
Total derivative financial instruments			**Total**	**50.21**			**Total**	**165.89**

(Currency: Indian rupees in million)

	As at March 31, 2022							
Particulars	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Interest rate derivatives								
Interest rate swaps	Rupees	INR	12,650	53.61	Rupees	INR	12,000	51.34
Interest rate futures					G-Sec Units		14	0.48
Less: amounts offset								(0.48)
(Refer Note11.A & 51)								
Subtotal (i)				**53.61**				**51.34**
(ii) Equity linked derivatives								
Stock futures	No of Shares		2,475	0.01	No of Shares		1,250	0.01
Options purchased								
Options sold								
Less: amounts offset				(0.01)				(0.01)
(Refer Note11.A & 51)								
Subtotal (ii)				-				-
(iii) Index linked derivatives								
Index futures	Index Units		21,000	2.84				
Options purchased	Index Units		93,850	94.87				
Options sold					Index Units		93,700	79.32
Less: amounts offset				(2.84)				-
(Refer Note11.A & 51)								
Subtotal (iii)				94.87				79.32
(iv) Embedded derivatives*								
In market linked debentures	No of Debenture				No of Debenture		43,158.00	487.94
Subtotal (iv)				-				487.94
Total derivative financial instruments			**Total**	**148.48**			**Total**	**618.60**

Note: The notional/units held indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.
*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. refer Note 4.3.5 for further details.

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and equity index risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 52.

Derivatives designated as hedging instruments

The Company has not designated any derivatives as hedging instruments

(Currency: Indian rupees in million)

11.A 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 March 31, 2023	Offsetting recognised in 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 on the balance sheet	Financial Liabilities	Collaterals received	Assets after consideration of netting potential	Assets recognised on the balance sheet	"Recognised in the balance sheet"	After consideration of netting potential
Derivative Assets	50.21	-	50.21	(23.96)	59.40	85.65	-	50.21	85.66
Margin placed with broker*	134.01	-	134.01	-	-	134.01	-	135.43	135.43

Financial Liabilities subject to offsetting, netting arrangements

As at March 31, 2023	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals Paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	165.89	-	165.89	(23.96)	-	141.93	-	165.89	141.92

(Currency: Indian rupees in million)

11.A Offsetting

Financial Assets subject to offsetting, netting arrangements

As at March 31, 2022	Offsetting recognised in 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 on the balance sheet	Financial Liabilities	Collaterals received	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Assets	56.46	(2.85)	53.61	(51.34)	71.55	73.82	94.87	148.48	168.70
Margin placed with broker*	537.15	2.36	539.51	-	-	539.51	-	539.51	539.51

Financial Liabilities subject to offsetting, netting arrangements Financial Liabilities subject to offsetting, netting arrangements

As at March 31, 2022	Offsetting recognised in balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total Liabilities	Maximum Exposure to Risk
	Gross Liabilities before offset	Amount offset	Net Liabilities recognised on the balance sheet	Financial Assets	Collaterals Paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative Liabilities	539.78	(0.49)	539.29	(51.34)	-	487.95	79.32	618.61	567.26

*As on the reporting date, margin placed with broker netoff with net liability towards mark to market loss on derivatives future contracts and similarly, net mark to market gain are added to margin placed with broker. Accrodingly the same are presented in the financial statement.

(Currency: Indian rupees in million)

		As at March 31, 2023			As at March 31, 2022		
		Face Value	Quantity	Amount	Face Value	Quantity	Amount
12.	**Securities held for trading:**						
	At fair value through profit and loss account						
	Central Government Debt Securities						
	7.59% Government Stock 11.01.2026 Bonds	100	25,00,000	256.94	100	10,00,000	106.92
	7.26% Government Stock 14.01.2029 Bonds	100	5,00,000	50.95	-	-	-
	5.15% Government Stock 09.11.2025 Bonds	100	10,00,000	97.44	-	-	-
	6.84% GS 2022	-	-	-	100	95,00,000	984.85
	6.10% GS 2031	-	-	-	100	2,20,00,000	2,115.32
	6.54% GS 2032	-	-	-	100	15,00,000	148.79
	091DTB 28042022	-	-	-	100	1,50,00,000	1,496.78
	1.82% DTB 07.04.2022	-	-	-	100	1,25,00,000	1,249.68
	3.64% DTB 21.04.2022	-	-	-	100	3,00,00,000	2,995.51
	6.45% Government Stock 2029	-	-	-	100	1,612	0.16
	7.16% Government Stock 2023	100	1,70,00,000	1,745.36	-	-	-
	5.63% Government Stock 2026	100	1,10,00,000	1,084.12	-	-	-
	5.74% Government Stock 2026	100	1,55,00,000	1,513.53	-	-	-
	7.10% Government Stock 2029	100	30,00,000	307.86	-	-	-
	7.54% Government Stock 2036	100	5,00,000	51.85	-	-	-
	7.38% Government Stock 2027	100	1,15,00,000	1,182.09	-	-	-
	6.69% Government Stock 2024	100	55,00,000	556.63	-	-	-
	7.26% Government Stock 2032	100	1,65,00,000	1,656.75	-	-	-
	8.40% Government Stock 2024	100	5,00,000	51.48	-	-	-
	6.18% Government Stock 2024	100	1,40,00,000	1,414.82	-	-	-
	5.22% Government Stock 2025	100	1,00,00,000	977.93	-	-	-
	7.41% Government Stock 2036	100	10,00,000	102.43	-	-	-
	6.89% Government Stock 2025	100	98,13,800	992.71	-	-	-
	7.26% Government Stock 2033	100	2,55,00,000	2,569.08	-	-	-
	364 DTB 06072023	100	95,00,000	933.80	-	-	-
	182 DTB 13072023	100	60,00,000	588.98	-	-	-
	182 DTB 25052023	100	1,75,00,000	1,734.31	-	-	-
	182 DTB 04052023	100	1,00,00,000	994.73	-	-	-

(Currency: Indian rupees in million)

State Government Debt Securities						
8.18% Tamilnadu State Development Loan Government Stock 19.12.2028 Bonds	100	800	0.08	100	800	0.09
6.69% Madhya Pradesh State Development Loan 17.03.2025 Bonds	100	45,00,000	446.60	-	-	-
7.62% KarnatkarnatKarnatka State Development Loan 2027	-	-	-	100	5,00,000	53.76
8.63 Maharashtra State Development Loan 2023	-	-	-	100	39,00,000	409.35
8.59% Andra Pradesh State Development Loan 2023	-	-	-	100	50,00,000	523.93
9.18% Andra Pradesh State Development Loan 2024	100	30,00,000	314.97	-	-	-
8.07% Gujarat State Development Loan 2025	100	75,00,000	768.47	-	-	-
8.90% Haryana State Development Loan 2024	100	50,00,000	510.81	-	-	-
8.08% Haryana State Development Loan 2025	100	15,00,000	154.13	-	-	-
9.39% Karnatka State Development Loan 2023 OCT	100	40,00,000	420.79	-	-	-
8.05% Karnatka State Development Loan 2025	100	25,00,000	255.35	-	-	-
8.10% West Bengal State Development Loan 2025	100	25,00,000	256.96	-	-	-
9.59% Gujarat State Development Loan 2023	100	20,00,000	203.47	-	-	-
8.25% Gujarat State Development Loan 2024	100	10,00,000	103.46	-	-	-
8.23% Gujarat State Development Loan 2025	100	30,00,000	307.49	-	-	-
8.15% Gujarat State Development Loan 2025	100	25,00,000	255.07	-	-	-
5.88% Gujarat State Development Loan 2025	100	61,00,000	595.41	-	-	-
8.18% Haryana UDAY 2024	100	55,00,000	567.63	-	-	-
8.6% Karnatka State Development Loan 2025 28 JAN	100	20,00,000	205.54	-	-	-
7.26% Karnatka State Development Loan 2025	100	1,35,00,000	1,373.47	-	-	-
8.23% Maharashtra State Development Loan 2025	100	15,00,000	153.70	-	-	-
Total Government Debt Securities (A)			**25,757.19**			**10,085.14**

(Currency: Indian rupees in million)

Debt Securities						
8.65% Edelweiss Retail Finance Limited 22.03.2023 Bonds	1,000	-	-	1,000	3,270	3.62
9.00% Edelweiss Retail Finance Limited 22.03.2023 Bonds	1,000	-	-	1,000	9,238	8.95
9.50% Jm Financial Credit Solutions Limited 07.06.2023 Bonds	1,000	6,743	7.47	1,000	6,743	7.81
11.00% Edelweiss Finvest Private Limited 29.07.2025 Bonds	10,00,000	56	63.15	10,00,000	56	65.62
10.00% Edelweiss Housing Finance Limited 19.07.2026 Bonds	1,000	-	-	1,000	8,333	8.96
8.88% Edelweiss Retail Finance Limited 22.03.2028 Bonds	1,000	1,517	1.39	1,000	1,517	1.35
9.25% Edelweiss Retail Finance Limited 22.03.2028 Bonds	1,000	3,415	3.45	1,000	3,415	3.03
10.18% Edel Finance Company Limited 27.04.2027 Bonds	10,00,000	220	237.06	-	-	-
Total Debt Securities (B)			**312.52**			**99.34**
Total (A+B)			**26,069.71**			**10,184.48**

Notes: Please refer note 51 - Fair Value measurement for Valuation methodologies for securities held for trading

(Currency: Indian rupees in million)

		As at March 31, 2023	As at March 31, 2022
13.	**Trade receivables**		
a)	**Trade receivables**		
	(i) Undisputed Trade receivables – considered good - Secured	-	-
	(ii) Undisputed Trade receivables – considered good - Unsecured	2,322.12	914.26
	(iii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-
	(iv) Undisputed Trade Receivables – credit impaired	-	12.62
	(v) Disputed Trade Receivables–considered good - Secured	-	-
	(vi) Disputed Trade Receivables–considered good - Unsecured	-	-
	(vii) Disputed Trade Receivables – which have significant increase in credit risk	-	-
	(viii) Disputed Trade Receivables – credit impaired	-	2.65
		2,322.12	**929.53**
	Allowance for expected credit losses		
	Receivables considered good - Unsecured	(9.11)	(0.27)
	Receivables - credit impaired	-	(15.27)
		2,313.01	**913.99**

		For the year ended March 31, 2023	For the year ended March 31, 2022
b)	**Reconciliation of impairment allowance on trade receivables:**		
	Impairment allowance - opening balance	15.54	14.16
	Add/ (less): asset originated / acquired / recovered (net)	(6.43)	1.38
	Impairment allowance - closing balance	9.11	15.54

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) Please refere note 49 - Related party disclosure for trade or other receivables due from firms or private companies in which directors is/are partner, a director or a member.

(Currency: Indian rupees in million)

	As at March 31, 2023	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
c	**Trade receivables days past due**	-	-	-	-	-	-
	(i) Undisputed Trade receivables – considered good - Secured	2,321.78	0.34	-	-	-	2,322.12
	(ii) Undisputed Trade receivables – considered good - Unsecured	-	-	-	-	-	-
	(iii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
	(iv) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
	(v) Disputed Trade Receivables– considered good - Secured	-	-	-	-	-	-
	(vi) Disputed Trade Receivables– considered good - Unsecured	-	-	-	-	-	-
	(vii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	
	(viii) Disputed Trade Receivables – credit impaired	(8.84)	(0.27)	-	-	-	(9.11)
	ECL - simplified approach						
	Net carrying amount	**2,312.94**	**0.07**	**-**	**-**	**-**	**2,313.01**

As at March 31, 2022	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 - Secured	-	-	-	-	-	-
(ii) Undisputed Trade receivables – considered good - Unsecured	914.26	-	-	-	-	914.26
(iii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iv) Undisputed Trade Receivables – credit impaired	-	-	12.16	0.46	-	12.62
(v) Disputed Trade Receivables– considered good - Secured	-	-	-	-	-	-
(vi) Disputed Trade Receivables– considered good - Unsecured	-	-	-	-	-	-
(vii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(viii) Disputed Trade Receivables – credit impaired		-	-	2.65	-	2.65
ECL - simplified approach	(0.27)	-	(12.16)	(3.11)	-	(15.54)
Net carrying amount	**913.99**	**-**	**-**	**-**	**-**	**913.99**

Unbilled amount due as of March 2023 is NIL (March 2022- NIL).

(Currency: Indian rupees in million)

		As at March 31, 2023	As at March 31, 2022
14.	**Loans (at amortised cost)**		
	Term Loans;		
	Corporate credit	31,610.28	44,529.63
	Retail credit	7,034.81	12,380.71
	Total gross	**38,645.09**	**56,910.34**
	Less: Impairment loss allowance (Refer Note 14.B)	(3,549.48)	(3,737.00)
	Total net	**35,095.61**	**53,173.34**
	Secured by tangible assets (property including land & building)	24,094.24	44,294.68
	Secured by fixed deposits, unlisted securities, project receivables & other marketable securities	5,620.82	6,712.12
	Unsecured	8,930.03	5,903.54
	Total gross	**38,645.09**	**56,910.34**
	Less: Impairment loss allowance (Refer Note 14.B)	(3,549.48)	(3,737.00)
	Total net	**35,095.61**	**53,173.34**
	Loans in India		
	Public sector	-	-
	Others	38,645.09	56,910.34
	Total gross	**38,645.09**	**56,910.34**
	Less: Impairment loss allowance (Refer Note 14.B)	(3,549.48)	(3,737.00)
	Total net	**35,095.61**	**53,173.34**
14.A	**Loans given to directors**		
	Loans Given to Directors (refer note 49 related party disclosure)	-	-
		-	**-**

(Currency: Indian rupees in million)

14.B Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading for stage classification are explained in Note 52.D.1 and policies on ECL allowances are set out in Note 4.6

a Credit quality of assets	As at March 31, 2023				As at March 31, 2022			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing								
High grade	18,854.08			18,854.08	20,616.46			20,616.46
Standard grade		19,032.28		19,032.28		34,677.56		34,677.56
Non-performing								
Individually impaired*			758.73	758.73			1,616.32	1,616.32
	18,854.08	**19,032.28**	**758.73**	**38,645.09**	**20,616.46**	**34,677.56**	**1,616.32**	**56,910.34**

*Total numbers of borrowers as on 31st March 2023 are 664 (previous year 995)

(Currency: Indian rupees in million)

b Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances to corporate and retail customers:

The following disclosure provides stage wise reconciliation of the Company's gross carrying amount and ECL allowances for loans and advances to corporates and retail customers. The transfers of financial assets represents the impact of stage transfers upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers.

The 'New assets originated /repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions i.e. new lending, further disbursements, repayments and interest accrual on loans.

Reconciliation / movement for the year ended March 31, 2023

Particulars	Non credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III			
	Gross Carrying Amount	Allow-ance for ECL	Gross carrying Amount	Allow-ance for ECL	Gross carrying Amount	Allow-ance for ECL	Gross carrying Amount	Allow-ance for ECL
Opening balance	20,616.46	332.36	34,677.56	2,917.35	1,616.32	487.29	56,910.34	3,737.00
Transfer of financial assets								
Stage I to Stage II	(1,624.31)	(69.34)	1,624.31	69.34	-	-	-	-
Stage I to Stage III	(100.31)	(4.71)	-	-	100.31	4.71	-	-
Stage II to Stage III	-	-	(86.56)	(15.36)	86.56	15.36	-	-
Stage II to Stage I	260.36	18.56	(260.36)	(18.56)	-	-	-	-
Stage III to Stage I	257.29	31.97	-	-	(257.29)	(31.97)	-	-
Stage III to Stage II	-	-	389.59	55.88	(389.59)	(55.88)	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	(28.01)	-	913.95	-	34.39	-	920.33
New assets originated / repayments received (net)	280.17	132.79	(2,378.17)	340.24	(140.16)	(138.30)	(2,238.16)	334.73
Loans sold to ARC/AIF/ Others	(835.58)	13.46)	(14,934.09)	(1,424.48)	(46.40)	(4.64)	(15,816.07)	(1,442.58)
Amounts written off (net)	-	-	-	-	(211.02)	-	(211.02)	-
Closing balance	**18,854.08**	**400.16**	**19,032.28**	**2,838.36**	**758.73**	**310.96**	**38,645.09**	**3,549.48**

Note: ECLF had initiated sale of certain credit impaired assets before March 31, 2023 and for which definitive contracts were executed post the balance sheet date. These financial assets sold after March 31, 2023, for an amount of ₹ 3090.8 million (net of provisions and losses) to asset reconstruction companies trusts (ARC Trust). As per Ind AS 109, Financial Instruments, prescribed under section 133 of the Companies Act, 2013 significant judgement is involved in classification of assets which has been accounted appropriately in financial statement. Accordingly, on account of subsequent sale to and recovery from ARC Trusts of such credit impaired assets, management has recorded such financial assets as recoverable and not as credit impaired financial assets. EFSL, the holding Company has, undertaken substantially all risks and rewards in respect of these financial assets aggregating to Rs. 3090.8 million. As at March 31, 2023, the impact on the financial statements on account of sale of such credit impaired financial assets, net of reversal of ECL created, aggregates to ₹ 5.3 million.

(Currency: Indian rupees in million)

Reconciliation / movement for the year Ended March 31, 2022

Particulars	Non credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III			
	Gross Carrying Amount	Allow-ance for ECL	Gross carrying Amount	Allow-ance for ECL	Gross carrying Amount	Allow-ance for ECL	Gross carrying Amount	Allow-ance for ECL
Opening balance	41,997.25	914.25	38,103.33	3,593.41	6,241.92	769.43	86,342.50	
Transfer of financial assets								
Stage I to Stage II	(3,799.58)	(254.29)	3,799.58	254.29	-	-	-	-
Stage I to Stage III	(522.82)	(19.80)	-	-	522.82	19.80	-	-
Stage II to Stage III	-	-	(521.13)	(65.33)	521.13	65.33	-	-
Stage II to Stage I	850.12	78.01	(850.12)	(78.01)	-	-	-	-
Stage III to Stage I	50.04	4.87	-	-	(50.04)	(4.87)	-	-
Stage III to Stage II	-	-	4,937.22	363.57	(4,937.22)	(363.57)	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	39.62)	-	(3.33)	-	203.68	-	160.73
New assets originated / repayments received (net)	(14,947.69)	246.59)	(6,272.94)	(727.06)	2,866.82	131.76	(18,353.81)	(841.89)
Loans sold to ARC	(3,010.86)	(104.47)	(4,518.38)	(420.19)	(3,202.15)	(334.27)	(10,731.39)	(858.93)
Amounts written off (net)	-	-	-	-	(346.96)	-	(346.96)	-
Closing balance	**20,616.46**	**332.36**	**34,677.56**	**2,917.35**	**1,616.32**	**487.29**	**56,910.34**	**3,737.00**

(Currency: Indian rupees in million)

15. Other investments

As at March 31, 2023	At amortised cost (1)	At fair value				At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through profit or loss (4)	Subtotal 5 = (2+3+4)		
Preference shares	-	-	-	-	-	-	-
Security receipts (refer note 4)	-	-	28,060.80	-	28,060.80	-	28,060.80
Pass through certificates	-	-	-	-	-	-	-
"Alternative Investment Fund / Venture Capital Fund"	-	-	16,480.33	-	16,480.33	-	16,480.33
Equity Shares	-	-	78.85	-	78.85	-	78.85
Compulsary Convertible Preference Share	-	-	83.50	-	83.50	-	83.50
TOTAL - gross (A)	-	-	44,703.48	-	44,703.48	-	44,703.48
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-		44,703.48		44,703.48	-	44,703.48
Total (B)	**-**	**-**	**44,703.48**	**-**	**44,703.48**	**-**	**44,703.48**
Less: allowance for impairment (C)		-	-	-	-	-	-
Total net (A-C)	**-**	**-**	**44,703.48**	**-**	**44,703.48**	**-**	**44,703.48**

Notes:

For Current year

1) Please refer note 15.B - Investment details
2) Please refer note 51 - Fair value measurement for valuation methodology
3) In order to reflect substance of the transaction the Company has offset investment in Pass Through Certificates (PTC) against securitisation liability reported under other financial liabilities. Previous year PTC investment regrouped accordingly.
4) **Security Receipts held as investments -** During the quarter and year ended March 31, 2023, the Company had sold certain financial assets amounting to Rs. 10975 millions and Rs. 15902.80 millions (net of provisions and losses) respectively, to various asset reconstructions company trusts (‘ARC Trusts’) and acquired security receipts (SR) amounting to Rs. 306 millions and Rs. 4494.70 millions respectively from these ARC Trusts. Ind AS 109 – ‘Financial Instruments’, prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from the Company. EFSL, the holding Company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognised in the Company’s financial result. Based on assessment of probability of default, loss given default in respect of these financial assets (i.e. sold during the period ended March 31, 2023 and in earlier years) 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 and EFSL has recorded fair value gain / (loss) of Rs. 670.20 millions and Rs. (2472.60) millions for the quarter ended and Rs. 1108 millions and Rs. (3219.70) millions for the year ended March 31, 2023, included in “Net gain / (loss) on fair value change” respectively.

(Currency: Indian rupees in million)

5) Sale/Purchase of Investments: The company initiated sales / purchase of investment prior to March 31, 2023, from / to assets reconstruction companies ('ARCs' of 'trusts') & Alternative Investment Fund (AIF) for which definitive contractual agreement were executed post balance sheet however, the balance receivable against sale of financial assets aggregating to Rs. 14507 millions and payable against purchased of financial assets aggregating to Rs. 6840.90 millions were settled post March 31, 2023 but prior to approval of financial statements by the Board of Directors.

As per Indian Accounting Standard (Ind AS) 10 'Events after the Reporting Period, any event, favourable and unfavourable, that occurs between the end of the reporting period and the date when the financial statements are approved by the Board of Directors, which provides evidence of conditions that existed at the end of the reporting period, would require adjustments in the amounts recognised in its financial statements to reflect adjustment of such events. Accordingly, on sale, the company has derecognised such financial assets and recorded the corresponding recoverable amount under Other Financial Assets and on purchase, recognised the respective financial assets and recorded the corresponding liability under Other Financial Liability.

6) Alternative Investment Fund: The Company made investment in AIF, in the view of Ind AS 109 and accounting policy of the company from derecognition aspect, considered some important points as below mentioned:

- Company has transferred some of these loan assets directly to the AIF where there are other assets were also lying in the funds, also there are customers who paid to Company and in-turn Company invested in AIF.
- AIF also has other investor who hold some percentage holding in AIF.
- AIF has right to appoint investment manager. Investment manager control and take decision to manage the assets.
- The instrument in which the company invested in AIF is different than the previous holding as loan assets,
- AIF evaluate all the underlying assets of the fund and then declare NAV per unit.
- There are other investors who are holding some percentage in AIF while company holds below 50%.
- These instrument as classified as level 3 instrument as FVTPL and any fair value gain or loss recognised in Profit and Loss account.

Considering above mentioned facts, the Company has not retained any control where company has practical ability to see the assets in entirety although some risk and rewards are not transferred. Such Derecognition of assets from the books of the Company, is in line with Ind AS 109. Also, looking the facts that AIF has other assets in the fund and NAV of the units is declared considering all the assets under management of such fund. Hence Company is not holding all the risk and rewards of the transferred assets rather it is distributed in the percentage of holding and Company is holding below 50% of the pool of assets instead of majority holding in particular assets. Accordingly, the Company in the view that it is appropriately derecognised from the books of the Company.

(Currency: Indian rupees in million)

15. Other investments (Continue)

As at March 31, 2022	At amortised cost (1)	At fair value				At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through profit or loss (4)	Subtotal 5 = (2+3+4)		
Preference shares	918.35	-	-	-	-	-	918.35
Security receipts (refer note 4)	-	-	51,105.43	-	51,105.43	-	51,105.43
Pass through certificates			-		-		-
"Alternative Investment Fund / Venture Capital Fund"	-	-	10,252.18	-	10,252.18	-	10,252.18
Equity Shares	-	-	-	-	-	-	-
Compulsary Convertible Preference Share	-	-	-	-	-	-	-
TOTAL - gross (A)	918.35	-	61,357.61	-	61,357.61	-	62,275.96
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	918.35	-	61,357.61	-	61,357.61	-	62,275.96
Total (B)	918.35	-	61,357.61	-	61,357.61	-	62,275.96
Less: allowance for impairment (C)	46.22	-	-	-	-	-	46.22
Total Net (A-C)	**872.13**	**-**	**61,357.61**	**-**	**61,357.61**	**-**	**62,229.74**

Notes:

For previous year

1) Please refer note 15.B - Investment details

2) Please refer note 51 - Fair value measurement for valuation methodology

3) In order to reflect substance of the transaction the Company has offset investment in Pass Through Certificates (PTC) against securitisation liability reported under other financial liabilities. Previous year PTC investment regrouped accordingly.

4) **Security Receipts held as investments** - During the quarter and year ended March 31, 2022, the Company had sold certain financial assets amounting to Rs. 976 millions and Rs. 9127.50 millions (net of provisions and losses) respectively, to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to Rs. 829.60 millions and Rs. 7503.40 millions respectively from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from the Company. EFSL, the holding Company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognised in the Company's financial result. Based on assessment of probability of default, loss given default in respect of these financial assets (i.e. sold during the period ended March 31, 2022 and in earlier years) 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 and EFSL has recorded fair value gain / (loss) of Rs. 712.90 millions and Rs. (156) millions for the quarter ended and Rs. 3207.10 millions and Rs. 1238.60 millions for the year ended March 31, 2022, included in "Net gain / (loss) on fair value change" respectively.

(Currency: Indian rupees in million)

15.A	Investments in preference shares measured at amortised cost:
i	**Credit quality of assets:** The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are net of impairment allowances. Details of the Company's internal grading for stage classification are explained in Note 52.D.1 and policies on ECL allowances are set out in Note 4.6

	As at March 31, 2023				As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing High grade	-	-	-	-	872.13	-	-	-
	-	**-**	**-**	**-**	872.13	**-**	**-**	**-**

ii	**Reconciliation of changes in gross carrying amount for investments in preference shares and the corresponding ECL:**

Reconciliation / movement for the year ended March 31, 2023

	Non credit impaired				Credit impaired		Total	
	Stage 1		Stage 2		Stage 3			
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL
Gross carrying amount - opening balance	**918.36**	**46.22**	**-**	**-**	**-**	**-**	**918.36**	**46.22**
Unwinding of discount	81.64	-	-	-	-	-	81.64	-
Assets derecognised or matured (excluding write offs)	(1,000.00)	-	-	-			(1,000.00)	-
Change in ECL provision	-	(46.22)	-	-	-	-	-	(46.22)
Closing balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Reconciliation / movement for the year ended March 31, 2022

	Non credit impaired				Credit impaired		Total	
	Stage 1		Stage 2		Stage 3			
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL
Gross carrying amount - opening balance	**843.38**	**46.22**	**-**	**-**	**-**	**-**	**843.38**	**46.22**
New assets originated or purchased	-	-	-	-	-	-		-
Unwinding of discount	74.98	-	-	-	-	-	74.98	-
Assets derecognised or matured (excluding write offs)	-	-	-	-	-	-	-	-
Change in ECL provision	-	-	-	-	-	-	-	-
Closing balance	**918.36**	**46.22**	**-**	**-**	**-**	**-**	**918.36**	**46.22**

(Currency: Indian rupees in million)

		As at March 31, 2023			As at March 31, 2022		
		Face Value	Quantity	Amount	Face Value	Quantity	Amount
15.B	**Other investments**						
	Preference shares (fully paid up)						
	At amortised cost						
	Edelweiss Rural & Corporate Services Limited	-	-	-	10	10,00,000	872.13
	(7% Non cumulative non convertible redeemable)						
	Total (A)			**-**			**872.13**
	Security receipts						
	At fair value through profit and loss						
	EARC Trust SC 6	-	-	-	-	2,18,500	-
	EARC Trust SC 7	-	-	-	-	1,04,500	-
	EARC Trust SC 9	1	71,487	-	1	71,487	-
	EARC Trust SC 223	-	-	-	-	23,37,500	-
	EARC Trust SC 251	-	-	-	1,000	17,00,000	1,373.61
	EARC Trust SC 297	-	-	-	1	24,887	0.12
	EARC Trust SC 308	-	-	-	-	2,40,550	-
	EARC Trust SC 314	-	-	-	-	71,400	-
	EARC Trust SC 329	978	2,88,000	338.83	978	2,88,000	353.05
	EARC Trust SC 331	1,000	3,96,720	476.57	1,000	3,96,720	484.01
	EARC Trust SC 263	128	13,60,000	545.97	128	13,60,000	546.41
	EARC Trust SC 229	1,000	2,55,000	113.63	1,000	2,55,000	113.63
	EARC Trust Sc 109	1	6,33,500	-	708	6,33,500	288.28
	EARC Trust SC 112	829	3,40,000	256.46	829	3,40,000	281.92
	EARC Trust SC 361	849	2,40,000	202.12	849	2,40,000	213.41
	EARC Trust SC 55	-	-	-	-	46,800	-
	EARC Trust SC 298	-	-	-	1,000	32,72,500	2,865.62
	EARC Trust SC 102	-	-	-	-	7,68,570	-
	EARC Trust SC 43	-	-	-	-	54,000	-
	EARC Trust SC 342	-	-	-	-	83,810	-
	EARC Trust SC 326	1	529	-	1	529	-
	EARC TRUST SC 391	-	-	-	908	8,44,050	696.08
	EARC TRUST SC 386	-	-	-	1,000	10,03,000	-
	EARC TRUST SC 384	-	-	-	835	77,77,500	6,521.15

Financial Statement *(Continued)*

(Currency: Indian rupees in million)

	As at March 31, 2023			As at March 31, 2022		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
EARC Trust SC 384_Class B	-	-	-	-	-	-
EARC TRUST SC 381	949	4,67,500	415.89	1,000	4,67,500	461.36
EARC TRUST SC 372	1	2,54,745	2.41	611	2,54,745	42.06
EARC TRUST SC – 377	170	59,500	6.14	-	59,500	8.33
EARC TRUST SC 392	785	16,42,625	1,147.17	885	16,42,625	1,311.90
EARC TRUST SC 393	1,000	3,18,750	307.80	1,000	3,18,750	316.51
EARC Trust SC 394	-	-	-	878	54,11,185	4,082.96
CFMARC-01	-	-	-	1,000	19,96,565	1,597.92
RARE-049	-	-	-	1,000	15,98,000	1,625.00
ACRE-100 Trust	929	1,45,09,500	5,758.85	1,000	1,45,09,500	13,872.38
EARC TRUST SC – 406	-	-	-	963	6,12,000	578.35
OMKARA-PS-04/2020-21 TRUST	1,000	21,57,068	2,113.37	1,000	25,69,660	2,487.51
PARAS – FAPL - 118 TRUST	-	-	-	1,00,000	29,750	2,937.05
EARC TRUST SC 397_Class B	224	15,13,000	377.40	1,000	15,13,000	1,558.65
EARC TRUST SC 413_Class B	779	2,36,415	181.03	835	3,63,715	288.55
OMKARA PS04 - 2021-22 TRUST	1,000	1,11,945	112.75	1,000	1,11,945	112.86
OMKARA PS08 - 2021-22 TRUST	1,000	70,108	70.11	1,000	85,735	84.49
CFMARC Trust 83	1,000	22,97,601	2,355.11	1,000	29,14,735	2,652.06
EARC TRUST SC - 444_Class B	1,000	7,23,775	702.97			
EARC TRUST SC - 444	-	-	-	1,000	11,13,500	1,113.50
CFMARC Trust - 93	1,000	6,38,384	638.83	1,000	8,29,600	829.60
CFM ARC-Trust 66	-	-	-	1,000	15,91,625	1,407.10
CFMARC Trust - 97	1,000	4,51,469	446.88	-	-	-
CFMARC Trust - 98	1,000	3,82,500	376.32	-	-	-
EARC TRUST SC 462 CLASS B	1,000	10,71,000	1,071.00	-	-	-
INVENT 2223 ECL S130 TRUST	1,000	3,06,000	303.12	-	-	-
EARC Trust SC 298_Class B	1,000	23,12,000	1,975.47	-	-	-
EARC Trust SC 394_Class B	847	12,21,358	923.70			
EARC SC - 453 CLASS B	1,000	68,40,900	6,840.90			
Total (B)	**22,470.61**	**4,11,71,379.05**	**28,060.80**			**51,105.43**

(Currency: Indian rupees in million)

	As at March 31, 2023			As at March 31, 2022		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Alternative Investment Fund / Venture Capital Fund						
At fair value through profit and loss						
Real Estate Credit Opportunities Fund - Class B Units	10,000	4,92,599	6,159.36	10,000	8,26,169	8,342.28
Edelweiss Real Estate Opportunities Fund	10,000	18,874	229.41	10,000	29,790	317.32
Edelweiss Credit Opportunities Fund	-	-	-	1,000	1,37,021	97.16
India Credit Investment Fund - II	10,000	3,70,000	2,693.40	10,000	3,70,000	1,478.28
Edelweiss Stressed and Troubled Assets Revival Fund	10,000	25,000	12.71	10,000	25,000	17.14
Paragon Partners Growth Fund - I	100	7,69,483	127.97	-	-	-
Kae Capital Fund - I	1,00,000	37	23.90	-	-	-
Kae Capital Fund - II	1,00,000	100	380.78	-	-	-
Edelweiss Private Equity Tech Fund	1,00,000	1,266	247.82	-	-	-
Edelweiss Value And Growth Fund	1,00,000	3,257	382.96	-	-	-
Faering Capital India Evolving Fund II	1,000	43,539	117.23	-	-	-
Eref Fund - Onshore	10,000	1,844	16.64	-	-	-
India Credit Investment Fund - III	10,000	6,08,880	6,088.15	-	-	-
Total (C)			**16,480.33**	**41,000.00**		**10,252.18**
Equity Shares						
At fair value through profit and loss						
Metropolitan Stock Exchange of India Ltd	1.00	3,70,20,000.00	78.85	-	-	-
Total (D)			**78.85**			**-**
Compulsary Convertible Preference Shares						
At fair value through profit and loss						
Bright Lifecare Pvt Ltd	1,000.00	5,219.00	83.50	-	-	-
Total (E)			**83.50**			**-**
Total (A+B+C+D+E)			**44,703.48**			**62,229.74**

Note: Please refer note 51 - Fair value measurement for valuation methodologies for investments

(Currency: Indian rupees in million)

		As at March 31, 2023	As at March 31, 2022
16.	**Other financial assets**		
	Security deposits	37.50	17.85
	Deposits placed with/exchange/depositories	121.75	71.25
	Margin placed for trading in securities	134.01	496.54
	Application Money For Investments	0.13	0.13
	Other assets	31.83	155.03
	Advances recoverable in cash or in kind or for value to be received	1.03	7.82
	Receivables from trust (Refer Note No. 14.B.b & 15 (5))	17,598.96	32.58
		17,925.21	**781.20**
17.	**Current tax assets (net)**		
	Advance income taxes	3,293.13	4,515.83
	(net of provision for tax ₹ 10,715.26, previous year ₹ 10,715.26 million)		
		3,293.13	**4,515.83**
18.	**Deferred tax assets (net)**		
	Deferred tax assets		
	Loans		
	Expected credit loss	873.07	921.64
	Unamortised processing fees - EIR on lending	10.16	15.42
	Employee benefit obligations		
	Provision for leave accumulation	2.37	2.78
	Disallowances under section 43B of the Income tax act, 1961	11.90	6.87
	Unused tax losses		
	Unused tax losses - accumulated losses	6,038.35	5,490.93
	Investments and other financial instruments		
	Unrealised loss on Derivatives	6.03	15.68
	Fair valuation of investments ; SIT - loss in valuation	197.76	482.67
	Others	14.36	8.51
		7,154.00	6,944.50
	Deferred tax liabilities		
	Property, plant and equipment and intangibles		
	Difference between book and tax depreciation	206.46	206.51
	Investments and other financial instruments		
	Unrealised gain on financial instruments	979.09	455.87
	Borrowings		
	Effective interest rate on financial liabilities	92.91	174.55
		1,278.46	**836.92**
		5,875.54	6,107.58

(Currency: Indian rupees in million)

19. Investment Property

As at March 31, 2023

Particular	Gross Block				Depreciation and impairment					Net Block	Net Block
	As at 01- April-2022	Additions during the year	Deductions / adjsutments during the year	As at 31-March-2023	As at 01-April-2022	Impairment charge/ (reversals) for the year	Charges for the year	Deductions/ adjustments during the year	As at 31-March-23	As at 31-March-23	As at 31-March-22
Land	1,180.27	-	(1,180.27)	-	18.27	(18.27)	-	-	-	-	1,162.00
Building	-	250.31	-	250.31	-	-	1.06	-	1.06	249.25	-
Total	**1,180.27**	**250.31**	**(1,180.27)**	**250.31**	**18.27**	**(18.27)**	**1.06**	**-**	**1.06**	**249.25**	**1,162.00**

During the year, The Company has entered into debt assets swap, wherein the net carrying amount of the investment properties stood at Rs. 228.90 millions as at March 31, 2023 (Previous Year `Nil), the properties taken over by the Company are of residential properties located in metro city.

During the year, The company has sold investment property i.e. Land for an amount of Rs. 1920.00 millions and booked gain of Rs. 739.73 millions.

The aforementioned carrying value of investment property is equivalent to fair value as transaction is executed in the month of March 2023.

As at March 31, 2022

Particular	Gross Block				Depreciation and impairment					Net block	Net block
	As at 01- Apr-21	Additions during the year	Deductions / adjsutments during the year	As at 31-Mar-22	As at 01-Apr-21	Impairment charge/ (reversals) for the year	Charges for the year	Deductions/ adjustments during the year	As at 31-March-22	As at 31-March-22	As at 31-March-21
Land	1,180.27	-	-	1,180.27	18.27	-	-	-	18.27	1,162.00	1,162.00
Building	-	-	-	-	-	-	-	-	-	-	-
								-			
Total	**1,180.27**	**-**	**-**	**1,180.27**	**18.27**	**-**	**-**	**-**	**18.27**	**1,162.00**	**1,162.00**

(Currency: Indian rupees in million)

20. Property, plant and equipment and intangible assets

	Property, plant and equipment							Other Intangible Assets		Right to Use Assets		
Particulars	Building	Leasehold improvements	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total	Computer Software	Total	Right to Use Assets	Total	Total
At cost or fair value												
As at April 1, 2021	**1,026.16**	**6.56**	**32.69**	**8.86**	**25.68**	**68.98**	**1,168.93**	**204.98**	**204.98**	**183.82**	**183.82**	**1,557.73**
Additions	33.03	-	3.58		1.21	1.07	38.89	3.37	3.37	7.55	7.55	49.81
Revaluation gain on building	(70.73)	-	-	-	-	-	(70.73)	-	-	-		(70.73)
Disposals	-	(1.64)	(1.08)	(8.50)	(1.78)	(16.34)	(29.34)	(123.53)	(123.53)	(4.04)	(4.04)	(156.91)
Reclassification from/to held for sale						-	-	-	-	-	-	
as at March 31, 2022	**988.46**	**4.92**	**35.19**	**0.36**	**25.11**	**53.71**	**1,107.75**	**84.82**	**84.82**	**187.33**	**187.33**	**1,379.90**
Additions	-	-	0.26	-	1.36	1.34	2.96	11.70	11.70	118.48	118.48	133.14
Revaluation gain / (loss) on building	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	(0.18)	-	(4.61)	(1.59)	(25.62)	(32.00)	-	-	(0.82)	(0.82)	(32.82)
Reclassification from/to held for sale	-	-	-	-	-	-	-					-
Other Adjustment	-	2.36	0.36	7.04	1.04	16.77	27.57	-	-			27.57
as at March 31, 2023	988.46	7.10	35.81	2.79	25.92	46.20	1,106.28	96.52	96.52	304.99	304.99	1,507.79

(Currency: Indian rupees in million)

20. Property, plant and equipment and intangible assets

	Property, plant and equipment							Other Intangible Assets		Right to Use Assets		
Particulars	Building	Leasehold improvements	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total	Computer Software	Total	Right to Use Assets	Total	Total
Depreciatin and Impairment:												
As at April 1, 2021	**56.55**	**2.03**	**19.98**	**5.66**	**20.43**	**55.66**	**160.31**	**155.97**	**155.97**	**123.00**	**123.00**	**439.28**
Deperciation/ Amortisation for the year	67.05	1.84	3.29	0.86	2.37	6.52	81.93	33.32	33.32	21.21	21.21	136.46
Disposals	-	(1.13)	(0.75)	(7.57)	(1.36)	(12.51)	(23.32)	(106.04)	(106.04)	-	-	(129.36)
Adjustment of revaluation gain to accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Impairment/(reversal) of impairment	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification from/to held for sale	-	-	-	-	-	-	-	-	-	-	-	-

(Currency: Indian rupees in million)

20. Property, plant and equipment and intangible assets

	Property, plant and equipment							Other Intangible Assets		Right to Use Assets		
Particulars	**Building**	**Leasehold improvements**	**Furniture and Fixtures**	**Vehicles**	**Office equipment**	**Computers**	**Total**	**Computer Software**	**Total**	**Right to Use Assets**	**Total**	**Total**
as at March 31, 2022	**123.60**	**2.74**	**22.52**	**(1.05)**	**21.44**	**49.67**	**218.92**	**83.25**	**83.25**	**144.21**	**144.21**	**446.38**
Deperciation/ Amortisation for the year	47.88	1.57	3.34	0.34	1.64	2.59	57.36	1.70	1.70	42.79	42.79	101.85
Disposals	-	(0.17)	-	(4.30)	(1.48)	(24.46)	(30.41)	-	-	-	-	(30.41)
Adjustment of revaluation gain to accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Impairment/(reversal) of impairment	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification from/to held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Other Adjustment	-	2.36	0.36	7.04	1.04	16.77	27.57	-	-	-	-	27.57
as at March 31, 2023	**171.58**	**6.50**	**26.22**	**2.03**	**22.64**	**44.57**	**273.44**	**84.95**	**84.95**	**187.00**	**187.00**	**545.39**
Net Book Value												
As at March 31, 2022	864.86	2.18	12.67	1.41	3.67	4.04	888.83	1.57	1.57	43.12	43.12	933.52
As at March 31, 2023	816.88	0.60	9.59	0.76	3.28	1.63	832.74	11.57	11.57	117.99	117.99	962.30

Note: Charge against secured redeemable non-convertible debentures (Refer note 23.B)
As the Company is following revaluation model for accounting of a class of fixed assets (i.e. building) accordingly, the management has approved revaluation of owned buildings classified under property, plant and equipment. Management has adopted valuations made by duly appointed independent valuer. Accordingly, the Company has recognised the revaluation loss of Rs 52.92 millions (net of tax) in other comprehensive income for the year ended March 31, 2022.

(Currency: Indian rupees in million)

20. A Intangible assets under development:

As at March 31, 2023
(a) Intangible assets under development:

Intangible assets under development aging schedule

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	16.72	-	-	-	16.72
Projects temporarily suspended	-	-	-	-	-

(b)For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

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

As at March 31, 2022
(a) Intangible assets under development:

Intangible assets under development aging schedule

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

(b)For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

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

(Currency: Indian rupees in million)

		As at March 31, 2023	As at March 31, 2022
21.	**Other non-financial assets**		
	(Unsecured considered good, unless stated otherwise)		
	Input tax credit	347.42	494.63
	Contribution to gratuity fund (net)	34.01	38.03
	Prepaid expenses	147.83	396.61
	Vendor advances	41.11	78.04
	Advances to employees	0.68	0.20
		571.05	1,007.51
22.	**Trade Payables**		
	Payable to :		
	(i) total outstanding dues of micro enterprises and small enterprises	-	1.87
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,440.16	5,579.96
	Trade payables to related parties	291.34	66.85
	(refer note 49 related party disclosure)		
		6,731.50	**5,646.82**

22.A Details of dues to micro and small enterprises

Trade Payables includes Rs. Nil (March 31, 2022: Rs.1.87 million) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to “Suppliers” registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

22.B Trade payable days past due

As at March 31, 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	6,681.82	37.12	0.05	12.52	6,731.51
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-

As at March 31, 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1.86	0.01	-	-	1.87
(ii) Others	5,533.6	24.13	76.51	10.74	5,644.95
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-

Unbilled amount due as of March 2023 is Rs. 190.11 millions (March 2022 - Rs. 131.67 millions).

(Currency: Indian rupees in million)

		As at March 31, 2023	As at March 31, 2022
23.	**Debt securities**		
	at amortised cost		
	(Refer Note 23.A and 23.B)		
	Redeemable non-convertible debentures - secured		
	Privately placed	21,403.98	22,026.66
	Public issue	17,043.95	19,994.90
	Market linked debentures	575.33	1,019.84
	Privately Placed Non-convertible debentures		
	Compulsory Convertible Debentures - unsecured		
	9% Compulsory Convertible debentures ***	**7,350.18**	**9,450.18**
	Redeemable non-convertible debentures - unsecured		
	Privately placed	151.78	147.77
	Commercial papers - unsecured	3,570.00	2,650.00
	Less: Unamortised discount	(119.20)	(153.43)
		3,450.80	2,496.57
	Total	**49,976.02**	**55,135.92**
	Debt securities in India	49,976.02	55,135.92
	Debt securities outside India	-	-
	Total	**49,976.02**	**55,135.92**

*** The conversion option in the Compulsorily convertible debentures (CCD) issued to Caisse de depot et placement du Quebec (CDPQ) has been determined as an embedded derivative based on Ind AS 109 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013. During the year ending as on March 31, 2021, the Company had performed a fair valuation of the embedded derivative based on the conversion formula agreed in the CCD agreement and had accordingly recorded a fair value gain of Rs. 1740 millions in during the year ending as on March 31, 2021. Management has further reviewed fair valuation of such embedded derivative during the year ending as on March 31, 2023 and has determined that there is further fair value gain of Rs 2100 millions.

(Currency: Indian rupees in million)

23.A Maturity profile and rate of interest of debt securities are set out below:

As at March 31, 2023

Redeemable non-convertible debentures - secured

Month	Rate of Interest					Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	MLD*	
May 2023	-	-	2,000.00	-	-	2,000.00
Jun 2023	-	-	6,250.00	-	-	6,250.00
Jul 2023	-	-	-	-	22.50	22.50
Aug 2023	-	-	3,910.86	-	4.00	3,914.86
Oct 2023	-	-	2,250.00	-	-	2,250.00
Jan 2024	456.64	-	1,503.52	1,790.88	-	3,751.04
May 2024	144.51	-	674.13	296.75	-	1,115.39
Nov 2024	99.02	-	861.02	473.09	-	1,433.13
Dec 2024	-	-	-	200.00	-	200.00
Feb 2025	-	-	-	50.00	-	50.00
Mar 2025	-	-	-	100.00	-	100.00
Apr 2025	-	-	100.00	-	-	100.00
Aug 2025	-	-	-	-	30.00	30.00
Sep 2025	-	-	-	-	70.00	70.00
Oct 2025	-	-	325.00	-	-	325.00
Nov 2025	-	-	-	360.00	-	360.00
Dec 2025	-	-	250.00	-	10.00	260.00
Jan 2026	-	-	-	-	8.00	8.00
Mar 2026	-	-	250.00	-	400.00	650.00
May 2026	-	-	200.00	-	-	200.00
Jun 2026	-	-	225.00	-	-	225.00
Aug 2026	-	-	-	-	13.40	13.40
Mar 2027	-	-	5,000.00	-	-	5,000.00
Sep 2027	-	1,250.00	-	-	-	1,250.00
Aug 2028	-	-	2,944.22	1,800.00	-	4,744.22
Jan 2029	-	-	-	2,350.00	-	2,350.00
May 2029	-	-	315.46	55.72	-	371.18
Nov 2029	-	-	323.36	114.31	-	437.67
Nov 2029	-	-	-	-	-	-
	700.17	**1,250.00**	**27,382.57**	**7,590.75**	**557.90**	**37,481.39**
Add: interest accrued & effective interest rate amortisation**						1,541.87
						39,023.26

*MLD represents market linked debentures

(Currency: Indian rupees in million)

23.A **Maturity profile and rate of interest of debt securities are set out below:**

Redeemable non-convertible debentures - unsecured

Month	Rate of Interest					Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	MLD*	
Aug 2023	-	-	-	-	21.60	21.60
Apr 2023	-	-	-	-	110.00	110.00
	-	**-**	**-**	**-**	**131.60**	**131.60**
Add: interest accrued & effective interest rate amortisation**						20.18
						151.78

As at March 31, 2022

Redeemable non-convertible debentures - secured

Month	Rate of Interest					Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	MLD*	
Apr 2022	716.24	-	-	1,648.64	-	2,364.88
Aug 2022	180.83	-	-	645.28	-	826.11
Oct 2022	-	-	750.00	-	369.20	1,119.20
Feb 2023	156.66	-	-	359.48	-	516.14
May 2023	-	-	2,000.00	-	-	2,000.00
Jun 2023	-	-	6,250.00	-	-	6,250.00
Jul 2023	-	-	-	-	22.50	22.50
Aug 2023	-	-	3,875.86	-	4.00	3,879.86
Oct 2023	-	-	750.00	-	-	750.00
Jul 2023	-	-	-	-	-	-
Jan 2024	456.64	290.00	1,213.52	1,790.88	-	3,751.04
May 2024	144.51	-	674.13	296.75	-	1,115.39
Oct 2024	-	-	750.00	-	-	750.00
Nov 2024	99.02	-	806.22	381.09	-	1,286.33
Dec 2024	-	-	-	200.00	-	200.00
Feb 2025	-	-	-	50.00	-	50.00
Mar 2025	-	-	-	100.00	-	100.00
Apr 2025	-	-	100.00	-	-	100.00
Jun 2025	-	-	-	-	-	-
Aug 2025	-	-	-	-	30.00	30.00
Sep 2025	-	-	-	-	70.00	70.00
Oct 2025	-	-	1,075.00	-	-	1,075.00
Nov 2025	-	-	-	360.00	-	360.00

(Currency: Indian rupees in million)

23.A Maturity profile and rate of interest of debt securities are set out below:

Redeemable non-convertible debentures - secured

Month	Rate of Interest					Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	MLD*	
Mar 2026	-	-	250.00	-	400.00	650.00
Apr 2026	-	-	-	-	-	-
May 2026	-	-	200.00	-	-	200.00
Jun 2026	-	-	225.00	-	-	225.00
Aug 2026	-	-	-	-	14.70	14.70
Mar 2027	-	-	5,000.00	-	-	5,000.00
Apr 2027	-	-	-	-	-	-
Jun 2027	-	-	-	-	-	-
Sep 2027	-	1,250.00	-	-	-	1,250.00
Aug 2028	-	-	2,254.22	1,800.00	-	4,054.22
Jan 2029	-	-	-	2,350.00	-	2,350.00
May 2029	-	-	280.46	55.72	-	336.18
Nov 2029	-	-	323.36	114.31	-	437.67
						-
	1,753.90	**1,540.00**	**27,027.77**	**10,152.15**	**928.40**	**41,402.22**
Add: interest accrued & effective interest rate amortisation**						1,639.18
						43,041.40

*MLD represents market linked debentures
** Interest accrued but not due is payable on next interest payment date for respective ISINs.

Redeemable non-convertible debentures - unsecured

Month	Rate of Interest					Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	MLD*	
Aug 2023	-	-	-	-	21.60	21.60
Apr 2026	-	-	-	-	110.00	110.00
	-	**-**	**-**	**-**	**131.60**	**131.60**
Add: interest accrued & effective interest rate amortisation**						1,6.17
						147.77

*MLD represents market linked debentures
** Interest accrued but not due is payable on next interest payment date for respective ISINs.

(Currency: Indian rupees in million)

23.A Maturity profile and rate of interest of debt securities are set out below:

Commercial papers - unsecured
As at March 31, 2023

Month	Rate of Interest				Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	
Apr 2023	-	550.00	920.00	-	1,470.00
Jul 2026	-	-	600.00	-	600.00
Dec 2023			1,500.00	-	1,500.00
	-	**550.00**	**3,020.00**	**-**	**3,570.00**
Add: Unamortisation discount					(119.20)
					3,450.80

Commercial papers - unsecured
As at March 31, 2023

Month	Rate of Interest				Grand total
	0.00%	8% - 9%	9% - 10%	10% - 11%	
Dec 2022	1,000.00	-	-	-	1,000.00
Jan 2026	1,650.00	-	-	-	1,650.00
	2,650.00	**-**	**-**	**-**	**2,650.00**
Add: Unamortised Discount					(153.43)
					2,496.57

(Currency: Indian rupees in million)

23.B Details of debt securities:

Redeemable non-convertible debentures - secured

Privately placed:

Privately placed debentures are secured by pari passu charge on receivables from financing business, securities held for trading and property (excluding intangible assets).

During the current year, the Company has raised Rs Nil (previous year Rs Nil) worth of redeemable non-convertible debentures through private issue . As at March 31 2022 the Company has utilised the whole of the aforementioned net proceeds towards the objects of the issue as stated in the prospectus.

Public issue:

Debentures are secured by pari passu charge on receivables from financing business, securities held for trading and property (excluding intangible assets)

Market linked debentures:

Market linked debentures are secured by pari passu charge on receivables from financing business, securities held for trading and property (excluding intangible assets).

In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.

Certain benchmark linked debentures have a clause for an early redemption event which is automatically triggered on the achievement of pre determined benchmark index level(s).

Compulsory Convertible Debentures

9.00%, Compulsory Convertible Debentures (CCD) of Rs. 100 each fully paid are compulsory convertible into equity shares at conversion rate to be decided based on fair value of equity shares, at any time after 24 months from the date of allotment and within 5 years from date of allotment.

(Currency: Indian rupees in million)

		As at March 31, 2023	As at March 31, 2022
24.	**Borrowings (other than debt securities)**		
	(at amortised cost)		
	Secured		
	Term loan from bank (refer note 2.43)	9,324.38	22,729.86
	[Secured by charge on receivables, cash & cash equivalents and other assets from financing business]		
	(Refer Note 24.A)		
	Term loans from financial institutions(refer note 2.43)	1,025.00	2,700.00
	[Secured by charge on receivables, cash & cash equivalents and other assets from financing business]		
	(Refer note 24.A)		
	Other borrowings		
	Cash credit lines	1,348.33	1,174.23
	[Secured by charge on receivables, cash & cash equivalents and other assets from financing business]		
	(Repayable on demand, Interest rate payable in the range of 8.65% to 10.40%)		
	Working capital demand loan	6,700.00	6,830.00
	[Secured by charge on receivables, cash & cash equivalents and other assets from financing business]		
	(Repayable on demand, Interest rate payable in the range of 8.65% to 11.35%)		
	Tri party REPO		
	TREPS facilitates, borrowing and lending of funds, in Triparty repo arrangement	18,958.39	4,511.54
	[Secured by pledge of government securities]		
	[Repayable on April 03,2023 (Repayable on April 04,2022)]		
	Unsecured		
	Loan from related parties (refer note 49)	14.27	1,070.67
	(Repayable on demand, Interest rate payable in the range of 10.16% to 14.50%)		
	Total	**37,370.37**	**39,016.30**
	Borrowings in India	37,370.37	39,016.30
	Borrowings from outside India	-	-
	Total	**37,370.37**	**39,016.30**

(Currency: Indian rupees in million)

24.A Maturity profile and rate of interest of borrowings from bank and other parties are set out below:

As at March 31, 2023

Term loan from bank & term loan from other parties

Month	Rate of Interest				Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12 %	
Apr 2023	-	222.22	488.93	225.00	936.15
May 2023	-	372.22	100.18	35.77	508.17
Jun 2023	-	472.22	250.18	157.95	880.35
Jul 2023	-	217.24	150.18	110.77	478.19
Aug 2023	-	150.00	100.18	35.77	285.95
Sep 2023	-	305.50	350.18	110.77	766.45
Oct 2023	-	-	556.52	110.77	667.29
Nov 2023	-	150.00	100.18	35.77	285.95
Dec 2023	-	305.50	250.19	110.77	666.46
Jan 2024	-	-	150.19	110.77	260.96
Feb 2024	-	150.00	100.19	35.77	285.96
Mar 2024	-	250.15	341.09	110.77	702.01
Apr 2024	-	-	119.59	110.77	230.36
May 2024	-	150.00	19.59	35.77	205.36
Jun 2024	-	205.50	169.59	35.77	410.86
Jul 2024	-	-	69.58	35.77	105.35
Aug 2024	-	149.57	19.58	35.77	204.92
Sep 2024	-	205.50	169.58	35.77	410.85
Oct 2024	-	-	118.36	35.77	154.13
Nov 2024	-	-	19.58	35.77	55.35
Dec 2024	-	205.50	169.58	35.77	410.85
Jan 2025	-	-	58.33	35.77	94.10
Feb 2025	-	-	-	35.77	35.77
Mar 2025	-	205.50	138.18	16.67	360.35
Apr 2025	-	-	-	16.67	16.67
Mary 2025	-	-	-	16.67	16.67
Jun 2025	-	275.38	-	16.67	292.05
Jul 2025	-	-	-	16.67	16.67
Aug 2025	-	-	-	16.67	16.67

(Currency: Indian rupees in million)

24.A **Maturity profile and rate of interest of borrowings from bank and other parties are set out below:**

As at March 31, 2023

Term loan from bank & term loan from other parties

Month	Rate of Interest				Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12 %	
Sep 2025	-	55.50	-	16.67	72.17
Oct 2025	-	-	-	-	-
Nov 2025	-	-	-	-	-
Dec 2025	-	55.50	-	-	55.50
Jan 2026	-	-	-	-	-
Feb 2026	-	-	-	-	-
Mar 2026	-	55.50	-	-	55.50
Apr 2026	-	-	-	-	-
May 2026	-	-	-	-	-
Jun 2026	-	55.50	-	-	55.50
Jul 2026	-	-	-	-	-
Aug 2026	-	-	-	-	-
Sep 2026	-	55.50	-	-	55.50
Dec 2026	-	55.50	-	-	55.50
Mar 2027	-	55.50	-	-	55.50
Jun 2027	-	55.50	-	-	55.50
Sep 2027	-	55.50	-	-	55.50
Dec 2027	-	56.50	-	-	56.50
	-	**4,548.00**	**4,009.73**	**1,775.81**	**10,333.54**
Add: interest accrued & effective interest rate amortisation**					15.84
					10,349.38

(Currency: Indian rupees in million)

24.A Maturity profile and rate of interest of borrowings from bank and other parties are set out below:

As at March 31, 2022

Term loan from bank & term loan from other parties

Month	Rate of Interest				Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12 %	
Apr 2022	-	752.82	225.00	-	977.82
May 2022	-	552.82	-	-	552.82
Jun 2022	546.80	1,786.99	375.00	-	2,708.79
Jul 2022	-	802.82	650.00	-	1,452.82
Aug 2022	-	552.82	-	-	552.82
Sep 2022	310.69	2,980.30	675.00	-	3,965.99
Oct 2022	-	698.02	225.00	-	923.02
Nov 2022	-	552.82	-	-	552.82
Dec 2022	442.40	999.16	175.00	-	1,616.56
Jan 2023	-	744.22	275.00	-	1,019.22
Feb 2023	-	552.82	-	-	552.82
Mar 2023	150.00	2,002.65	125.00	-	2,277.65
Apr 2023	-	702.82	225.00	-	927.82
May 2023	-	447.84	-	-	447.84
Jun 2023	150.00	952.13	125.00	-	1,227.13
Jul 2023	-	80.60	125.00	-	205.60
Aug 2023	-	230.60	-	-	230.60
Sep 2023	150.00	380.60	125.00	-	655.60
Oct 2023	-	536.93	75.00	-	611.93
Nov 2023	-	230.60	-	-	230.60
Dec 2023	150.00	280.60	125.00	-	555.60
Jan 2024	-	80.60	125.00	-	205.60
Feb 2024	-	230.60	-	-	230.60
Mar 2024	-	321.50	119.70	-	441.20
Apr 2024	-	100.00	75.00	-	175.00
May 2024	150.00	150.00	-	-	300.00
Jun 2024	150.00	150.00	-	-	300.00
Jul 2024	-	-	50.00	-	50.00
Aug 2024	-	149.57	-	-	149.57

(Currency: Indian rupees in million)

24.A **Maturity profile and rate of interest of borrowings from bank and other parties are set out below:**

As at March 31, 2022

Term loan from bank & term loan from other parties

Month	Rate of Interest				Grand total
	8% - 9%	9% - 10%	10% - 11%	11% - 12 %	
Sep 2024	150.00	150.00	-	-	300.00
Oct 2024	-	98.80	-	-	98.80
Dec 2024	150.00	150.00	-	-	300.00
Jan 2025	-	-	50.00	-	50.00
Mar 2025	150.00	138.20	-	-	288.20
Apr 2025	-	100.00	-	-	100.00
Jun 2025	219.88	-			219.88
	2,869.77	**18,640.25**	**3,944.70**	**-**	**25,454.72**
Add: interest accrued & effective interest rate amortisation**					(24.86)
					25,429.86

** Interest accrued but not due is payable on next interest payment date for respective term loan

(Currency: Indian rupees in million)

		As at March 31, 2023	As at March 31, 2022
25.	**Subordinated liabilities (unsecured)**		
	(at amortised cost)		
	(Refer Note 25.A)		
	Subordinated debt		
	Privately placed non-convertible redeemable	7,148.93	7,648.26
	Market linked debentures	2,914.17	4,479.35
	Perpetual debt	3,272.54	3,271.70
	Total	**13,335.64**	**15,399.31**
	Subordinated liabilities in India	13,335.64	15,399.31
	Subordinated liabilities outside India	-	-
	Total	**13,335.64**	**15,399.31**

25.A **Maturity profile and rate of interest of subordinated liabilities are set out below:**

As at March 31, 2023

Subordinated debt (unsecured)

Month	Rate of Interest				Grand total
	9% - 10%	10% - 11%	11% - 12%	MLD*	
Jun 2023	-	-	-	683.90	683.90
Jul 2023	-	-	-	98.00	98.00
Aug 2023	-	-	-	648.50	648.50
May 2025	-	-	2,998.00	-	2,998.00
Jun 2025	-	-	-	50.00	50.00
Sep 2025	-	200.00	-	-	200.00
Jun 2026	-	2,500.00	-	-	2,500.00
Apr 2027	-	-	-	450.00	450.00
Jun 2027	-	-	-	100.00	100.00
Sep 2027	200.00	-	-	-	200.00
Oct 2027	1,000.00	-	-	-	1,000.00
	1,200.00	**2,700.00**	**2,998.00**	**2,030.40**	**8,928.40**
Add: interest accrued & effective interest rate amortisation**					1,134.70
					10,063.10

*MLD represents market linked debentures

** Interest accrued but not due is payable on next interest payment date for respective ISINs.

(Currency: Indian rupees in million)

25.A Maturity profile and rate of interest of subordinated liabilities are set out below:

Perpetual debt

Month	Rate of Interest			Grand total
	9% - 10%	10% - 11%	11% - 12%	
May 2027	-	3,000.00	-	3,000.00
	-	**3,000.00**	**-**	**3,000.00**
Add: interest accrued & effective interest rate amortisation**				272.54
				3,272.54

As at March 31, 2022
Subordinated debt (unsecured)

Month	Rate of Interest				Grand total
	9% - 10%	10% - 11%	11% - 12%	MLD*	
Jun 2022	-	-	500.00	-	500.00
Jun 2023	-	-	-	1,253.30	1,253.30
Jul 2023	-	-	-	253.00	253.00
Aug 2023	-	-	-	1,179.50	1,179.50
May 2025	-	-	2,998.00	-	2,998.00
Jun 2025	-	-	-	50.00	50.00
Sep 2025	-	200.00	-	-	200.00
Jun 2026	-	2,500.00	-	-	2,500.00
Apr 2027	-	-	-	450.00	450.00
Jun 2027	-	-	-	100.00	100.00
Sep 2027	200.00	-	-	-	200.00
Oct 2027	1,000.00	-	-	-	**1,000.00**
	1,200.00	**2,700.00**	**3,498.00**	**3,285.80**	**10,683.80**
Add: interest accrued & effective interest rate amortisation**					1,443.81
					12,127.61

(Currency: Indian rupees in million)

25.A Maturity profile and rate of interest of subordinated liabilities are set out below:

Perpetual debt

Month	Rate of Interest			Grand total
	9% - 10%	10% - 11%	11% - 12%	
May 2027	-	3,000.00	-	3,000.00
	-	**3,000.00**	**-**	**3,000.00**
Add: interest accrued & effective interest rate amortisation**				271.70
				3,271.70

*MLD represents market linked debentures
** Interest accrued but not due is payable on next interest payment date for respective ISINs.

25.B Details of subordinated liabilities:

Market Linked Debentures:

In case of market linked debentures the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.

Certain benchmark linked debentures have a clause for an early redemption event which is automatically triggered on the achievement of pre determined benchmark index level.

Perpetual debt:

Step up of 1% in coupon once during the life of the instrument after 10 years from the date of allotment. if call option is not exercised.

(Currency: Indian rupees in million)

		As at March 31, 2023	As at March 31, 2022
26.	**Other financial liabilities**		
	Payable on account of securitisation (refer note 15.(3))	2,469.28	1,432.23
	Accrued salaries and benefits	167.59	141.37
	Rental Deposits	25.76	25.33
	Lease liabilities (refer note 41.C)	127.57	51.66
	Payable to trust	9,100.98	-
	Other payable	45.24	108.10
		11,936.42	1,758.69
27.	**Current tax liabilities (net)**		
	Provision for taxation	-	-
	(net of advance Tax ₹ Nil, previous year ₹ Nil)		
		-	-
28.	**Provisions**		
	Provision for employee benefits		
	Gratuity	-	-
	(Refer Note 40.A)		
	Compensated leave absences	9.40	11.05
		9.40	11.05
29.	**Other non-financial liabilities**		
	Statutory liabilities*	152.07	172.45
	Others	44.82	42.33
		196.89	214.78

*Includes withholding taxes, Provident fund, profession tax and other statutory dues payables

(Currency: Indian rupees in million)

	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
30. Equity share capital				
Authorised :				
Equity shares of Re.1 each	6,70,00,00,000	6,700.00	6,70,00,00,000	6,700.00
Preference shares of Rs 10 each	40,00,000	40.00	40,00,000	40.00
	6,70,40,00,000	6,740.00	6,70,40,00,000	6,740.00
Issued, subscribed and paid up:				
Equity shares of Re.1 each	2,13,82,67,650	2,138.27	2,13,82,67,650	2,138.27
	2,13,82,67,650	2,138.27	2,13,82,67,650	2,138.27
A. Reconciliation of number of shares				
Outstanding at the beginning of the year	2,13,82,67,650	2,138.27	2,13,82,67,650	2,138.27
Outstanding at the end of the year	2,13,82,67,650	2,138.27	2,13,82,67,650	2,138.27

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.

	As at March 31, 2023		As at March 31, 2022	
	No of shares	% Holding	No of shares	% Holding
C. Shares held by holding/ultimate holding company and/ or their subsidiaries/associates				
Holding company#				
Edelweiss Financial Services Limited	1,58,82,11,650	74.27%	2,13,82,66,650	99.99%
Fellow subsidiaries				
Edel Finance Company Limited	55,00,00,000	25.72%	-	-
Others				
CDPQ Private Equity Asia Pte Limited.	1,000	0.00%	1,000	0.00%
Retail Shareholders	55,000	0.00%	-	-
	2,13,82,67,650	100.00%	2,13,82,67,650	100.00%

(Currency: Indian rupees in million)

		As at March 31, 2023		As at March 31, 2022	
		No of shares	% Holding	No of shares	% Holding
D.	**Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**				
	Holding company#				
	Edelweiss Financial Services Limited	1,58,82,11,650	74.27%	2,13,82,66,650	99.99%
	Fellow subsidiaries				
	Edel Finance Company Limited	55,00,00,000	25.72%	-	-
		2,13,82,11,650	99.99%	2,13,82,66,650	99.99%
E.	**Details of shares held by promoters in the Company**				
	Holding company#				
	Edelweiss Financial Services Limited	1,58,82,11,650	74.27%	2,13,82,66,650	99.99%
	Fellow subsidiaries				
	Edel Finance Company Limited	55,00,00,000	25.72%	-	-
		2,13,82,11,650	99.99%	2,13,82,66,650	99.99%

including 6 shares held by nominees of Edelweiss Financial Services Limited

F. **There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.**

G. **Company has not issued any shares for consideration other than cash**

(Currency: Indian rupees in million)

	As at March 31, 2023	As at March 31, 2022
31. Other equity		
Securities premium reserve	11,879.96	11,879.96
Statutory reserve	5,409.19	5,187.49
Debenture redemption reserve	774.84	1,007.43
Retained earnings	6,067.19	4,904.54
Deemed capital contribution - equity	140.02	140.02
Revaluation Reserve	306.54	336.83
	24,577.74	**23,456.27**

A. Nature and purpose of reserves

a. 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.

b. Statutory reserve

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

c. Debenture redemption reserve

The Company being an NBFC is required to create and maintain debenture redemption reserve (DRR) equivalent to 25% of the public issue of debentures, as required by Companies Act, 2013. The amounts credited to the DRR may not be utilised except on redemption of such debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings. However, as per the recent amendment to the Companies Act 2013, NBFCs are no longer required to create and maintain DRR. Accordingly, the Company has not created incremental DRR on existing public issue of debentures, post the said amendment, though the Company continues to maintain the DRR created earlier till the maturity of these debentures.

d. Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

e. Deemed capital contribution - equity

Deemed capital contribution relates to share options granted to eligible employees of the Company by the parent company under its employee share option plan.

f. Revaluation Reserve

The revaluation reserve relates to the revaluation of property, plant and equipment.

Financial Statement *(Continued)*

(Currency: Indian rupees in million)

		As at March 31, 2023	As at March 31, 2022
B.	**Movement in Other equity**		
I.	**Securities premium reserve**		
	Opening balance	11,879.96	11,879.96
	Add : Premium Received on issue of securities	-	-
		11,879.96	**11,879.96**
II.	**Statutory reserve**		
	Opening balance	5,187.49	5,028.78
	Add : Reserve created for the year	221.70	158.71
		5,409.19	**5,187.49**
III.	**Debenture redemption reserve**		
	Opening balance	1,007.43	2,736.39
	Add : Reserve created for the year	-	-
	Less: transferred to retained earnings	(232.59)	(1,728.96)
		774.84	**1,007.43**
IV.	**Retained earnings**		
	Opening balance	4,904.54	2,476.29
	Add: Profit/(Loss) for the year	1,108.41	793.53
	Add: Other comprehensive income	(8.36)	(26.91)
	Add: transferred from debenture redemption reserve	232.59	1,728.96
	Less: Reversal of ESOP liabilities to reserve	21.42	57.54
	Less: Impact of Lease accounting	-	-
	Add: Balance released from revaluation reserve	30.29	33.84
	Amount available for appropriation	**6,288.89**	**5,063.25**
	Appropriations:		
	Transfer to statutory reserve	(221.70)	(158.71)
		6,067.19	**4,904.54**
V.	**Deemed capital contribution - equity**		
	Opening balance	140.02	140.02
	Add : ESOP charge for the year	-	-
		140.02	**140.02**
VI.	**Revaluation Reserve**		
	Opening Balance	336.83	423.59
	Less : Reserve reversed during the year	-	(52.92)
	Less : Transferred to retained earnings	(30.29)	(33.84)
		306.54	**336.83**
		24,577.74	**23,456.27**

Financial Statement *(Continued)*

(Currency: Indian rupees in million)

		As at March 31, 2023	As at March 31, 2022
32.	**Interest Income**		
	On financial assets measured at amortised cost		
	Interest on loans		
	Loans	8,938.57	10,892.49
	Interest income from investments		
	Investment in preference shares	81.64	74.98
	Interest on deposits with bank		
	Fixed deposits	44.29	98.70
	Other interest income		
	Margin with brokers	6.15	10.92
	Others	119.22	155.78
		9,189.87	**11,232.87**
	On financial assets measured at FVTPL		
	Interest income from investments		
	Interest income - securities held for trading	728.22	608.98
	Interest income - AIF	**245.61**	**277.65**
		973.83	886.63
		10,163.70	12,119.50
33.	**Dividend Income**		
	Dividend - Securities held for trading	**-**	**5.67**
		-	5.67
34.	**Fee income**		
	Advisory and other fees	835.80	704.36
		835.80	**704.36**

(Currency: Indian rupees in million)

		As at March 31, 2023	As at March 31, 2022
35.	**Net gain/ (loss) on financial instruments at FVTPL**		
	Investments		
	Profit on trading - Securities held for trading (net)	(122.67)	105.63
	Fair value - Securities held for trading (net)	5.74	(13.06)
	Fair value gain - P&L - equity	2.19	-
	Derivatives		
	Profit on trading - Interest rate swap (net)	(16.96)	(2.19)
	Profit on trading - Equity derivative instruments (net)	-	79.20
	Profit / (loss) on trading - Interest rate derivative instruments (net)	(90.97)	232.47
	Fair value - Derivative financial instruments (net)	26.24	9.01
	Others		
	Profit on sale/redemption - Security receipts	1,034.69	300.25
	Fair value - Security receipts	73.31	2,906.85
	Profit on sale/redemption - AIFs	28.61	29.36
	Fair value - AIFs	1,012.50	(43.32)
	Fair value - debt instruments (CCD)	2,100.00	-
	(Refer note 39.A)		
		4,052.68	**3,604.20**
	Fair value changes		
	Realised	832.70	744.72
	Unrealised	3,219.98	2,859.48
		4,052.68	**3,604.20**
36.	**Other income**		
	Interest on income tax refund	132.65	98.82
	Gain on sale of investment property	739.73	-
	Other miscellaneous income	97.40	75.14
		969.78	**173.96**

(Currency: Indian rupees in million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
37.	**Finance costs**		
	On financial liabilities measured at amortised cost		
	Interest on borrowings other than debt securities	3,044.97	5,426.10
	Interest on debt securities	6,091.94	7,454.57
	Interest on subordinated liabilities	752.25	793.54
	Other finance cost and bank charges	282.46	347.98
	Interest on lease liabilities	14.26	5.80
	(Refer note 41.C)		
		10,185.88	14,027.99
38.	**Net loss on derecognition of financial instruments**		
	(Refer note 39.A)		
	Loss on sale of credit impaired assets	1,985.58	713.30
	(Refer note 54.D)		
		1,985.58	713.30
39.	**Impairment on financial instruments**		
	(Refer note 39.A)		
	Provision for diminution in value of Investment	-	-
	Expected credit loss		
	Loans (Including undrawn commitments)	(187.52)	(1,540.08)
	Bad debts and advances written off/(write back) (net)	92.35	141.45
	Trade receivables	(6.43)	1.39
	Other Credit Cost	0.22	209.70
	Impairment on Investment Property	(18.27)	-
		(119.65)	**(1,187.54)**

(Currency: Indian rupees in million)

39.A. Note:-Under the Shareholders' Agreement dated March 5, 2019, entered between Edelweiss Financial Services Limited (EFSL), CDPQ Private Equity Asia PTE. Limited (CDPQ) and the Company (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 the Company within six months of the default leading to loss incurred by the Company 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 the Company unimpacted on account of impairment in these loan accounts. During the previous year ended March 31, 2023, Parties have discussed and agreed that loss event for three of the borrowers in the Select Loans have crystalised and hence, EFSL has agreed to make good the loss amounting to Rs. 1295.20 millions incurred by the Company in earlier years. Accordingly, ECLF has recorded such recovery in its profit and loss account for the year ended March 31, 2023. The Parties have agreed that no loss event has been crystalised in respect of other Select Loans mentioned in above said clauses of the agreement and hence as at March 31, 2022 there is no obligation EFSL has as at March 31, 2022.

	March 31, 2023	March 31, 2022
40. Employee benefit expenses		
Salaries wages and bonus (refer note 2.40)	708.19	814.48
Contribution to provident and other funds	34.47	37.02
Expense on share based payments - refer note below	3.01	7.63
Staff welfare expenses	21.71	17.16
Employee Stock Appreciation Rights (ESAR) - Refer note below	14.67	20.16
	782.05	**896.45**

Notes:

1) Edelweiss Financial Services Limited ("EFSL") the holding Company has granted an ESOP/ESAR option to acquire equity shares of EFSL that would vest in a graded manner to Company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.

(Currency: Indian rupees in million)

40.A Employee Benefits

a) Defined contribution plan - provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognised provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised Rs. 28.23 million (March 31, 2022 : Rs 29.34 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 non-contributory defined benefit arrangement providing lump-sum gratuity benefits expressed in terms of final monthly salary and year of service, 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 most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2023. 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:

	As at March 31, 2023	As at March 31, 2022
Present value of funded obligations (A)	41.61	47.81
Fair value of plan assets (B)	75.62	85.83
Present value of funded obligations (A - B)	(34.01)	(38.02)
Net deficit / (assets) are analysed as:		
Liabilities - (refer note 28)	-	-

(Currency: Indian rupees in million)

Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

The Company recognised Rs. 28.23 million (March 31, 2022 : Rs 29.34 million) for provident fund and other contributions in the Statement of profit and loss.

	Defined benefit obligation (DBO)		Fair value of plan assets		Net defined benefit (asset) liability	
Particulars	**March 31, 2023**	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
Opening balance	**47.81**	**55.23**	**85.83**	**118.19**	**(38.03)**	**(62.97)**
Current service cost	6.53	6.23			6.53	6.23
Interest cost (income)	2.74	2.58	5.04	4.14	(2.30)	(1.56)
	57.08	**64.04**	**90.87**	**122.33**	**(33.80)**	**-58.30**
Other comprehensive income						
Remeasurement loss (gain):		-		-	-	-
Experience	(1.54)	(1.18)	(3.34)	3.05	1.80	(4.23)
Financial assumptions	(2.54)	0.64	-	-	(2.54)	0.64
"Changes in the effect of limiting a net defined benefit asset to the asset ceiling"	-	-	(11.91)	(39.55)	11.91	39.55
	(4.08)	**(0.54)**	**(15.25)**	**(36.50)**	**11.17**	**35.96**
Others						
Transfer in/ (out)	(1.31)	(3.66)	-	-	(1.31)	(3.66)
Contributions by employer			10.08	12.03	(10.08)	(12.03)
Benefits paid	(10.08)	(12.03)	(10.08)	(12.03)	-	-
Closing balance	**41.61**	**47.81**	**75.62**	**85.83**	**(34.01)**	**(38.02)**
Represented by						
Net defined benefit asset | Net defined benefit liability					34.01	38.02
					-	-

(Currency: Indian rupees in million)

Components of defined benefit plan cost:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Recognised in statement of profit or loss		
Current service cost	6.53	6.23
Interest cost / (income) (net)	(2.30)	(1.56)
Total	**4.23**	**4.67**
Recognised in other comprehensive income		
Remeasurement of net defined benefit liability/(asset)	11.17	35.96
Total	**11.17**	**35.96**

Percentage break-down of total plan assets

	As at March 31, 2023	As at March 31, 2022
Investment funds with insurance company		
Of which. unit linked	95.60	95.50
Cash and cash equivalents	4.40	4.50
	100.00	**100.00**

Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

Actuarial assumptions:
The following were the principal actuarial assumptions at the reporting date:

	As at March 31, 2023	As at March 31, 2022
Discount rate	7.10%	5.90%
Salary growth rate	7.00%	7.00%
Withdrawal/attrition rate (based on categories)	16.00%	16.00%
Mortality rate	IALM 2012-14(Ultimate)	IALM 2012-14(Ultimate)
Expected weighted average remaining working lives of employees	4 Years	4 Years
Interest rate on net DBO/ (asset) (% p.a.)	5.90%	5.00%

Notes:
a) The discount rate is based on the benchmark yields available on Government Bonds at reporting date.
b) The estimates of future salary increases take into account the inflation, seniority, promotion and other relevant factors.
c) Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

(Currency: Indian rupees in million)

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/-1%)	1.78	(1.72)	2.04	(1.87)
Discount Rate (+/- 1%)	(1.70)	1.80	(1.87)	2.08
Withdrawal Rate (+/- 1%)	0.01	(0.01)	(0.11)	0.12

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 year to the methods and assumptions underlying the sensitivity analyses.

Description of asset liability matching (ALM) policy

The Company has an insurance plan 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 weighted average duration of the obligation is 4 years (March 31, 2022: 4 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

Asset liability comparisons

Particulars	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Present value of DBO	41.61	47.81	55.22	102.01	93.02
Fair value of plan assets	75.62	85.83	118.19	97.24	88.62
Net (assets)/liability	**(34.01)**	**(38.02)**	**(62.97)**	**4.77**	**4.40**

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.

(Currency: Indian rupees in million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
41.	**Other expenses**		
	Advertisement and business promotion	31.73	3.81
	Auditors' remuneration (refer note 41.A)	17.37	21.46
	Commission and brokerage	31.45	18.30
	Communication	0.42	(0.38)
	Directors' sitting fees	3.02	1.10
	Insurance	2.64	6.94
	Legal and professional fees	613.03	496.33
	Management fees paid to Asset reconstruction companies	278.13	266.54
	Printing and stationery	2.37	1.27
	Rates and taxes	6.23	6.08
	Rent (refer note 41.C & 41.D)	42.85	2.62
	Repairs and maintenance (refer note 41.D)	36.43	6.44
	Electricity charges (refer note 41.D)	9.22	6.64
	Computer expenses	173.51	122.39
	Corporate social responsibility (refer note 41.B)	-	-
	Corporate guarantee commission	0.05	0.04
	Clearing & custodian charges	1.18	0.56
	Dematerialisation charges	2.70	3.64
	Rating support fees (refer note 41.D)	21.76	25.11
	Loss/ (Profit) on sale of property, plant and equipment	(2.78)	17.46
	Membership and subscription	2.54	5.99
	Office expenses (refer note 41.D)	74.03	14.83
	Securities transaction tax	0.92	37.78
	Goods & service tax expenses	239.38	315.87
	Stamp duty	13.44	11.96
	Travelling and conveyance	15.56	15.61
	Miscellaneous expenses	112.51	75.49
	Housekeeping and security charges (refer note 41.D)	12.22	11.40
		1,741.91	**1,495.28**

(Currency: Indian rupees in million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
41.A	**Auditors' remuneration:**		
	As a Auditor		
	Statutory audit fees	9.50	11.00
	Limited review fees	6.00	9.02
	Fees for debentures issuances/Certification work	0.85	1.12
	Towards reimbursement of expenses	1.02	0.32
		17.37	**21.46**
41.B	**Details of CSR Expenditure:**		
	Gross Amount required to be spent by the Company as per the provisions of Section 135 of Companies Act 2013.	-	-
	Amount Spent (paid in cash)		
	i) Construction/ acquisition of any assets	-	-
	ii) On purpose other than (i) above	-	-
	Amount Spent (yet to be paid in cash)	-	-
	i) Construction/ acquisition of any assets	-	-
	ii) On purpose other than (i) above	-	-
		-	-

41.C Ind AS 116 on Lease

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using modified retrospective method. The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use assets at an amount equal to the lease liability discounted at the incremental borrowing rate at the date of initial application.

	As at March 31, 2023	As at March 31, 2022
Right to use of assets		
Opening balance	43.12	60.82
Addition / disposal during year	117.66	3.51
Depreciation expenses	**(42.79)**	**(21.21)**
Closing balance	**117.99**	**43.12**

(Currency: Indian rupees in million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Lease liability		
Opening balance	51.66	75.99
Addition/closed during year	114.75	4.28
Accretion of interest	14.26	5.80
Payments during the year	(53.10)	(34.41)
Closing balance	**127.57**	**51.66**
	-	-
Amount recognised in statement of profit and loss		
Depreciation expenses - right of use assets	42.79	21.21
Interest expenses on lease liabilities	14.26	5.80
Expenses relating to short term leases (included in other expenses)	42.85	2.62
Total amount recognised in statement of profit and loss	99.90	29.63

41.D Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group Mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 40 and 41 include reimbursements paid and are net of reimbursements received based on the management's best estimate are Rs. 57.36 millions (previous year Rs. 129.24 millions)

(Currency: Indian rupees in million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
42.	**Income tax**		
	Component of income tax expenses		
	Current tax	-	-
	Adjustment in respect of current income tax of prior years	-	-
	Deferred tax	234.86	(267.78)
	Total tax charge for the year	**234.86**	**(267.78)**
	Current tax (refer note 42.A)	-	-
	Deferred tax (refer note 42.B)	234.86	(267.78)
42.A	**The income tax expenses for the year can be reconciled to the accounting profit as follows:**		
	Profit before taxes	1,343.27	525.75
	Statutory income tax rate	25.17%	25.17%
	Tax charge at statutory rate	338.07	132.32
	Tax effect of :		
	A) Adjustment in respect of current income tax of prior year	-	-
	B) Income not subject to tax or chargeable to lower tax rate	-	-
	C) Tax impact due to revaluation of deferred tax due to change in Income tax rate*	-	-
	D) Item on which no deferred tax is created	(62.35)	(142.24)
	E) Deferred tax created on item, on which deferred tax not created in previous year	-	(257.96)
	F) Tax effects on various other items	(40.86)	0.10
	Total tax reported in statement of profit and loss	**234.86**	**(267.78)**
	Effective income tax rate	**17.48%**	**-50.93%**

Note: During the year ended March 31, 2023, the Company has accounted for deferred tax liability of Rs. 234.86 millions on fair value gain and other components.

(Currency: Indian rupees in million)

42.B Table below shows deferred tax recorded in the balance sheet and changes recorded in Income tax expenses:

For the year ended March 31, 2023	As at April 01, 2022	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2023
Deferred tax assets					
Expected credit loss provision	799.00	(116.87)	-	-	682.13
Effective interest rate on financial assets	15.42	(5.26)	-	-	10.16
Stage 3 Income recognition	122.64	68.30	-	-	190.94
Retirement benefits	9.65	1.81	2.81	-	14.27
Accumulated Loss	5,490.93	547.42	-	-	6,038.35
Fair valuation gain/loss on SIT/ financial instruments/Others	506.86	(288.71)	-	-	218.15
Deferred tax liabilities					
Difference between book and tax depreciation (including intangibles)	(206.51)	0.05	-	-	(206.46)
Effective interest rate on financial liabilities	(174.55)	81.64	-	-	(92.91)
Fair valuation of assets and liabilities	(455.87)	(523.24)	-	-	(979.09)
Deferred tax asset (net)	**6,107.58**	**(234.86)**	**2.81**	**-**	**5,875.54**

(Currency: Indian rupees in million)

42. B Table below shows deferred tax recorded in the balance sheet and changes recorded in Income tax expenses:

For the year ended March 31, 2022	As at April 01, 2021	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2022
Deferred tax assets					
Expected credit loss provision	1,224.24	(425.24)	-	-	799.00
Effective interest rate on financial assets	28.63	(13.21)	-	-	15.42
Stage 3 Income recognition	65.66	56.98	-	-	122.64
Retirement benefits	(2.76)	3.36	9.05	-	9.65
Accumulated Loss	4,318.60	1,172.33	-	-	5,490.93
Fair valuation gain/loss on SIT/ financial instruments/Others	1,206.27	(699.41)	-	-	506.86
Deferred tax liabilities					
Difference between book and tax depreciation (including intangibles)	(263.36)	39.05	17.80	-	(206.51)
Revaluation of Property Plant & Equipments		-	-	-	-
Effective interest rate on financial liabilities	(303.31)	128.76	-	-	(174.55)
Fair valuation of assets and liabilities	(461.02)	5.15	-	-	(455.87)
Deferred tax asset (net)	**5,812.95**	**267.77**	**26.85**	**-**	**6,107.58**

(Currency: Indian rupees in million)

43. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.
Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company with the weighted average number of equity shares outstanding during the year adjusted for assumed conversion of all dilutive potential equity shares.

	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic Earnings per Share		
Net (Loss) / Profit attributable to Equity holders of the Company - A	1,108.41	793.53
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	2,13,82,67,650	2,13,82,67,650
- Number of equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	2,13,82,67,650	2,13,82,67,650
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	2,13,82,67,650	2,13,82,67,650
Number of ordinary shares resulting from conversion of CCD (Compulsory Convertible Debentures) - C	56,18,90,162	56,18,90,162
Weighted average number of equity shares outstanding during the period (based on the date of issue of shares) - D (B+C)	2,70,01,57,812	2,70,01,57,812
Basic earnings per share (in rupees) (A/B)	0.52	0.37
Diluted earnings per share (in rupees) (A/D)	0.41	0.29

44. Contingent Liability & Commitment:

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

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.

	For the year ended March 31, 2023	For the year ended March 31, 2022
Contingent Liability		
irect tax Litigation pending against the Company	191.02	43.91
Commitment		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	5.61	-
Undrawn committed credit lines	658.87	225.93
AIF Undrawn amount	4,174.98	2,220.00

To meet the financial needs of customers, the Company enters into various irrevocable commitments, which primarily consist of undrawn commitment to lend.

(Currency: Indian rupees in million)

45. **Segment Reporting**

Primary Segment (Business segment)

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

Segment	Activities covered
Capital based business	Income from treasury operations, income from investments and dividend income
Financing business	Wholesale and retail financing

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

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

Segment information as at and for the year ended March 31, 2023

Particulars	**Financing business**	**Treasury**	**Capital based business**	**Unallocated**	**Total**
Revenue from Operations					
Interest Income	8,911.77	747.94	503.99	-	10,163.70
Other Operating income	4,788.73	869.68	67.20	132.65	5,858.26
Total Revenue from Operations	13,700.50	1,617.62	571.19	132.65	16,021.96
Interest Expenses	9,222.18	655.50	308.20	-	10,185.88
Other Expenses	4,382.08	107.71	-	3.02	4,492.81
Total Expenses	13,604.26	763.21	308.20	3.02	14,678.69
Segment profit/(loss) before taxation	96.24	854.41	262.99	129.63	1,343.27
Income Tax Expenses				234.86	234.86
Profit for the year					1,108.41
Other Comprehensive Income	-			(8.36)	(8.36)
Total comprehensive income					1,100.05
Segment Assets	1,03,491.59	27,080.86	6,204.99	9,660.70	1,46,438.14
Segment Liabilities	90,411.63	26,067.26	2,860.51	382.73	1,19,722.13
Capital expenditure	31.38		-	-	31.38
Depreciation and amortisation	102.92		-	-	102.92
Significant non-cash items	(193.95)		-	-	(193.95)

(Currency: Indian rupees in million)

45. Segment Reporting

Segment information as at and for the year ended March 31, 2022

Particulars	Financing business	Treasury	Capital based business	Unallocated	Total
Revenue from Operations					
Interest Income	11,371.86	676.60	71.03	-	12,119.49
Other Operating income	3,986.60	402.78	-	98.82	4,488.20
Total Revenue from Operations	15,358.46	1,079.38	71.03	98.82	16,607.69
Interest Expenses	13,525.80	398.93	103.24	-	14,027.97
Other Expenses	1,782.53	270.34	-	1.10	2,053.97
Total Expenses	15,308.33	669.27	103.24	1.10	16,081.94
Segment profit/(loss) before taxation	50.13	410.11	(32.21)	97.72	525.75
Income Tax Expenses	-	-	-	(267.78)	(267.78)
Profit for the year					793.53
Other Comprehensive Income	(52.92)			(26.91)	(79.83)
Total comprehensive income					713.70
Segment Assets	1,18,917.55	11,084.01	2,255.01	11,203.32	1,43,459.89
Segment Liabilities	1,05,255.44	10,937.05	1,301.07	371.79	1,17,865.35
Capital expenditure	9.23	-	-	-	9.23
Depreciation and amortisation	136.46	-	-	-	136.46
Significant non-cash items	(1,538.69)	-	-	-	(1,538.69)

(Currency: Indian rupees in million)

46. Transfer of financial assets

46.A Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

	For the year ended March 31, 2023	For the year ended March 31, 2022
Securitisations		
Carrying amount of transferred assets	3,001.15	1,531.06
(held as Collateral)		
Carrying amount of associated liabilities	2,548.20	1,255.61
Fair value of assets	2,150.63	1,497.42
Fair value of associated liabilities	1,662.04	1,408.63
Net position at FV	488.59	88.79

46.B Contingent Liability & Commitment

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

47.A Change in liabilities arising from financing activities

Particulars	As at April 01, 2022	Cash Flows (net)	Changes in Fair value	Others (net)*	As at March 31, 2023
Debt securities	55,135.92	(3,000.82)	(2,100.00)	(59.08)	49,976.02
Borrowings other than debt securities	39,016.30	(1,502.02)	-	(143.91)	37,370.37
Subordinated liabilities	15,399.31	(1,755.40)	-	(308.27)	13,335.64
	1,09,551.53	**(6,258.24)**	**(2,100.00)**	**(511.26)**	**1,00,682.03**

Particulars	As at April 01, 2022	Cash Flows (net)	Changes in Fair value	Others (net)*	As at March 31, 2023
Debt securities	70,781.61	(14,986.64)	-	(659.05)	55,135.92
Borrowings other than debt securities	73,772.94	(35,054.87)	-	298.23	39,016.30
	15,007.22	0.01	-	392.08	15,399.31
	1,59,561.77	**(50,041.50)**	**-**	**31.26**	**1,09,551.53**

*Other column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

47.B Operating cash flow before working capital changes has cash losses of Rs.2,590.24 million for the year ended 31st March, 2023 (Cash losses of Rs. 1967.76 million computed basis Companies (Auditor's Report) Order, 2020) is primarily on account of unrealised gain of Rs. 3,219.98 million on financial instruments and reversal of ECL provision of Rs.193.95 million. Management is confident to realise these unrealised fair value gain in subsequent period during FY 2023-24.

(Currency: Indian rupees in million)

48. **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. Derivatives (excluding embedded derivatives), securities held for trading have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

	As at March 31, 2023			As at March 31, 2022		
Particulars	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial Assets						
Cash and cash equivalents	8,757.21	-	8,757.21	1,501.76	-	1,501.76
Bank balances other than cash and cash equivalents	529.80	25.91	555.71	736.58	-	736.58
Derivative financial instruments	50.21	-	50.21	148.48	-	148.48
Securities held for trading	26,069.71	-	26,069.71	10,184.48	-	10,184.48
Trade receivables	2,312.67	0.34	2,313.01	870.50	43.49	913.99
Loans	19,309.90	15,785.71	35,095.61	28,973.60	24,199.74	53,173.34
Investments	6,769.00	37,934.48	44,703.48	15,618.00	46,611.74	62,229.74
Other financial assets	17,807.10	118.11	17,925.21	824.67	43.47	781.20
Non-financial assets						
Current tax assets (net)	-	3,293.13	3,293.13	-	4,515.83	4,515.83
Deferred tax assets (net)	-	5,875.54	5,875.54	-	6,107.58	6,107.58
Investment Property	-	249.25	249.25	-	1,162.00	1,162.00
Property, plant and equipment	-	950.73	950.73	-	931.95	931.95
Capital work in progress	-	-	-	-	-	-
Intangible assets under development	-	16.72	16.72	-	-	-
Other intangible assets	-	11.57	11.57	-	1.57	1.57
Other non- financial assets	-	571.05	571.05	-	1,007.51	1,007.51
Total Assets	**81,605.60**	**64,832.54**	**1,46,438.14**	**58,858.07**	**84,624.88**	**1,43,396.01**

(Currency: Indian rupees in million)

48. Maturity Analysis of assets and liabilities

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Liabilities						
Derivative financial instruments	165.89	-	165.89	618.60	-	618.60
Trade payables	6,731.50	-	6,731.50	5,646.82	-	5,646.82
Debt securities	23,349.76	26,626.26	49,976.02	6,442.58	48,693.34	55,135.92
Borrowings (other than debt securities)	33,786.73	3,583.64	37,370.37	33,312.04	5,704.26	39,016.30
Subordinated liabilities	2,042.07	11,293.57	13,335.64	1,103.96	14,295.35	15,399.31
Other financial liabilities	10,194.20	1,742.22	11,936.42	1,046.38	712.31	1,758.69
Non-financial liabilities						
Current tax liabilities (net)	-	-	-	-	-	-
Provisions	9.40	-	9.40	-	11.05	11.05
Other non-financial liabilities	172.40	24.49	196.89	214.78	-	214.78
Total Liabilities	76,451.95	43,270.18	1,19,722.13	48,385.16	69,416.31	1,17,801.47
Net	**5,153.65**	**21,562.36**	**26,716.01**	**10,472.91**	**15,208.57**	**25,594.54**

Notes:
The Company has considered that the Cash Credit facilities availed by it aggregating to Rs. 8,048.33 million as at March 31, 2023 will be repaid on their renewal dates and accordingly reflected the same in the “within 12 months” bucket.

(Currency: Indian rupees in million)

49. Related Party Disclosure for the year April 1, 2022 to March 31, 2023

A) List of related parties and relationship:

Name of related parties by whom control is exercised :

Holding company	Edelweiss Financial Services Limited
Fellow subsidiaries	Edelweiss Rural and Corporate Services Limited
(with whom transactions have taken place)	Edelweiss Retail Finance Limited
	Nido Home Finance Ltd (Formerly EHFL)
	Edelweiss Asset Management Limited
	Edelweiss Tokio Life Insurance Company Limited
	Zuno General Insurance Company Ltd (EGICL)
	Edelweiss Asset Reconstruction Company Limited
	Edelweiss Securities And Investments Private Limited (Magnolia)
	Edel Finance Company Limited
	Edel Investments Limited
	Edelweiss Asset Reconstruction Company Limited - Trust SC 461-Class B
	Edelweiss Asset Reconstruction Company Limited - Trust SC 462 Class B
	Edelweiss Asset Reconstruction Company Limited - Trust SC 453
	Edelweiss Alternative Asset Advisors Limited
	Edelweiss Global Wealth Management Limited
	Edelcap Securities Limited
	Ecap Equities Ltd (Formally ELL)
	EdelGive Foundation
	Edelweiss Comtrade Limited
	Edelweiss Investment Advisors ltd
	India Credit Investment Fund II
	India Credit Investment Fund III
	Real Estate Credit Opportunities Fund
	Edelweiss private Equity Tech Fund
	Edelweiss Value and Growth Fund

(Currency: Indian rupees in million)

49. **Related Party Disclosure for the year April 1, 2022 to March 31, 2023**

A) List of related parties and relationship:

Fellow Associates	Nuvama Wealth Finance limited (EFIL) (Associate upto 30th March'23)
(with whom transactions have taken place)	Nuvama Wealth and Investment limited (EBL) (Associate upto 30th March'23)
	Edelweiss Securities Limited (Asscoiate upto 30th March'23)
	Nuvama Clearing Services limited (ECSL) (Associate upto 30th March'23)
Key management personnel	Rashesh Shah (Chairman & Non Executive Director)
	Venkatchalam Ramaswamy (Vice-Chairman & Non-Executive Director)
	Deepak Mittal (Vice Chairman & Executive Director)
	Subramanian Ranganathan (Managing Director – Ceased to be Director since 01 February 2023)
	Phanindranath Kakarla (CFO upto 31st January 2023) (Managing Director w.e.f 01 February 2023)
	Sandeep Agarwal (CFO w.e.f 01 February 2023)
	Mehernosh Tata (Executive Director w.e.f 01 February 2023)
	Kashmira Mathew (Company Secretary)
	Kunnasagaran Chinniah (Independent Director – Till 19 May 2023)
	PN Venkatachalam (Independent Director - Till 16 September 2022)
	Vidya Shah (Non-Executive Director) (Till 31 July 2022)
	Biswamohan Mahapatra (Independent Director)
	Shiva Kumar (Independent Director) (w.e.f. 28 July 2022)
	Sameer Kaji (Independent Director) (w.e.f. 29 September 2022)
	Anita George (Nominee Director)
	Aalok Gupta (Independent Director) (w.e.f. 29 September 2022)
	Atul Pande (Independent Director) (w.e.f. 24 January 2023)
Enterprises over which promoter /KMPs/ relatives exercise significant influence , with whom transactions have taken place	Mabella Investment Adviser LLP

(Currency: Indian rupees in million)

49. **Related Party Disclosure for the year April 1, 2022 to March 31, 2023**

B) Transactions with related parties:

	For the period ended March 31, 2023	For the period ended March 31, 2022
Current account transactions		
Loans taken from (Maximum transaction during the year)		
Edelweiss Rural and Corporate Services Limited	-	2,500.00
Edelweiss Retail Finance Limited	150.00	2,000.00
Nido Home Finance Ltd (Formerly EHFL)	1,650.00	2,000.00
Edelweiss Financial Services Limited	1,300.00	4,000.00
Ecap Equities Limited(Formerly ELL)	3,880.00	1,000.00
Loans taken from (Sum of transaction during the year)		
Edelweiss Rural and Corporate Services Limited	-	10,337.86
Edelweiss Retail Finance Limited	260.00	7,640.00
Nido Home Finance Ltd (Formerly EHFL)	4,040.00	7,950.00
Edelweiss Financial Services Limited	1,300.00	7,100.00
Ecap Equities Limited(Formerly ELL)	4,180.00	1,300.00
Loan repaid to (Maximum transaction during the year)		
Edelweiss Rural and Corporate Services Limited	500.00	2,200.00
Edelweiss Retail Finance Limited	150.00	2,710.00
Nido Home Finance Ltd (Formerly EHFL)	900.00	2,000.00
Edelweiss Financial Services Limited	1,050.00	4,000.00
Ecap Equities Limited(Formerly ELL)	1,750.00	800.00
Loan repaid to (Sum of transaction during the year)		
Edelweiss Rural and Corporate Services Limited	780.00	9,557.86
Edelweiss Retail Finance Limited	340.00	9,560.00
Nido Home Finance Ltd (Formerly EHFL)	4,040.00	8,950.00
Edelweiss Financial Services Limited	1,300.00	10,900.00
Ecap Equities Limited (Formally ELL)	4,180.00	1,300.00

(Currency: Indian rupees in million)

49. Related Party Disclosure for the year April 1, 2022 to March 31, 2023

B) Transactions with related parties:

	For the period ended March 31, 2023	For the period ended March 31, 2022
Loans given to (Maximum transaction during the year)		
Edelweiss Rural and Corporate Services Limited	800.00	
Ecap Equities Limited (Formally ELL)	1,600.00	-
Edelweiss Retail Finance Limited	650.00	790.00
Ecap Sec & Investment ltd	1,600.00	-
Loans given to (Sum of transaction during the year)		
Edelweiss Rural and Corporate Services Limited	1,590.00	-
ECap Equities Limited (Formally ELL)	5,840.00	-
Edelweiss Retail Finance Limited	1,890.00	879.16
Ecap Sec & Investment ltd	3,100.00	-
Loans repaid by (Maximum transaction during the year)		
Edelweiss Rural and Corporate Services Limited	990.00	-
ECap Equities Limited (Formally ELL)	1,380.00	-
Edelweiss Retail Finance Limited	1,290.00	790.00
Ecap Sec & Investment ltd	720.00	-
Loans repaid by (Sum of transaction during the year)		
Edelweiss Rural and Corporate Services Limited	1,590.00	-
ECap Equities Limited (Formally ELL)	3,240.00	-
Edelweiss Retail Finance Limited	1,890.00	879.16
Ecap Sec & Investment ltd	720.00	-
Repayment of loans including interest by key management personnel & relatives		
Mabella Investment Adviser LLP	-	143.63

(Currency: Indian rupees in million)

49. Related Party Disclosure for the year April 1, 2022 to March 31, 2023

B) Transactions with related parties:

	For the period ended March 31, 2023	For the period ended March 31, 2022
Redemption of Non Convertible Debentures / benchmark linked debentures		
Nuvama Wealth Finance Limited (EFIL)	13.71	4.70
Edelweiss Retail Finance Limited	31.58	11.04
Edelweiss Rural and Corporate Services Limited	-	1,200.00
Ecap Equities Limited(Formerly ELL)	25.27	-
India Credit Investment Fund II	33.36	-
Purchases of securities from		
ECap Equities Limited	2,086.49	839.49
Edelweiss Rural and Corporate Services Limited	513.98	-
Nuvama Wealth Finance Limited (EFIL)	456.47	654.65
Edelweiss Tokio Life Insurance Company Limited	1,154.51	-
Edel Finance Company Limited	220.00	-
Edelweiss General Insurance Company Limited	100.60	-
India Credit Investment Fund II	1,352.62	-
India Credit Investment Fund III	6,088.80	-
Sale / subscription of securities		
Edelweiss Rural and Corporate Services Limited	-	2,147.00
Nuvama Wealth Finance Limited (EFIL)	478.22	301.08
Edelweiss General Insurance Company Limited	96.78	-
Edelweiss Tokio Life Insurance Company Limited	1,983.70	-
Edelweiss Housing Finance Limited	-	150.72
Purchase of securities (Including Equity Shares, Preference Shares & Security Held for Trading)		
Ecap Equities Limited (Formally ELL)	160.15	-
Security Deposits received from		
Edelweiss General Insurance Company Limited	-	25.33
Nido Home Finance Ltd (Formerly EHFL)	14.60	-

(Currency: Indian rupees in million)

49. **Related Party Disclosure for the year April 1, 2022 to March 31, 2023**

B) Transactions with related parties:

	For the period ended March 31, 2023	For the period ended March 31, 2022
Security deposits paid		
Ecap Equities Limited (Formally ELL)	20.52	-
Assignment of loan book to		
Nido Home Finance Ltd (Formerly EHFL)	1,998.46	1,005.78
Edelweiss Tokio Life Insurance Company Limited	476.41	-
Purchase of loan and credit substitute from (Including assignment/ Securitisation)		
Edelweiss Retail Finance Limited	989.74	-
Ecap Equities Limited(Formerly ELL)	1,002.85	-
Edelweiss Rural and Corporate Services Limited	1,889.04	-
Edelweiss Investment Advisors Limited	1,301.50	-
Real Estate credit opportunities fund II	755.50	-
Sale of securities receipts to		
Edelweiss Asset Reconstruction Company Limited	4,613.36	2,682.08
Edelweiss Tokio Life Insurance Company Limited	700.23	-
Edelweiss Retail Finance Limited	4,166.40	-
India Credit Investment Fund III	5,062.80	-
Sale of Loan & Credit Substitutes (Including assignment/ Securitisation)		
Edelweiss General Insurance Company Limited	108.72	-
Sale of Loans & Credit Substitutes to Trusts		
Edelweiss Asset Reconstruction Company Limited Trust	10,615.00	4,487.84

(Currency: Indian rupees in million)

49. **Related Party Disclosure for the year April 1, 2022 to March 31, 2023**

B) Transactions with related parties:

	For the period ended March 31, 2023	For the period ended March 31, 2022
Investment in Security Receipts		
Edelweiss Asset Reconstruction Company Limited - SC 397	-	1,955.00
Edelweiss Asset Reconstruction Company Limited - SC 413	-	363.66
Edelweiss Asset Reconstruction Company Limited - SC 434	-	127.50
Edelweiss Asset Reconstruction Company Limited - SC 444	-	1,113.50
Edelweiss Asset Reconstruction Company Limited - SC 461-Class B	688.50	-
Edelweiss Asset Reconstruction Company Limited - SC 462-Class B	1,071.00	-
Edelweiss Asset Reconstruction Company Limited - SC 453-Class B	6,840.90	-
Income		
Commission and brokerage received from		
Edelweiss Alternative Asset Advisors Limited	40.97	61.10
Reimbursement of ARC management fee from		
Edelweiss Financial Services Limited	1,139.24	1,829.94
Cost reimbursement received from		
Edelweiss Financial Services Limited	-	152.00
Edelweiss General Insurance Company Limited	-	0.05
Edelweiss Retail Finance Limited	0.74	1.29
Nido Home Finance Ltd (Formerly EHFL)	12.62	31.17
Nuvama Wealth & Investment Limited (EBL)	0.28	0.24
Edelweiss Asset Management Limited	0.00	0.06
Edelweiss Alternative Asset Advisors Limited	0.10	0.33
Edelcap Securities Limited	-	0.12
Edelweiss Rural and Corporate Services Limited	-	19.64
Interest income on margin placed with brokers		
Nuvama Clearing Services Limited	6.15	10.92
Interest income on Security Deposits		
Edelweiss Rural and Corporate Services Limited	-	58.68

(Currency: Indian rupees in million)

49. **Related Party Disclosure for the year April 1, 2022 to March 31, 2023**

B) Transactions with related parties:

	For the period ended March 31, 2023	For the period ended March 31, 2022
Interest income on Security Deposits		
Edelweiss Rural and Corporate Services Limited	-	58.68
ECap Equities Limited	-	11.74
Interest income on loans given to		
Edelweiss Retail Finance Limited	24.56	1.29
Edelweiss Rural and Corporate Services Limited	28.13	-
Ecap Equities ltd (Formally ELL)	90.27	-
Mabella Investment Adviser LLP	-	0.66
Ecap Sec & Investment ltd	33.78	-
Interest received on securities		
Nido Home Finance Ltd (Formerly EHFL)	0.49	8.68
Edel Finance Company Limited	23.22	6.16
Edelweiss Retail Finance Limited	1.11	1.56
Shared premises cost received from		
Nuvama Wealth & Investment Limited (EBL)	0.32	-
Edelcap Securities Limited	-	1.03
Edelweiss General Insurance Company Limited	-	25.16
Edelweiss Retail Finance Limited	18.13	-
Nido Home Finance Ltd (Formerly EHFL)	20.49	25.04
Edelweiss Asset Management Limited	16.93	1.43
Interest Income on Investment		
Edelweiss Rural and Corporate Services Limited	81.64	74.98
Management Fees Income		
Ecap Equities ltd (Formally ELL)	149.50	98.74
Edelweiss Rural and Corporate Services Limited	118.46	83.41
Edelweiss Investment Advisors Limited	243.12	326.60

(Currency: Indian rupees in million)

49. **Related Party Disclosure for the year April 1, 2022 to March 31, 2023**

B) Transactions with related parties:

	For the period ended March 31, 2023	For the period ended March 31, 2022
Reimbursement of Realised Loss on Security Receipts		
Edelweiss Financial Services Limited	176.84	342.71
Expense		
Advisory fees paid to		
Edelweiss Asset Reconstruction Company Limited	-	17.50
Nido Home Finance Ltd (Formerly EHFL)	28.22	-
Corporate guarantee support fee paid to		
Ecap Equities ltd (Formally ELL)	0.02	0.02
Edelweiss Rural and Corporate Services Limited	0.02	0.02
Clearing charges paid to		
Nuvama Clearing Services Limited	1.08	0.56
Commission and brokerage paid to		
Edelweiss Securities Limited	-	3.39
Edel Investments Limited	2.07	2.85
Cost reimbursement paid to		
Ecap Equities ltd (Formally ELL)	30.52	2.84
Nuvama Wealth & Investment Limited (EBL)	0.80	-
Edelweiss Rural and Corporate Services Limited	52.09	64.14
Edelweiss Financial Services Limited	0.99	0.26
Nido Home Finance Ltd (Formerly EHFL)	-	0.18
Edel Investments Limited	0.87	-
Nuvama Wealth Management Limited (ESL)	0.00	0.64
Enterprise Service charge paid to		
Edelweiss Rural and Corporate Services Limited	11.67	10.80

(Currency: Indian rupees in million)

49. **Related Party Disclosure for the year April 1, 2022 to March 31, 2023**

B) Transactions with related parties:

	For the period ended March 31, 2023	For the period ended March 31, 2022
Interest paid on loan		
Edelweiss Rural and Corporate Services Limited	8.31	193.45
Edelweiss Retail Finance Limited	2.43	108.30
Nido Home Finance Ltd (Formerly EHFL)	44.19	71.62
Edelweiss Financial Services Limited	3.73	71.69
Ecap Equities ltd (Formally ELL)	7.54	20.67
Management Fees Paid to		
Edelweiss Alternative Asset Advisors Limited	75.82	99.92
Edelweiss Asset Reconstruction Company Limited	287.71	803.90
Rating support fees paid to		
Edelweiss Rural and Corporate Services Limited	-	0.68
Shared premises cost paid to		
ECap Equities Limited	-	7.73
Edelweiss Rural and Corporate Services Limited	12.35	11.73
Edelweiss Retail Finance Limited	-	0.90
Edelweiss Broking Limited	-	0.63
Interest expenses on non-convertible debentures		
Edelweiss Rural and Corporate Services Limited	143.47	239.75
Nuvama Wealth Finance Limited (EFIL)	0.37	4.16
Edelweiss Retail Finance Limited	3.71	5.36
Ecap Equities ltd (Formally ELL)	35.61	46.36
Edel Finance Co ltd	68.75	-
Edelweiss General Insurance Company Limited	4.77	-
Edelweiss Tokio Life Insurance Company Limited	125.05	-
ESOP cost reimbursement		
Edelweiss Financial Services Limited	17.68	27.79

(Currency: Indian rupees in million)

49. **Related Party Disclosure for the year April 1, 2022 to March 31, 2023**

B) Transactions with related parties:

	For the period ended March 31, 2023	For the period ended March 31, 2022
Reimbursement of Realised Loss on Security Receipts		
Edelweiss Financial Services Limited	176.84	342.71
Expense		
Advisory fees paid to		
Edelweiss Asset Reconstruction Company Limited	-	17.50
Nido Home Finance Ltd (Formerly EHFL)	28.22	-
Corporate guarantee support fee paid to		
Ecap Equities ltd (Formally ELL)	0.02	0.02
Edelweiss Rural and Corporate Services Limited	0.02	0.02
Clearing charges paid to		
Nuvama Clearing Services Limited	1.08	0.56
Commission and brokerage paid to		
Edelweiss Securities Limited	-	3.39
Edel Investments Limited	2.07	2.85
Cost reimbursement paid to		
Ecap Equities ltd (Formally ELL)	30.52	2.84
Nuvama Wealth & Investment Limited (EBL)	0.80	-
Edelweiss Rural and Corporate Services Limited	52.09	64.14
Edelweiss Financial Services Limited	0.99	0.26
Nido Home Finance Ltd (Formerly EHFL)	-	0.18
Edel Investments Limited	0.87	-
Nuvama Wealth Management Limited (ESL)	0.00	0.64
Enterprise Service charge paid to		
Edelweiss Rural and Corporate Services Limited	11.67	10.80

(Currency: Indian rupees in million)

49. **Related Party Disclosure for the year April 1, 2022 to March 31, 2023**

B) Transactions with related parties:

	For the period ended March 31, 2023	For the period ended March 31, 2022
Interest paid on loan		
Edelweiss Rural and Corporate Services Limited	8.31	193.45
Edelweiss Retail Finance Limited	2.43	108.30
Nido Home Finance Ltd (Formerly EHFL)	44.19	71.62
Edelweiss Financial Services Limited	3.73	71.69
Ecap Equities ltd (Formally ELL)	7.54	20.67
Management Fees Paid to		
Edelweiss Alternative Asset Advisors Limited	75.82	99.92
Edelweiss Asset Reconstruction Company Limited	287.71	803.90
Rating support fees paid to		
Edelweiss Rural and Corporate Services Limited	-	0.68
Shared premises cost paid to		
ECap Equities Limited	-	7.73
Edelweiss Rural and Corporate Services Limited	12.35	11.73
Edelweiss Retail Finance Limited	-	0.90
Edelweiss Broking Limited	-	0.63
Interest expenses on non-convertible debentures		
Edelweiss Rural and Corporate Services Limited	143.47	239.75
Nuvama Wealth Finance Limited (EFIL)	0.37	4.16
Edelweiss Retail Finance Limited	3.71	5.36
Ecap Equities ltd (Formally ELL)	35.61	46.36
Edel Finance Co ltd	68.75	-
Edelweiss General Insurance Company Limited	4.77	-
Edelweiss Tokio Life Insurance Company Limited	125.05	-
ESOP cost reimbursement		
Edelweiss Financial Services Limited	17.68	27.79

(Currency: Indian rupees in million)

49. Related Party Disclosure for the year April 1, 2022 to March 31, 2023

B) Transactions with related parties:

	For the period ended March 31, 2023	For the period ended March 31, 2022
Remuneration paid to		
Phanindranath Kakarla	23.95	20.55
Deepak Mittal	51.37	70.82
Kashmira Mathew	18.22	17.70
Deepak Khetan	-	1.98
S. Ranganathan	18.88	19.66
Sandeep Agarwal	1.25	-
Mehernosh Tata	3.11	-
Sitting fees paid		
PN Venkatachalam	0.24	0.40
Biswamohan Mahapatra	0.81	0.40
Kunnasagaran Chinniah	0.77	0.30
Shiva Kumar	0.48	-
Aalok Gupta	0.31	-
Sameer A. Kaji	0.34	-
Atul Pande	0.08	-
Assets		
Interest accrued on loans given to		
Edelweiss Rural and Corporate Services Limited	0.87	0.24
Ecap Equities ltd (Formally ELL)	1.24	-
Ecap Sec & Investment ltd	7.81	-
Interest accrued on securities		
Edel Finance Company Limited	21.21	4.15
Nido Home Finance Ltd (Formerly EHFL)	-	0.58
Edelweiss Retail Finance Limited	0.34	0.07
Investments in preference shares (at amortised cost)		
Edelweiss Rural and Corporate Services Limited	-	918.36

(Currency: Indian rupees in million)

49. **Related Party Disclosure for the year April 1, 2022 to March 31, 2023**

B) Transactions with related parties:

	For the period ended March 31, 2023	For the period ended March 31, 2022
Margin money balance with		
Nuvama Clearing Services Limited	-	474.90
Edel Investments Limited	-	42.16
Security Deposit held by		
Ecap Equities ltd (Formally ELL)	20.52	-
Edelweiss Asset Management Limited	11.15	-
Investment in Securities		
Edelweiss Private Equity Tech fund	247.82	-
Edelweiss Value and Growth Fund	382.96	-
India Credit Investment Fund II	2,693.40	-
India Credit Investment Fund III	6,088.80	-
Loan given outstanding		
Ecap Equities ltd (Formally ELL)	2,600.00	-
ECap Sec & investment Ltd	2,380.00	-
Non convertible debentures held for trading		
Nido Home Finance Ltd (Formerly EHFL)	-	8.38
Edel Finance Company Limited	279.00	61.47
Edelweiss Retail Finance Limited	4.51	16.88
Interest Accrued on Margin		
Nuvama Clearing Services Limited	-	6.59

(Currency: Indian rupees in million)

49. **Related Party Disclosure for the year April 1, 2022 to March 31, 2023**

B) Transactions with related parties:

	For the period ended March 31, 2023	For the period ended March 31, 2022
Trade receivables		
Edelweiss Alternative Asset Advisors Limited	-	2.85
Edelweiss General Insurance Company Limited	0.02	5.73
Edelweiss Asset Management Limited	0.83	0.05
Nuvama Wealth Finance Limited (EFIL)	-	0.04
Edelweiss Financial Services Limited	1,898.05	765.47
Edelweiss Retail Finance Limited	1.83	-
Nido Home Finance Ltd (Formerly EHFL)	2.73	8.83
Edelweiss Metal Limited	0.00	-
Edelweiss Investment Advisors Limited	51.61	80.36
Other receivables		
Edelweiss Rural and Corporate Services Limited	0.01	0.40
Edelweiss Global Wealth Management Limited	0.00	-
Edelweiss Financial Services Limited	-	1.79
Edelweiss Retail Finance Limited	0.35	0.33
Purchase of property, plant and equipment		
Nuvama Wealth Management Limited (ESL)	0.00	-
ECap Equities Limited	-	0.01
Edelweiss Financial Services Limited	-	0.06
Edelweiss Rural & Corporate Services Limited	-	1.22

(Currency: Indian rupees in million)

49. Related Party Disclosure for the year April 1, 2022 to March 31, 2023

B) Transactions with related parties:

	For the period ended March 31, 2023	For the period ended March 31, 2022
Sale of property, plant and equipment		
Nuvama Wealth & Investment Limited (Formally EBL)	-	0.01
Edelweiss Financial Services Limited	0.01	-
Ecap Equities ltd (Formally ELL)	0.04	-
Edelweiss General Insurance Company Limited	0.01	-
Nido Home Finance Ltd (Formerly EHFL)	-	0.39
Nuvama Wealth Management Limited (ESL)	-	0.01
Edelcap Securities Limited	0.00	-
Edelweiss Retail Finance Limited	-	0.02
EdelGive Foundation	0.00	-
Edelweiss Rural & Corporate Services Limited	0.12	0.07
Edelweiss Alternative Asset Advisors Limited	0.10	-
Phanindranath Kakarla	-	0.24
Edelweiss Comtrade Limited	0.00	-
Edel Investments Limited	0.00	-
Liabilities		
Security deposits received from		
Edelweiss General Insurance Company Limited	-	25.33
Nido Home Finance Ltd (Formerly EHFL)	14.60	-
Non convertible debentures held by		
Edelweiss Rural and Corporate Services Limited	-	1,950.00
Nuvama Wealth Finance Limited (Formally EFIL)	-	11.69
Edelweiss Tokio Life Insurance Company Limited	851.80	-
Edelweiss Retail Finance Limited	21.62	36.37
Ecap Equities ltd (Formally ELL)	80.81	951.59
Edel Finance Co ltd	2,400.00	-

(Currency: Indian rupees in million)

49. Related Party Disclosure for the year April 1, 2022 to March 31, 2023

B) Transactions with related parties:

	For the period ended March 31, 2023	For the period ended March 31, 2022
Interest accrued on loan taken from		
Edelweiss Retail Finance Limited	-	32.69
Edelweiss Financial Services Limited	3.36	-
Nido Home Finance Ltd (Formerly EHFL)	4.75	7.38
Edelweiss Rural and Corporate Services Limited	-	152.00
Ecap Equities ltd (Formally ELL)	6.79	18.60
Interest Accrued on bonds/debenture		
Edel Finance Company limited	217.41	-
Ecap Equities ltd (Formally ELL)	7.41	-
Interest accrued but not due on non convertible debentures held by		
Edelweiss Retail Finance Limited	0.97	1.24
Nuvama Wealth Finance Limited (Formally EFIL)	-	0.03
Edelweiss Tokio Life Insurance Company Limited	48.95	-
ECap Equities Limited	-	0.08
Loan taken from		
Edelweiss Retail Finance Limited	-	80.00
Edelweiss Rural and Corporate Services Limited	-	780.00
Trade payables		
Edelweiss Alternative Asset Advisors Limited	2.43	-
Edelweiss Rural and Corporate Services Limited	10.00	22.68
Edelweiss Retail Finance Limited	-	0.85
Edelweiss Asset Reconstruction Company Limited	6,955.32	10.16
Ecap Equities ltd (Formally ELL)	3.71	39.02
Nuvama Wealth & Investment Limited (Formally EBL)	-	0.19
EdelGive Foundation	0.00	-
Edel Investments Limited	0.94	-
India Credit Investment Fund III	2,260.08	-

(Currency: Indian rupees in million)

49. Related Party Disclosure for the year April 1, 2022 to March 31, 2023

B) Transactions with related parties:

	For the period ended March 31, 2023	For the period ended March 31, 2022
Other Payables		
Edelcap Securities Limited	0.17	2.42
Edelweiss Alternative Asset Advisors Limited	-	0.78
Nuvama Clearing Services Limited	-	1.23
Nuvama Wealth Finance Limited (Formally EFIL)	-	0.13
Nido Home Finance Ltd (Formerly EHFL)	0.69	0.93
Nuvama Wealth Management Limited (ESL)	-	0.03
Edelweiss Tokio Life Insurance Company Limited	0.01	0.01
Edelweiss General Insurance Company Limited	0.04	0.04
Edel Investments Limited	0.02	1.79
Corporate guarantee taken from		
Edelweiss Financial Services Limited	1,200.00	3,500.00
Ecap Equities ltd (Formally ELL)	141.24	242.01
Edelweiss Rural and Corporate Services Limited	149.30	249.09
Risk and rewards sharing arrangment with		
Edelweiss Financial Services Limited	32,880.84	42,906.27

Notes

1. Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment, bonus and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.

2. As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 – Related Party Disclosures, maximum amount of loans given and repaid alongwith the transaction volume are disclosed above. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.

3. The above list contain name of only those related parties with whom the Company has undertaken transactions for the year ended 31 March 2022 and 31 March 2023.

(Currency: Indian rupees in million)

50. Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements from its regulators and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The pillars of its policy are as follows:

a) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimise liquidity risk.

b) Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.

c) Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on earnings.

d) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment

Regulatory capital

The below regulatory capital is computed in accordance with Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 issued by Reserve Bank of India. updated with changes suggested in circular Number RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.

	As at March 31, 2023	As at March 31, 2022
Capital Funds		
Net owned funds (Tier I capital)	15,903.56	19,623.08
Tier II capital	15,099.87	16,923.68
Total capital funds	31,003.43	36,546.76
Total risk weighted assets/ exposures	1,00,537.32	1,19,826.23
% of capital funds to risk weighted assets/exposures:		
Tier I capital	15.82%	16.38%
Tier II capital	15.02%	14.12%
Total capital Funds	30.84%	30.50%

No changes have been made to the objectives, policies and processes from the previous year. However, they are under constant review by the Board.

(Currency: Indian rupees in million)

51. **Fair Value measurement:**

A **Valuation principles**

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

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs:Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

Refer note 4.11 for more details on fair value hierarchy

B **Valuation governance frameworkl**

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

C **The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy**

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
OTC derivatives	-	50.21	-	50.21
Embedded derivatives in market-linked debentures	-	-	-	-
Total derivative financial instruments - A	**-**	**50.21**	**-**	**50.21**
Financial Assets held for trading				
Government debt securities	25,757.19	-	-	25,757.19
Other debt securities	-	312.52	-	312.52
Total Financial assets held for trading - B	**25,757.19**	**312.52**	**-**	**26,069.71**

Financial Statement *(Continued)*

(Currency: Indian rupees in million)

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Investments				
Equity instruments	-	-	78.85	78.85
Security receipts	-	-	28,060.80	28,060.80
Units of Alternative Investment Fund / Venture Capital Fund	-	-	16,480.33	16,480.33
Compulsary Convertible Preference Shares			83.50	83.50
Total investments measured at fair value - C	-	-	44,703.48	44,703.48
Total (A+B+C)	25,757.19	362.73	44,703.48	70,823.40
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	-	-	-	-
OTC derivatives	-	23.96	-	23.96
Embedded derivatives in market-linked debentures	-	-	141.93	141.93
	-	23.96	141.93	165.89

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	97.71	-	-	97.71
OTC derivatives	-	53.61	-	53.61
Embedded derivatives in market-linked debentures	-	-	-	-
Total derivative financial instruments - A	97.71	53.61	-	151.32
Financial assets held for trading				
Government debt securities	10,085.14	-	-	10,085.14
Other debt securities	-	99.34	-	99.34
Mutual fund units		-	-	-
Equity instruments		-	-	-

(Currency: Indian rupees in million)

Total financial assets held for trading - B	**10,085.14**	**99.34**	**-**	**10,184.48**
As at March 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments				
Security receipts	-	-	51,105.43	51,105.43
Units of AIF/VCF	-	-	10,252.18	10,252.18
Total investments measured at fair value - C	**-**	**-**	**61,357.61**	**61,357.61**
Total (A+B+C)	**10,182.85**	**152.95**	**61,357.61**	**71,693.41**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Exchange-traded derivatives	79.81	-	-	79.81
OTC derivatives	-	51.34	-	51.34
Embedded derivatives in market-linked debentures	-	-	487.94	487.94
	79.81	**51.34**	**487.94**	**619.09**

C **Valuation techniques:**

Government debt securities:

Government debt securities are financial instruments issued by sovereign governments and include both long term bonds and short-term Treasury 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.

Debt securities:

Whilst most of these instruments are standard fixed 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 activity traded Company has used CRISIL Corporate Bond Valuer model for measuring fair value.

Security receipts

The market for these securities is not active. Therefore, the Company uses valuation techniques to measure their fair values. Since the security receipts are less liquid instruments therefore they are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Securities receipts with significant unobservable valuation inputs are classified as Level 3.

Equity instruments, CCPS and units of mutual fund:

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

(Currency: Indian rupees in million)

Alternative Investment Fund / Venture Capital Fund

Units held in Alternative Investment Fund /Venture Capital Fund are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are classified as Level 3

D **Interest rate swaps:**

Under Interest rate swap contract, the Company agrees to exchange the difference between fixed and floating rate 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 reporting period and the credit risk inherent in the contract. company classify the Interest rate swaps as level 2 instruments.

Embedded derivative:

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

Company uses valuation models which calculate the present value of expected future cash flows, based upon 'no arbitrage' principles. Inputs to valuation models are determined from observable market (Indices) data wherever possible, including prices available from exchanges, dealers, brokers. company classify these embedded derivative as level 3 instruments.

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

E **There have been no transfers between levels during the year ended March 31, 2023 and March 31, 2022.**

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

Financial year ended March 31, 2023	Equity and CCPS	Security receipts	Units of AIF/ VCF	Total
Investments - at April 1, 2022	**-**	**51,105.42**	**10,252.18**	**61,357.60**
Purchase	160.15	17,920.56	9,393.33	27,474.04
Sale during the year	**-**	**(31,983.59)**	**-**	**(31,983.59)**
Redemption during the year	**-**	**(10,089.59)**	**(3,577.12)**	**(13,666.71)**
Profit/(loss) for the year recognised in profit or loss	**2.19**	**1,108.00**	**411.95**	**1,522.14**
Investments - at March 31, 2023	**162.34**	**28,060.81**	**16,480.33**	**44,703.48**
Unrealised gain/(Loss) related to balances held at the end of the year	2.19	(1,922.83)	1,137.55	(783.09)

(Currency: Indian rupees in million)

Financial year ended March 31, 2022	Equity and CCPS	Security receipts	Units of AIF/ VCF	Total
Investments - at April 1, 2021	-	**46,634.62**	**8,244.33**	**54,878.95**
Purchase	-	7,503.46	4,632.32	12,135.78
Sale during the year	-	**(2,675.50)**	**(2,147.00)**	**(4,822.50)**
Redemption during the year	-	**(3,526.56)**	**(527.09)**	**(4,053.65)**
Loss for the year recognised in profit or loss	-	**3,169.40**	**49.62**	**3,219.02**
Investments - at March 31, 2022	-	**51,105.42**	**10,252.18**	**61,357.60**
Unrealised gain/(Loss) related to balances held at the end of the year	-	(1,996.20)	124.62	(1,871.58)

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

	Embedded Options		
Financial year ended March 31, 2023	**Assets**	**Liabilities**	**Net Balance**
As at April 1, 2022	-	**487.94**	**(487.94)**
Issuances	-	-	-
Settlements	-	**(91.29)**	**91.29**
Changes in fair value recognised in profit or loss	-	**(254.72)**	**254.72**
As at March 31, 2023	-	**141.93**	**(141.93)**

	Embedded Options		
Financial year ended March 31, 2022	**Assets**	**Liabilities**	**Net Balance**
As at April 1, 2021	**1.43**	**213.62**	**(212.19)**
Issuances	-	-	-
Settlements	(1.43)	(4.56)	3.13
Changes in fair value recognised in profit or loss	-	**278.88**	**(278.88)**
As at March 31, 2022	-	**487.94**	**(487.94)**

(Currency: Indian rupees in million)

51. **Fair Value measurement:**

G **Impact on fair value of level 3 financial instrument of changes to key unobservable inputs**

The below table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 Instruments i.e. Securities receipts, Units of AIF Fund and Real Estate Fund. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

Type of Financial Instruments	Fair value of asset as on March 31, 2023	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	28,060.80	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	27,903.93	5% increase in Expected future Cash flow	(95.64)	5% Decrease in Expected future Cash flow	(1,431.67)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(662.15)	0.5% Decrease in Risk-adjusted discount rate	(774.58)
"Units of Alternative Investment Fund / Venture Capital Fund"	16,480.33	Net Asset approach	Fair value of underlying investments	16,480.33	5% Increase in Fair value of Underlying Investment	824.02	5% Increase in Fair value of Underlying Investment	(824.02)
Embedded derivatives (net)	141.93	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Nifty level	17,359.75	5% increase in Nifty Index curve	-	5% Decrease in Nifty Index curve	-
			Risk-adjusted discount rate	4.50% to 6%	1% increase in Risk-adjusted discount rate	-	1% Decrease in Risk-adjusted discount rate	-

Financial Statement *(Continued)*

(Currency: Indian rupees in million)

51.G Fair Value measurement:

Type of Financial Instruments	Fair value of asset as on March 31, 2022	Valuation techniques	Significant unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value	Decrease in the unobservable input	Change in fair value
Security receipts	51,105.43	Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust.	Expected future cash flows	49,980.37	5% increase in Expected future Cash flow	1,268.13	5% Decrease in Expected future Cash flow	(3,538.69)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(1,231.54)	0.5% Decrease in Risk-adjusted discount rate	2,947.63
"Units of Alternative Investment Fund / Venture Capital Fund"	10,252.18	Net Asset approach	Fair value of underlying investments	10,252.18	5% Increase in Fair value of Underlying Investment	512.61	5% Increase in Fair value of Underlying Investment	(512.61)
Embedded derivatives (net)	487.94	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Nifty level	17,464.75	5% increase in Nifty Index curve	121.50	5% Decrease in Nifty Index curve	(111.40)
			Risk-adjusted discount rate	4.50% to 6%	1% increase in Risk-adjusted discount rate	11.90	1% Decrease in Risk-adjusted discount rate	(11.90)

(Currency: Indian rupees in million)

51. Fair Value measurement:

H Fair value of financial instruments not measured at fair value:

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. Carrying amounts of cash and cash equivalents, trade receivables, loans and trade and other payables as on March 31, 2023 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financials assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

As at March 31, 2023	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Loans	35,095.61	-	-	38,534.54	38,534.54
Financial Liabilities					
Debt securities	49,976.02	-	52,491.93	-	52,491.93
Borrowings (other than debt securities)	37,370.37	-	-	37,370.37	37,370.37
Subordinated Liabilities	13,335.64	-	13,051.99	-	13,051.99
Off balance-sheet items					
Undrawn commitments	4,833.85	-	-	4,203.35	4,203.35

As at March 31, 2022	Carrying Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Loans	53,173.34	-	-	57,349.65	57,349.65
Financial Liabilities					
Debt securities	55,135.92	-	55,638.32	-	55,638.32
Borrowings (other than debt securities)	39,016.30	-	-	39,016.30	39,016.30
Subordinated Liabilities	15,399.31	-	15,060.09	-	15,060.09
Off balance-sheet items					
Undrawn commitments	2,445.93	-	-	2,126.90	2,126.90

I Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

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.

Off balance-sheet

Estimated fair values of off-balance sheet positions in form of undrawn commitment are estimated using a discounted cash flow model based on contractual committed cash flows, using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

(Currency: Indian rupees in million)

52. Risk Management

52.A Introduction and risk profile

Risk is an inherent part of Company's business activities. When the Company extends a corporate or retail loan, buys or sells securities in market, or offers other products or services, the Company takes on some degree of risk. The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company believes that effective risk management requires:

1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company;
2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate; and
3) Firmwide structures for risk governance

The Company strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

52.B Risk Management Structure

We have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. The Edelweiss Group has also established a Global Risk Committee that is responsible for managing the risk arising out of various business activities at a central level.

Our risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, we follow conservative lending norms. The Group centralises the risk monitoring systems to monitor our client's credit exposure which is in addition to the monitoring undertaken by the respective businesses.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

52.C Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Our key business processes are regularly monitored by the head of our business or operations. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of the Company's operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up–to–date information.

It is the Company's policy that a monthly briefing is given to the Board of Directors and all other relevant members of the Company in the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

(Currency: Indian rupees in million)

52.D Types of Risks

The Company's risks are generally categorised in the following risk types:

Notes	Risks	Arising from	Measurement, monitoring and management of risk
52.D.1	**Credit risk**		
	Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract.	Arises principally from financing, dealing in Corporate Bonds, Investments in Mutual Fund, Equity, but also from certain other products such as guarantees and derivatives	Measured as the amount that could be lost if a customer or counterparty fails to make repayments; Monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and Managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers.
52.D.2	**Liquidity risk**		
	Liquidity risk is the risk that we do not have sufficient financial resources to meet our obligations as they fall due or that we can only do so at an excessive cost.	Liquidity risk arises from mismatches in the timing of cash flows. Arises when illiquid asset positions cannot be funded at the expected terms and when required.	Measured using a range of metrics, including Asset Liability mismatch, Debt Equity Ratio, Regular monitoring of funding levels to ensure to meet the requirement for Business and maturity of our liabilities. Maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements of the Company
52.D.3	**Market risk**		
	Market risk is the risk that movements in market factors, such as Interest rates, equity prices and Index prices, will reduce our income or the value of our portfolios	Exposure to market risk is separated into two portfolios: trading and non-trading.	Measured using sensitivities, detailed picture of potential gains and losses for a range of market movements and scenarios. Monitored using measures, including the sensitivity of net interest income. Managed using risk limits approved by the risk management committee

(Currency: Indian rupees in million)

52. Credit Risk

D1 Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's Trade receivables and Loans.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. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables are regularly monitored.The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Derivative financial Instruments:
Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet. With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

Impairment Assessment:
The Company applies the expected credit loss model for recognising impairment loss. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has derived an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS including qualitative factor of an accunt or of pool of retail loan portfolio. Accordingly, the loans are classified into various stages as follows:

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

*Classified as non performing asset (NPA) as per RBI guidelines

(Currency: Indian rupees in million)

52. Credit Risk

D1 Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Expected Credit Loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:

1) An unbiased and probability weighted amount that evaluates a range of possible outcomes
2) 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;
3) Time value of money

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This has been achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Significant increase in credit risk (SICR)

Company considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due or classified as non performing asset (NPA) as per RBI guidelines. Classification of assets form stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

Probability of Default

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the Loans/portfolio and its credit performance. In case of assets where there is a significant increase in credit risk / credit impaired assets, lifetime PD has been applied.

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 for each loan was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.

Exposure at Default (EAD)

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

EAD = Drawn Credit Line + Credit Conversion Factor * Undrawn Credit Line + Interest Accrual for one year
Where,
Drawn Credit Line = Current outstanding amount
Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount
Undrawn Credit Line = Difference between the total amount which the Company has committed and the drawn credit line
While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD

(Currency: Indian rupees in million)

52. **Credit Risk**

D1 **Forward looking adjustments**

"A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions."

To fulfil the above requirement Company has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. 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 Company formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

Data sourcing

The Company is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from 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 Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assess have been developed based on analysing historical data over the past years.

Overview of modified and forborne loans:

The table below shows assets that were modified and, therefore, treated as forborne during the year, with the related modification loss suffered by the Company.

(Currency: Indian rupees in million)

52. Credit risks

D1 Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.
The following table shows the risk concentration by industry for the components of the balance sheet

As at March 31, 2023

Particulars	Central & State Government	Financial services	Agriculture	Manufacturing industry	Real estate	Service sector	Retail loans	Total
Financial assets								
Cash and cash equivalents	-	8,757.21	-	-	-	-	-	8,757.21
Bank balances other than cash and cash equivalents	-	555.71	-	-	-	-	-	555.71
Derivative financial instruments	-	50.21	-	-	-	-	-	50.21
Securities held for trading	25,757.19	312.52	-	-	-	-	-	26,069.71
Trade receivables	-	2,313.01	-	-	-	-	-	2,313.01
Loans	-	448.60	101.68	1,716.44	21,250.69	11,150.54	427.66	35,095.61
Investments	-	3,537.70	-	-	39,084.85	-	2,080.93	44,703.48
Other financial assets	-	17,925.21	-	-	-	-	-	17,925.21
	25,757.19	33,900.17	101.68	1,716.44	60,335.54	11,150.54	2,508.59	1,35,470.15

(Currency: Indian rupees in million)

52. Credit Risks

As at March 31, 2022

Particulars	Central & State Government	Financial services	Agriculture	Manufacturing industry	Real estate	Service sector	Retail loans	Total
Financial assets								
Cash and cash equivalents	-	1,501.76	-	-	-	-	-	1,501.76
Bank balances other than cash and cash equivalents	-	736.58	-	-	-	-	-	736.58
Derivative financial instruments	-	148.48	-	-	-	-	-	148.48
Securities held for trading	10,085.14	99.34	-	-	-	-	-	10,184.48
Trade receivables	-	913.99	-	-	-	-	-	913.99
Loans	-	224.36	88.76	2,135.81	33,737.20	6,148.55	0,838.66	53,173.34
Investments	-	12,320.24	-	-	47,916.13	-	1,993.37	62,229.74
Other financial assets	-	781.20	-	-	-	-	-	781.20
	10,085.14	**16,725.95**	**88.76**	**2,135.81**	**81,653.33**	**6,148.55**	**12,832.03**	**1,29,669.57**

(Currency: Indian rupees in million)

52. Credit Risk

D1 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are charges over real estate properties, inventory, trade receivables, mortgages over residential properties, Securities. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

The tables below shows the maximum exposure to credit risk by class of financial asset along with details on collaterals held against exposure.

	Maximum exposure to credit risk	
	As at March 31, 2023	As at March 31, 2022
Financial Assets		
Cash and cash equivalents	8,757.21	1,501.76
Bank balances other than cash and cash equivalents	555.71	736.58
Derivative financial instruments	50.21	148.48
Securities held for trading	26,069.71	10,184.48
Trade receivables	2,313.01	913.99
Loans		
Corporate credit	31,610.28	44,529.63
Retail credit	7,034.81	12,380.71
Investments	44,703.48	62,229.74
Other financial assets	17,925.21	781.20
	1,39,019.63	1,33,406.57
Loan Commitments	658.87	225.93

Principal type of collateral

The Company invest in Highly liquid Central/State Government securities, high rated Corporate Bonds and liquid Mutual fund units

These are receivables mainly from Clearing houses, Group. Carrying minimum risk.

Equity Shares, Mutual Fund units, Land, Property, Project Receivable, etc.

Property: Office Space, Flats, Bungalow, Pent house, Row house, Commodities, Equity shares and Mutual fund units, Bonds, etc.

Equity Shares, Mutual Fund units, Land, Property, Project Receivable, Office Space, Flats, Bungalow, Pent house, Row house Commodities.

(Currency: Indian rupees in million)

52. Credit Risk

D.1 Collateral and other credit enhancements

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

Maximum exposure to credit risk as at March 31, 2023

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	351.85	169.76	182.09	284.95
Retail Credit	406.88	141.20	265.68	1,058.30
Trade Receivables	-	-	-	-
	758.73	**310.96**	**447.77**	**1,343.26**

Maximum exposure to credit risk as at March 31, 2022

	Carrying amount before ECL	Associated ECL	Carrying amount	Fair value of collateral
Financial Assets				
Loans				
Corporate Credit	828.04	243.56	584.48	957.39
Retail Credit	788.28	243.73	544.55	2,736.19
Trade Receivables	15.27	15.27	-	-
	1,631.59	**502.56**	**1,129.03**	**3,693.59**

(Currency: Indian rupees in million)

52. **Liquidity Risk**

D2 Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Company 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.

To manage the stressed circumstances the Company has ensured maintenance of a Liquidity Cushion in the form of Investments in Government Securities and Mutual Funds. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 6-9% 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, Public and Private issue of Debt, Commercial paper , ECB, Sub Debt etc to maintain a healthy mix.

Liquidity Cushion:

	As at March 31, 2023	As at March 31, 2022
Liquidity cushion		
Government Debt Securities*	25,757.19	10,085.14
Mutual Fund Investments	-	-
Total Liquidity cushion	**25,757.19**	**10,085.14**

* Government debt securities are hypothicated against the Tri party REPO

Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting year

	As at March 31, 2023	As at March 31, 2022
Committed Lines from Banks	399.34	3,297.17

(Currency: Indian rupees in million)

52. **Liquidity Risk**

D2 **Analysis of financial assets and liabilities by remaining contractual maturities**

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at:

As at March 31, 2023

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	8,757.21	-	-	-	-	8,757.21
Bank balances other than cash and cash equivalents	-	30.09	499.70	25.92	-	555.71
Derivative financial instruments	-	50.21	-	-	-	50.21
Securities held for trading		25,757.19	312.52	-	-	26,069.71
Trade receivables	-	2,121.82	191.19	-	-	2,313.01
Loans	-	10,683.97	10,398.35	20,190.11	4,190.98	45,463.41
Investments	-	1,233.84	3,634.13	17,453.30	22,382.21	44,703.48
Other financial assets	-	17,767.50	-	-	157.71	17,925.21
Total undiscounted financial assets	8,757.21	57,644.62	15,035.89	37,669.33	26,730.90	1,45,837.95
Financial Liabilities						
Derivative financial instruments	-	165.89	-	-	-	165.89
Trade payables	-	6,731.50	-	-	-	6,731.50
Debt securities	-	11,399.62	13,653.16	27,716.44	8,907.71	61,676.93
Borrowings (other than debt securities)	-	24,740.54	9,381.72	4,287.25	-	38,409.51
Subordinated Liabilities	-	1,692.30	1,602.39	13,446.10	-	16,740.79
Other financial liabilities	-	9,988.75	321.86	645.69	980.12	11,936.42
			-			
Total undiscounted financial liabilities	**-**	**54,718.60**	**24,959.13**	**46,095.48**	**9,887.83**	**1,35,661.04**
Total net financial assets / (liabilities)	**8,757.21**	**2,926.02**	**(9,923.24)**	**(8,426.15)**	**16,843.07**	**10,176.91**

Current year note:
The Company has considered that the Cash Credit facilities availed by it aggregating to Rs. 8048.33 million as at March 31, 2023 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket.

(Currency: Indian rupees in million)

52. Liquidity Risk

D2 As at March 31, 2022

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	1,382.18	119.58	-	-	-	1,501.76
Bank balances other than cash and cash equivalents	-	-	734.47	2.11	-	736.58
Derivative financial instruments	-	148.48	-	-		148.48
Securities held for trading	-	10,085.13	99.35	-	-	10,184.48
Trade receivables	-	863.33	7.19	-	-	870.52
Loans	-	16,311.52	18,349.78	33,828.94	7,857.34	76,347.58
Investments	-	7,190.46	8,427.47	43,185.73	3,489.95	62,293.61
Other financial assets	-	735.58	-	-	89.09	824.67
Total undiscounted financial assets	**1,382.18**	**35,454.08**	**27,618.26**	**77,016.78**	**11,436.38**	**1,52,907.68**
Financial Liabilities						
Derivative financial instruments	-	618.60	-	-	-	618.60
Trade payables	-	5,646.82	-	-	-	5,646.82
Debt securities	-	4,414.12	8,064.69	47,119.42	9,980.07	69,578.30
Borrowings (other than debt securities)	-	14,342.93	17,332.22	9,645.92	-	41,321.07
Subordinated Liabilities	-	1,454.78	132.22	13,344.62	5,215.71	20,147.33
Other financial liabilities	-	588.08	458.29	396.19	272.60	1,715.16
Total undiscounted financial liabilities	-	27,065.33	25,987.42	70,506.15	15,468.38	1,39,027.28
Total net financial assets / (liabilities)	**1,382.18**	**8,388.75**	**1,630.84**	**6,510.63**	**(4,032.00)**	**13,880.40**
Total net financial assets / (liabilities)	**8,757.21**	**2,926.02**	**(9,923.24)**	**(8,426.15)**	**16,843.07**	**10,176.91**

Previous year note:
The Company has considered that the Cash Credit facilities availed by it aggregating to Rs. 8004.23 million as at March 31, 2022 will be repaid on their renewal dates and accordingly reflected the same in the “within 12 months” bucket.

(Currency: Indian rupees in million)

52. Liquidity Risk

D2 Contractual expiry of commitments

The table below shows the contractual expiry by maturity of the Company's commitments.

As at March 31, 2023

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines	-	-	132.35	526.52	-	658.87
Estimated amount of contracts capital account	-	-	5.61	-	-	5.61
Others	-	-	4,174.98	-	-	4,174.98
	-	**-**	**4,312.94**	**526.52**	**-**	**4,839.46**

Current year note:
The Company has considered that the Cash Credit facilities availed by it aggregating to Rs. 8048.33 million as at March 31, 2023 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket.

As at March 31, 2022

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines	-	-	225.93	-	-	225.93
Estimated amount of contracts capital account	-	-	-	-	-	-
Others	-	-	2,220.00	-	-	2,220.00
	-	**-**	**2,445.93**	**-**	**-**	**2,445.93**

The Company expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments

(Currency: Indian rupees in million)

52. Market Risk

D3 Market risk is he risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices and Index movements. The company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately. All the positions are managed and monitored using sensitivity analyses.

Total Market risk exposure

	As at March 31, 2023			As at March 31, 2022			
Particulars	Carrying Amount	Traded risk	Non traded risk	Carrying Amount	Traded risk	Non traded risk	Primary risk Sensitivity
Financial Assets							
Cash and cash equivalents	8,757.21	-	8,757.21	1,501.76	-	1,501.76	Interest rate risk
Bank balances other than cash and cash equivalents	555.71	-	555.71	736.58	-	736.58	Price risk, Interest rate risk
Derivative financial instruments	50.21	50.21	-	148.48	148.48	-	
Securities held for trading	26,069.71	26,069.71	-	10,184.48	10,184.48	-	Price risk, Interest rate risk
Trade receivables	2,313.01	-	2,313.01	913.99	-	913.99	
Loans	35,095.61	-	35,095.61	53,173.34	-	53,173.34	Interest rate risk
Investments	44,703.48	-	44,703.48	62,229.74	-	62,229.74	
Other financial assets	17,925.21	-	17,925.21	781.20	-	781.20	Interest rate risk
Total Assets	**1,35,470.15**	**26,119.92**	**1,09,350.23**	**1,29,669.57**	**10,332.96**	**1,19,336.61**	Interest rate risk
Financial Liabilities							Price risk,
Derivative financial instruments	165.89	23.96	141.93	618.60	130.66	487.94	Interest rate
Trade payables	6,731.50	-	6,731.50	5,646.82	-	5,646.82	Interest rate risk
Debt securities	49,976.02	-	49,976.02	55,135.92	-	55,135.92	Interest rate risk
Borrowings (other than debt securities)	37,370.37	-	37,370.37	39,016.30	-	39,016.30	
Subordinated Liabilities	13,335.64	-	13,335.64	15,399.31	-	15,399.31	Interest rate risk
Other financial liabilities	11,936.42	-	11,936.42	1,758.69	-	1,758.69	Price risk
Total Liabilities	**1,19,515.84**	**23.96**	**1,19,491.88**	**1,17,575.64**	**130.66**	**1,17,444.98**	

(Currency: Indian rupees in million)

52. **Market Risk**

D **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.

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 Board has established limits on the non–trading interest rate gaps for stipulated periods. The Company'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 Company's statement of profit and loss and equity. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non–trading financial assets and financial liabilities held at 31 March 2022 and at 31 March 2021

Interest rate sensitivity

As at March 31, 2023

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank Borrowings	25	(20.14)	-	25	20.14	-
Interest Rate Swaps	25	(24.38)	-	25	24.38	-
Floating rate loans	25	6.38	-	25	(6.38)	-
Government securities	25	64.39	-	25	(64.39)	-
Corporate debt securities	25	0.78	-	25	(0.78)	-

As at March 31, 2022

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Bank Borrowings	25	(46.47)	-	25	46.47	-
Interest Rate Swaps	25	3.13	-	25	(3.13)	-
Floating rate loans	25	9.84	-	25	(9.84)	-
Government securities	25	25.21	-	25	(25.21)	-
Corporate debt securities	25	0.25	-	25	(0.25)	-

Price Risk

The Company's exposure to price risk arises from investments held in Equity Shares, Exchange traded futures, Mutual fund units, all classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio.

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 prices of financial instruments.

(Currency: Indian rupees in million)

52. Market Risk (Contd.)

D3 Price Risk

The Company's exposure to price risk arises from investments held in Equity Shares, Exchange traded futures, Mutual fund units, all classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio.

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 prices of financial instruments.

As at March 31, 2023

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	-	-	5	-	-
Equity instruments	5	-	-	5	-	-
Interest rate futures	5	209.55	-	5	(209.55)	-
Mutual fund units	5	-	-	5	-	-

As at March 31, 2022

	Increase in basis points	Sensitivity of Profit	Sensitivity of Equity	Decrease in basis points	Sensitivity of Profit	Sensitivity of Equity
Derivative instruments	5	(20.20)	-	5	20.20	-
Equity instruments	5	-	-	5	-	-
Interest rate futures	5	66.05	-	5	(66.05)	-
Mutual fund units	5	-	-	5	-	-

Prepayment Risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate Loans/borrowings in the falling interest rate scenario.

If 5% of total repayable financial instruments were to prepay at the beginning of the year following the reported period, with all other variables held constant, the profit before tax for the year would be reduced by Rs 128.82 millions (previous year Rs. 153.73 millions)

(Currency: Indian rupees in million)

52.E Additional Regulatory disclosure

(i) The title deed of all the immovable properties disclosed in the financial statements are held in the name of the Company.

(ii) There is no proceedings which have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(iii) "The Company has been sanctioned working capital limits during the year, from banks or financial institutions on the basis of security of current assets. Quarterly return & statement filed by the Company with such banks or financial institutions are in agreement with the books of account of the company."

(iv) 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:-

As at March 31, 2022

Name of struck off Company	**Nature of transactions with struck-off Company**	**Balance outstanding as on March 31, 2023**	**Balance out-standing as on March 31, 2022**	**"Relationship with the Struck off company, if any, to be disclosed"**
City Elevators Pvt Ltd	Receivable	0.15	0.24	Customer
Cleanflo India Pvt Ltd	Receivable	-	0.15	Customer
Emicon India Pvt Ltd	Receivable	0.09	0.14	Customer
First Care India Private Limited	Receivable	-	0.56	Customer
Spectrum Washing Pvt Ltd	Receivable	0.13	-	Customer
Viva Concrete Technologies Pvt Ltd	Receivable	0.54	-	Customer

(v) Registration of charges or satisfaction with Registrar of Companies (ROC)

No charges or satisfaction yet to be registered with ROC beyond the statutory period by the company.

(vi) Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(vii) (i) 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;

(ii) 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;

(viii) The company is not declared as a wilful defaulter by any bank or financial Institution or other lender.

(Currency: Indian rupees in million)

52.E Additional Regulatory disclosure

(ix) Utilisation of Borrowed funds and share remium:

(A) During the year, the company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(x) The Company 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

(xi) The Company has not traded or invested in crypto currency or virtual currency during the financial year 2022-2023

52 F. Income Tax

The Income Tax Department ("the Department") conducted a search under Section 132 of the Income Tax Act, 1961 on the Company in March 2023. Subsequently, the Company has furnished all support and cooperation and the necessary documents and data to the Department. The Company has not received any communication on the findings of the investigation by the Income Tax department till date. Management does not envisage any liability which is likely to have any material impact on the Company's financial position as at March 31, 2023 and the performance for the year ended on that date.

(Currency: Indian rupees in million)

53. Regulatory disclosures - RBI

Disclosure pursuant to Reserve Bank of India Circular DOR.NBFC (PD) CC. No.102/03.10.001 /2019-20 dated 4th November 2019 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies.

Qualitative Disclosure on Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio (LCR) is a global minimum standard to measure the liquidity position in a stress scenario. Reserve Bank of India introduced LCR requirement for all deposit taking NBFCs and non-deposit taking NBFCs with an asset size of Rs. 10,000 crore and above. LCR will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. HQLA refers to the category of liquid assets that can be readily sold or immediately converted into cash at a little loss of value or used as collateral to obtain funds in a range of stress scenarios. LCR is calculated by dividing the stock of HQLA's by its total net cash outflow over a 30 day calendar period.

The Company has adopted the liquidity risk management framework as required under RBI guidelines. It ensures a sound and robust liquidity risk management system by maintaining sufficient liquidity through inclusion of a cushion of unencumbered, high quality liquid asset to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The Board of Directors have delegated responsibility of balance sheet Liquidity Risk Management to the Asset Liability Committee.

The LCR is calculated by dividing a Company's stock of HQLA by it's total net cash outflows over a 30 -day stress period. The guidelines for LCR were effective from 1st December 2020 with the minimum LCR to be 50%, progressively increasing, till reaches the required level of 100% by 1st December, 2024 as follows;

From	01-12-2020	01-12-2021	01-12-2022	01-12-2023	01-12-2024
Minimum LCR	50%	60%	70%	85%	100%

In order to determine HQLA, Company considers Cash and Bank Balances, Investment in Government Securities without any haircut. In order to determine net cash outflows, Company considers total expected cash outflow minus total expected cash inflows for the subsequent 30 calendar days. As per guidelines, stressed cash flows is to be computed by assigning a predefined stress percentage to the overall cash outflows (i.e. 115%) and cash inflows (with haircut of 25%). Net cash outflow over next 30 days is computed as stressed outflows less minimum of stressed inflows, 75% of stressed outflow. Accordingly, LCR would be computed by dividing Company's stock of HQLA by it's total net cash outflow.

Cash outflow under secured wholesale funding includes contractual obligations under Term loans, NCDs, Interest payable within 30 days. Outflow under other collateral requirement, the Company considers the loans which are callable under rating downgrade trigger up to and including 3- notch downgrade. Outflow under other contractual funding obligations primarily includes outflow on account of overdrawn balances with Banks and sundry payables. In order to determine Inflows from fully performing exposures, Company considers the contractual repayments from performing advances in next 30 days. Other Cash inflows includes investments in liquid mutual funds, and other assets which are maturing within 30 days.

(Currency: Indian rupees in million)

53. **Regulatory disclosures - RBI (Contd.)**

Quantitative Disclosure on Liquidity Coverage Ratio (LCR) for year ended March 31, 2023 is given below:

Particular		Quarter Ended 31-Mar-2023		Quarter Ended 31-Dec-2022		Quarter Ended 30-Sep-2022		Quarter Ended 30-Jun-2022	
		Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)	Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)	Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)	Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)
High Quality Liquid Assets									
1	**Total High-Quality Liquid Assets**	**11,327.54**	**11,327.54**	**8,540.01**	**8,540.01**	**8,672.90**	**8,672.90**	**7,286.96**	**7,286.96**
(i)	Cash & Bank Balances	4,400.96	4,400.96	2,671.88	2,671.88	2,802.95	2,802.95	2,985.65	2,985.65
(ii)	Investment in Govt. Securities	6,926.59	6,926.59	5,868.13	5,868.13	5,869.94	5,869.94	4,301.31	4,301.31
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	1,220.06	1,403.07	1,171.20	1,346.88	485.49	558.31	399.44	459.36
4	Secured wholesale funding	2,875.46	3,306.77	1,820.35	2,093.40	5,038.83	5,794.66	2,973.87	3,419.95
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements (refer note 2)	2,875.95	3,307.35	2,964.82	3,409.54	3,045.09	3,501.85	3,059.04	3,517.89
(ii)	Outflows related to loss of funding on debt products	-	-	40.14	46.16	87.37	100.47	33.60	38.64
(iii)	Credit and liquidity facilities	120.36	138.41	124.29	142.93	147.24	169.33	171.23	196.91
6	Other contractual funding obligations	10,065.44	11,575.26	5,949.51	6,841.94	6,081.59	6,993.82	4,638.81	5,334.63
7	Other contingent funding obligations	191.02	219.67	70.16	80.69	9.74	11.20	9.74	11.20
8	**TOTAL CASH OUTFLOWS**	**17,348.28**	**19,950.53**	**12,140.47**	**13,961.54**	**14,895.34**	**17,129.64**	**11,285.73**	**12,978.59**

(Currency: Indian rupees in million)

53. Regulatory disclosures - RBI (Contd.)

Quantitative Disclosure on Liquidity Coverage Ratio (LCR) for year ended March 31, 2023 is given below:

Particular		Quarter Ended 31-Mar-2023		Quarter Ended 31-Dec-2022		Quarter Ended 30-Sep-2022		Quarter Ended 30-Jun-2022	
		Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)	Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)	Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)	Unweighted Value - average (refer note 1)	Weighted Value - average (refer note 1)
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,928.50	1,446.38	2,102.43	1,576.83	2,583.53	1,937.65	2,042.03	1,531.53
11	Other cash inflows	8,486.65	6,364.99	1,447.70	1,085.77	3,044.88	2,283.66	2,460.53	1,845.39
12	**TOTAL CASH INFLOWS**	**10,415.15**	**7,811.36**	**3,550.13**	**2,662.60**	**5,628.41**	**4,221.31**	**4,502.56**	**3,376.92**
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
	TOTAL HQLA		**11,327.54**		**8,540.01**		**8,672.90**		**7,286.96**
	TOTAL NET CASH OUTFLOWS		**12,139.16**		**11,298.95**		**12,908.33**		**9,601.67**
	LIQUIDITY COVERAGE RATIO (%)		**93%**		**76%**		**67%**		**76%**

Notes:
1. The average weighted and unweighted amounts are calculated taking simple averages of monthly observations for the respective quarters.
2. Consist of outflows related to collateral requirements where downgrade triggers up to and including 3 notches downgrade.

(Currency: Indian rupees in million)

54. Regulatory disclosures - RBI

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended

54.A Capital

	As at March 31, 2023	As at March 31, 2022
Capital to risk assets ratio (CRAR)		
CRAR (%)	30.84%	30.50%
CRAR - Tier I capital (%)	15.82%	16.38%
CRAR - Tier II Capital (%)	15.02%	14.12%

	As at and for year ended	
	March 31, 2023	March 31, 2022
Perpetual Debt		
Amount raised by issue of perpetual debt instruments		
Perpetual debt outstanding including Interest	3,272.54	3,271.70
Percentage of Perpetual debt to Tier I Capital;	18.86%	15.29%

	As at and for year ended	
	March 31, 2023	March 31, 2022
Subordinated debt		
Subordinated debt outstanding including Interest	10,063.10	12,128
Discounted value of subordinated debt considered for the purpose of Tier II capital	4,199.20	6,235.96
Amount of subordinated debt raised as Tier-II capital		

54.B Investments

		As at March 31, 2023	As at March 31, 2022
i)	**Value of Investment**		
	Gross value of investments In India Outside India	45,486.58	64,229.19
	Provisions for depreciation / appreciation In India Outside India	(783.10)	(1,999.45)
	Net value of investments In India Outside India	44,703.48	62,229.74

Please refer note no. 15.B for more details on investments

(Currency: Indian rupees in million)

54. Regulatory disclosures - RBI

54.B Investments

		As at March 31, 2023	As at March 31, 2022
ii)	**Movement of provisions held towards depreciation/appreciation on investments.**		
	Opening balance	1,999.45	4,716.36
	Add : Provisions made during the year	1,325.23	173.44
	Less : Write-off / write-back of excess provisions during the year	(2,541.58)	(2,890.35)
	Closing balance	783.10	1,999.45

54.C Derivatives

		As at March 31, 2023	As at March 31, 2022
i)	**Forward rate agreement / interest rate swap**		
	The notional principal of swap agreements	20,750.00	24,650.00
	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	50.21	53.61
	Collateral required by the NBFC upon entering into swaps	-	-
	Concentration of credit risk arising from the swaps*	100.00%	100.00%
	The fair value of the swap book	26.25	2.27

* % of concentration of credit risk arising from swaps with banks

		As at March 31, 2023	As at March 31, 2022
ii)	**Exchange traded interest rate (IR) derivatives**		
	Notional principal amount of exchange traded IR derivatives undertaken during the year	-	-
	Notional principal amount of exchange traded IR derivatives outstanding	-	0.00
	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

(Currency: Indian rupees in million)

54. Regulatory disclosures - RBI

iii) Disclosures on risk exposure in derivatives

Qualitative disclosure

The Company undertakes transactions in derivative products in the role of a user with counter parties. The Company deals in the derivatives for balance sheet management i.e. for hedging fixed rate, floating rate or foreign currency assets/ liabilities and for hedging the variable interest in case of benchmark linked debentures. All derivatives are marked to market on reporting dates and the resulting gain/loss is recorded in the statement of profit and loss.

Dealing in derivatives is carried out by specified groups of the treasury department of the Company based on the purpose of the transaction. Derivative transactions are entered into by the treasury front office. Mid office team conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, risk monitoring and reporting.

The Company has a credit and market risk department that assesses counterparty risk and market risk limits, within the risk architecture and processes of the Company. The Company has in place a policy which covers various aspects that apply to the functioning of the derivative business. Limits are monitored on a daily basis by the mid-office.

	As at March 31, 2023		As at March 31, 2022	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
Quantitative disclosure				
Derivatives (notional principal amount)				
For hedging	-	20,750.00	-	24,650.00
Marked to market positions				
Assets (+)	-	50.21	-	53.61
Liability (-)	-	(23.96)	-	(51.34)
Credit exposure	**-**	**171.25**	**-**	**197.75**
Unhedged exposures	**-**	**-**	**-**	**-**

(Currency: Indian rupees in million)

54.D Disclosures relating to securitisation

		As at March 31, 2023	As at March 31, 2022
	The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:		
a	No. of SPVs sponsored by the NBFC for securitisation transactions	8.00	4.00
b	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	3,001.15	1,531.06
c	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	1,154.42	126.60
	Off-balance sheet exposures		
	- First loss	-	-
	- Others	-	-
	On-balance sheet exposures		
	- First loss	1,154.42	126.60
	- Others	-	-
d	Amount of exposures to securitisation transactions other than MRR		
	Off-balance sheet exposures	424.95	367.26
	Exposure to own securitisations		
	- First loss	424.95	367.26
	- Others	-	-
	Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-

	As at March 31, 2023	As at March 31, 2022
Details of financial assets sold to securitisation / reconstruction company for asset reconstruction		
No. of accounts	67	123
Aggregate value (net of provisions) of accounts sold to SC / RC	18,962.69	9,193.72
Aggregate consideration	18,993.58	9,127.55
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / (loss) over net book value	30.89	(66.17)
Gain / (Loss) on sale to SC/RC during the year	30.89	(66.17)
Amount received in respect of accounts transferred in prior year	-	-

(Currency: Indian rupees in million)

54.D Disclosures relating to securitisation

		As at March 31, 2023	As at March 31, 2022
	The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:		
a	No. of transactions assigned by the NBFC	37	18
b	Total amount outstanding	1,075.50	3,523.52
c	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	451.40	658.73
	Off-balance sheet exposures		
	- First loss	-	-
	- Others	-	-
	On-balance sheet exposures		
	- First loss	-	-
	- Others	451.40	658.73
d	Amount of exposures to securitisation transactions other than MRR	-	-
	Off-balance sheet exposures		
	Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-
	On-balance sheet exposures		
	Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-

(Currency: Indian rupees in million)

54.D Disclosures relating to securitisation

	As at March 31, 2023	As at March 31, 2022
Details of non-performing financials assets purchased from / sold to other NBFCs		
Details of non-performing financial assets purchased	-	-
No. of accounts purchased during the year	-	-
Aggregate outstanding	-	-
Of these, number of accounts restructured during the year	-	-
Aggregate outstanding	-	-
Details of Non-performing Financial Assets sold :	-	-
No. of accounts purchased during the year	-	-
Aggregate outstanding	-	-
Aggregate consideration received	-	-

54.E Asset liability management

Maturity pattern of certain items of assets and liabilities as at March 31, 2023

	Assets		Liabilities	
	Gross Loans	Investments*	Borrowings from bank	Other borrowings
1 day to 30/31 days (One month)	2,023.12	25,919.60	794.57	21,519.86
Over One months to 2 months	2,538.72	-	3,283.60	2,405.74
Over 2 months up to 3 months	3,633.01	1,325.60	1,285.80	7,895.51
Over 3 months to 6 months	3,547.29	2,355.40	4,626.90	6,690.57
Over 6 months to 1 year	4,495.82	3,238.20	3,749.53	6,926.92
Over 1 year to 3 years	17,362.65	18,342.60	2,834.60	10,004.05
Over 3 years to 5 years	1,354.20	13,946.40	389.50	14,048.93
Over 5 years	3,690.27	5,896.44	-	14,225.93
	38,645.09	**71,024.24**	**16,964.50**	**83,717.51**

*Investments also include securities held for trading and Investment in property

The Company has considered that the Cash Credit / Working Capital Demand Loan facilities availed by it aggregating to Rs. 8,048.33 million as at March 31, 2023 will be repaid on their renewal dates and accordingly reflected the same in the “within 12 months” bucket.

(Currency: Indian rupees in million)

54.E Asset liability management

Maturity pattern of certain items of assets and liabilities as at March 31, 2022

	Assets		Liabilities	
	Gross Loans	Investments*	Borrowings from bank	Other borrowings
1 day to 30/31 days (One month)	1,892.10	12,810.60	1,502.76	8,536.04
Over One months to 2 months	586.60	1,025.00	3,182.80	1,320.80
Over 2 months up to 3 months	5,465.40	3,440.00	3,627.00	1,000.10
Over 3 months to 6 months	7,016.50	2,094.30	7,516.90	2,063.70
Over 6 months to 1 year	14,013.00	6,432.50	7,652.80	4,455.70
Over 1 year to 3 years	19,724.30	22,572.70	6,855.90	24,036.20
Over 3 years to 5 years	3,021.70	21,775.10	319.90	16,131.00
Over 5 years	5,190.74	3,490.00	-	21,351.00
	56,910.34	**73,640.20**	**30,658.07**	**78,894.53**

*Investments also include securities held for trading and Investment in property

The Company has considered that the Cash Credit / Working Capital Demand Loan facilities availed by it aggregating to Rs. 8,004.23 million as at March 31, 2022 will be repaid on their renewal dates and accordingly reflected the same in the "within 12 months" bucket.

(Currency: Indian rupees in million)

54.F Exposures

1 Exposure to real estate sector

		As at March 31, 2023	As at March 31, 2022
i)	**Direct exposure**		
a	**Residential mortgages -** Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:(Individual housing loans up to Rs.15 lakhs may be shown separately)	1,998.53	3,159.10
b	**Commercial real estate -** Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure includes non-fund based (NFB) limits.	22,278.86	40,701.86
c	**Investments in mortgage backed securities (MBS) and other securitised exposures -**		
	- Residential	-	-
	- Commercial Real Estate	22,604.52	40,566.37
ii)	**Indirect exposure** Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
c	**Others**	249.25	1,162.00
	Total Exposure to Real Estate Sector	47,131.16	85,589.33

(Currency: Indian rupees in million)

54.F Exposures

2 Exposure to capital market

		As at March 31, 2023	As at March 31, 2022
i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	78.85	-
ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	686.52	787.08
iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	4,347.57	5,464.39
iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances.	-	-
v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-
vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii	Bridge loans to companies against expected equity flows / issues	-	-
viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix)	Financing to stockbrokers for margin trading	-	-
x)	a) All exposures to Alternative Investment Funds: (i) Category I (ii) Category II b) All exxposure to Venture Capital Funds:	- 380.78 16,075.67 23.90	- 10,252.18 -
xi)	others (not covered above)	2,080.93	4,250.40
	Total Exposure to Capital Market	23,674.21	20,754.05

(Currency: Indian rupees in million)

54.F Exposures

3 Sectorial Exposure

As at March 31, 2023

Sectors	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	**144.69**	**5.25**	**3.63%**
2. Industry (Micro and Small and medimum and Large)	**3,372.48**	**183.77**	**5.45%**
2.1 Micro and Small	-	-	
2.2 Medium	-	-	
2.3 Large	-	-	
2.4 Others	3,372.48	183.77	5.45%
3. Services	**23,766.30**	**436.30**	**1.84%**
3.1 Transport Operators	-	-	-
3.2 Computer Software	-	-	-
3.3 Tourism, Hotels and Restaurants	222.50	2.68	1.20%
3.4. Shipping	3.50	1.10	31.51%
3.5. Professional Services	773.65	74.28	9.60%
3.6. Trade	710.85	32.33	4.55%
3.6.1 Wholesale Trade (Other than food Procurement)	34.88	5.07	14.52%
3.6.2 Retail Trade	675.98	27.27	4.03%
3.7 Commercial Real Estate	19,711.42	320.02	1.62%
3.8 Non Banking Fiancials Companies of which	202.06	-	-
3.9.1 Housing Finance Companies (HFCs)	-	-	-
3.9.2 Public Financial Institutions (PFIs)	202.06	-	-
3.9. Aviation	3.19	0.88	27.69%
3.10. Other Services	2,139.12	5.00	0.23%
4. Personal Loans	**1,213.81**	**101.58**	**8.37%**
4.1 Housing (Including Priority Sector Housing)	-	-	-
4.2. Consumer Durables	-	-	-
4.3 Credit Card Outstanding	-	-	-
4.4. Vehicle Loans	-	-	-
4.5. Education	-	-	-
4.6.Advances against Fixed Deposits (Including FCNR (B), NRNR Deposits etc.)	-	-	-
4.7. Advances to Individuals against share, bonds, etc.	5.28	-	-
4.8. Loans against gold jewellery	-	-	-
4.9.Micro finance loans / SHG loans	-	-	-
4.10 Other Retail Loans	1,208.52	101.58	8.41%
5. Other loans	**10,147.82**	**31.83**	**0.31%**
Total	**38,645.09**	**758.73**	**1.96%**

Financial Statement *(Continued)*

(Currency: Indian rupees in million)

54.F Exposures

3 Sectorial Exposure

As at March 31, 2022

Sectors	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	**538.48**	**106.44**	**19.77%**
2. Industry (Micro and Small and medimum and Large)	8,303.62	364.12	4.39%
2.1 Micro and Small	-	-	-
2.2 Medium	871.73	-	-
2.3 Large	457.00	-	-
2.4 Others	**6,974.89**	**364.12**	**5.22%**
3. Services	43,962.12	970.50	2.21%
3.1 Transport Operators	-	-	-
3.2 Computer Software	-	-	-
3.3 Tourism, Hotels and Restaurants	263.23	6.45	2.45%
3.4. Shipping	8.81	-	-
3.5. Professional Services	1,132.14	186.60	16.48%
3.6. Trade	1,162.59	38.60	3.32%
3.6.1 Wholesale Trade (Other than food Procurement)	43.87	1.07	2.43%
3.6.2 Retail Trade	1,118.72	37.53	3.35%
3.7 Commercial Real Estate	37,824.87	288.86	0.76%
3.8 Non Banking Fiancials Companies of which	229.52	-	-
3.9.1 Housing Finance Companies (HFCs)	-	-	-
3.9.2 Public Financial Institutions (PFIs)	229.52	-	-
3.9. Aviation	**7.82**	**-**	**-**
3.10. Other Services	3,333.15	449.98	13.50%
4. Personal Loans	3,188.95	137.37	4.31%
4.1 Housing (Including Priority Sector Housing)	-	-	-
4.2. Consumer Durables	-	-	-
4.3 Credit Card Outstanding	-	-	-
4.4. Vehicle Loans	-	-	-
4.5. Education	-	-	-
4.6.Advances against Fixed Deposits (Including FCNR (B), NRNR Deposits etc.)	-	-	-
4.7. Advances to Individuals against share, bonds, etc.	185.94	-	-
4.8. Loans against gold jewellery	**-**	**-**	**-**
4.9.Micro finance loans / SHG loans	**406.38**	**-**	**-**
4.10 Other Retail Loans	**2,596.62**	**137.37**	5.29%
5. Other loans	**917.17**	**37.90**	3.04%
Total	**56,910.34**	**1,616.32**	2.84%

(Currency: Indian rupees in million)

54.F Exposures

4 Intra-group exposures

Sectors	As at March 31, 2023	As at March 31, 2022
i) Total amount of intra-group exposures	5,294.34	970.46
ii) Total amount of top 20 intra-group exposures	5,294.34	970.46
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/ customers	4.83%	0.75%
5) Unhedged foreign currency exposure	Nil	Nil

54.G Details of financing of parent company products:

Details of financing of parent company products during the year: Nil (Previous year : Nil)

54.H Details of single borrower limit and borrower group limit exceeded by the Company:

During the year ended 31 March 2023 , the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI, except exposure to below entities

Azeem Infinite Dwelling India Private Limited
Heet Builders Private Limited
RG Residency Private Limited

The above loans and investments were disbursed / invested within in the limit of Single Borrower Limit (SBL) and Group Borrower Limit (GBL) as defined in RBI Master Direction 'DNBR. PD. 008/03.10.119/2016-17 Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 as amended, However due to losses incurred by the company during the previous years, the Company witnessed significant reduction in its net-worth/ owned funds. This reduction in owned funds has led to passive SBL and GBL limit breach during the current year. The Company has taken the necessary steps to bring down the exposures of above borrowers within applicable limit. As on March 31, 2023, there is no SBL and GBL exposure breached the specified limits as per the Scale Based Regulations issued by the Reserve Bank of India vide cirecular RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-dated October 22, 2021.

During the year ended 31 March 2022 , the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI, except exposure to below entities
Azeem Infinite Dwelling India Private Limited
Heet Builders Private Limited
Man Vastucon LLP

54.I Registration obtained from other financial sector regulators - Non

54.J Disclosure of penalties imposed by RBI and other regulators- NIL in respect of penalty for securities pay in shortage (Previous year - Rs. NIL).

54.K Related party transactions

All Material transactions with related parties are reflected in Note 49

(Currency: Indian rupees in million)

54.L Details of transaction with non executive directors

Name of Director	Nature	For the year ended March 31, 2023	For the year ended March 31, 2022
PN Venkatachalam	Sitting Fees	0.24	0.40
Biswamohan Mahapatra	Sitting Fees	0.81	0.40
Kunnasagaran Chinniah	Sitting Fees	0.77	0.30
Shiva Kumar	Sitting Fees	0.48	-
Aalok Gupta	Sitting Fees	0.31	-
Sameer A. Kaji	Sitting Fees	0.34	-
Atul Pande	Sitting Fees	0.08	-

54.M Provisions and contingencies

	As at March 31, 2023	As at March 31, 2022
Breakup of provisions and contingencies shown under the head other expenses in the statement of profit and loss		
Provisions for depreciation/(appreciation) on Investment	1,088.00	2,863.53
Provision towards Stage 3	(176.33)	(282.14)
Provision made towards Income tax	-	-
Provision for Stage 1/Stage 2 Assets including restructured and others	(11.19)	(1,257.94)
Other Provision and Contingencies		
Impairment on Investment Property	(18.27)	-
Provision towards ECL on trade receivables	(6.43)	1.39

(Currency: Indian rupees in million)

54.N Draw down from reserves

The Company has drawn Rs. 232.59 million (previous year 1728.96 million) from the debenture redemption reserve and transferred to retained earnings on redemption of debentures till March 31, 2023. Further, pursuant to amendments in the Companies Act, 2013, debenture redemption reserve is not required to be created for the debentures issued by Non-Banking Finance Companies by Reserve Bank of India.

54.O Concentration of deposits, advances, exposures and stage 3 assets

	As at March 31, 2023	As at March 31, 2022
Concentration of advances		
Total Advances to twenty largest borrowers	23,975.76	35,411.77
% of Advances to twenty largest borrowers to Total Advances	62.04%	62.22%
Concentration of exposures		
Total Exposures to twenty largest borrowers / Customers	24,407.94	35,481.49
% of Exposures to twenty largest borrowers / Customers to Total Advances	62.10%	61.76%
Concentration of stage 3		
Total Exposures to top Four Stage 3 Assets	399.35	835.37

Sector-wise Stage 3 Assets

	% of Stage 3 assets to Total Advances in that sector	
Sectors	**March 31, 2023**	**March 31, 2022**
Agriculture & allied activities	3.63%	19.70%
MSME	8.10%	10.42%
Corporate borrowers	1.74%	2.21%
Services	1.84%	1.65%
Unsecured loans	1.75%	4.92%
Auto loans	0.00%	0.00%
Other loans	0.90%	3.79%

Other loans represents retail loans

(Currency: Indian rupees in million)

54.P Movement of Stage 3 assets

The following table sets forth, for the periods indicated, the details of movement of Stage 3 assets, Stage 3 assets net of stage 3 provision net and Stage 3 provision.

	As at March 31, 2023	As at March 31, 2022
Stage 3 assets net of stage 3 provision to net advances (%)	1.17%	2.00%
Movement of Stage 3 assets		
Opening balance	1,616.32	6,241.92
Additions during the year	186.87	3,910.77
Reductions during the year*	(1,044.46)	(8,536.37)
Closing balance	758.73	1,616.32
Movement of Stage 3 net of stage 3 provisions		
Opening balance	1,129.03	5,472.49
Additions during the year	137.05	3,956.23
Reductions during the year*	(818.31)	(8,299.69)
Closing balance	447.77	1,129.03
Movement of stage 3 provisions (excluding provision on Stage 1/Stage 2)		
Opening balance	487.29	769.43
Additions during the year	49.82	(45.46)
Reductions during the year*	(226.15)	(236.68)
Closing balance	310.96	487.29

*Includes Stage 3 assets written off during the year Rs 211.02 million (Previous year: Rs 346.96 million)

54.Q Overseas assets - Nil (Previous year - nil)

54.R Off-balance sheet SPV sponsored - Nil (previous year - Nil)

(Currency: Indian rupees in million)

54.S Customer complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
	Compliants received by the NBFC from its customers		
1	No. of complaints pending at the beginning of the year	-	2
2	No. of complaints received during the year	113	204
3	No. of complaints redressed/disposed during the year	106	206
3.1	Of which, number of complians rejected by the NBFC	11	-
4	No. of complaints pending at the end of the year	7	-
5	**Number of Maintainable complaints received by the NBFC from office of the Omnbudsman**	44	42
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	44	42
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	**Number of Awards unimplemented within the stipulated time (other than those appealed**	-	-

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
			As at March 31, 2023		
Loans and advances	-	113	-32%	7	5
Total	**-**	**113**	**-32%**	**7**	**5**
			As at March 31, 2022		
Loans and advances	2	165	-36%	-	-
Total	**2**	**165**	**-36%**	**-**	**-**

* Grounds of complains are basis on the grounds as specified in Scale Based Regulations issued by the Reserve Bank of India.

(Currency: Indian rupees in million)

54.T Rating assigned by credit rating agencies

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended.

As at March 31, 2023	CRISIL		ICRA		CARE		Brickworks		Acute	
	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount
Long Term Instruments	CRISIL AA- and A+ / Negative	13,250.29	[ICRA] A+/ Stable	20,731.95	CARE A+/ Negative	16,792.16	BWR AA- and A+/Negative	800.00	ACUITE AA- and A+/ Negative	700.00
Short term instruments	CRISIL A1+	3,500.00	-	-	CARE A1+	4,000.00	-	-	-	-
Market linked debentures										
Short term	-	-	-	-	-	-	-	-	-	-
Long Term	CRISIL PP-MLD AA-/ Negative	323.22	PP-MLD [ICRA]A+/ Stable	144.23	CARE PP-MLD A+/ Negative	95.00	BWR PP-MLD AA-/ Negative	2.00	-	-

As at March 31, 2022	CRISIL		ICRA		CARE		Brickworks		Acute	
	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount	Rating	Amount
Long Term Instruments	CRISIL AA-/ Negative	1,88,623.80	[ICRA] A+/ Negative	2,32,680.70	CARE A+/ stable	1,70,009.70	BWR A+/ stable, BWR AA-/stable	8,000.00	ACUITE AA- and AA/ Negative	7,000.00
Short term instruments	CRISIL A1+	35,000.00	-	-	CARE A1+	40,000.00	-	-	-	-
Market linked debentures										
Short term	-	-	-	-	-	-	-	-	-	-
Long Term	CRISIL PP-MLD AA-r/ Negative	3,606.10	PP-MLD [ICRA]A+/ Negative	2,561.80	CARE PP-MLD A+/ Stable	965.80	BWR PP-MLD AA-/ stable	20.00		-

54.U Note to the Balance Sheet of a non-banking financial company as required in terms of Chapter II paragraph 5 of Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016 - Nil

(Currency: Indian rupees in million)

54.V (i) Disclosure of Restructured Accounts (as required by RBI guidelines under reference DNBS. CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014)

Disclosure of Restructured Accounts for the year ended March 31, 2023

Sr. N.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
	Details																					
1	Restructured accounts as on 1st April, 2022 (Opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	342	86	-	-	428	342	86	-	-	428
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	4,478.48	138.37	-	-	4,616.85	4,478.48	138.37	-	-	4,616.85
		Provision thereon	-	-	-	-	-	-	-	-	-	-	583.56	47.76	-	-	631.32	583.56	47.76	-	-	631.32
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations of restructured accounts to Standard category*	No. of borrowers	-	-	-	-	-	-	-	-	-	-	5	(5)	-	-	-	5	(5)	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	26.09	(26.09)	-	-	-	26.09	(26.09)	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	2.61	(2.61)	-	-	-	2.61	(2.61)	-	-	-
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year**	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(90)	(33)	-	-	(123)	(90)	(33)	-	-	(123)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(954.16)	(62.92)	-	-	(1,017.07)	(954.16)	(62.92)	-	-	(1,017.07)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(102.84)	(8.33)	-	-	(111.17)	(102.84)	(8.33)	-	-	(111.17)
5	Downgradations of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(31)	17	14	-	-	(31)	17	14	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(59.19)	19.47	44.79	-	5.07	(59.19)	19.47	44.79	-	5.07
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(10.08)	4.92	13.26	-	8.10	(10.08)	4.92	13.26	-	8.10
6	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(71)	(33)	-	-	(104)	(71)	(33)	-	-	(104)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(38.69)	(22.90)	-	-	(61.58)	(38.69)	(22.90)	-	-	(61.58)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(21.63)	(18.79)	-	-	(40.41)	(21.63)	(18.79)	-	-	(40.41)
7	Restructured accounts as on 31st Mar, 2023 (Closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	155	32	14	-	201	155	32	14	-	201
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	3,452.54	45.94	44.79	-	3,543.26	3,452.54	45.94	44.79	-	3,543.26
		Provision thereon	-	-	-	-	-	-	-	-	-	-	451.62	22.96	13.26	-	487.84	451.62	22.96	13.26	-	487.84

Note : *includes recovery made during the year from the Sub-standard restructure accounts. | **includes recovery made during the year from the standard restructure accounts.

54.V (ii) Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances

The Company has restructured the accounts as per RBI circular DBR. No. BP. BC. 100/21.04.048/ 2017-18 dated February 7, 2018, DBR. No. BP. BC. 108/21.04.048/2017-18 dated June 06 ,2018 , circular DBR. No. BP. BC. 18/21.04.048/2018-19 dated January 01, 2019, circular DOR. No. BP. BC. 34/21.04.048 /2019-20 dated February 11, 2020 and DOR. No. BP. BC /4/21.04.048/2020-21 dated August 6, 2020

Type of borrower	No. of accounts restructured	Amount
MSME	132	64.90

(Currency: Indian rupees in million)

Disclosure of Restructured Accounts for the year ended March 31, 2022

Sr. N.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
	Details																					
1	Restructured accounts as on 1st April, 2021 (Opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	387.00	8.00	-	-	395.00	387.00	8.00	-	-	395.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	2,273.94	2,755.53	-	-	5,029.46	2,273.94	2,755.53	-	-	5,029.46
		Provision thereon	-	-	-	-	-	-	-	-	-	-	329.73	93.83	-	-	423.57	329.73	93.83	-	-	423.57
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	228.00	2.00	-	-	230.00	228.00	2.00	-	-	230.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	2,826.49	1.65	-	-	2,828.15	2,826.49	1.65	-	-	2,828.15
		Provision thereon	-	-	-	-	-	-	-	-	-	-	489.75	1.38	-	-	491.13	489.75	1.38	-	-	491.13
3	Upgradations of restructured accounts to Standard category*	No. of borrowers	-	-	-	-	-	-	-	-	-	-	2.00	-2.00	-	-	-	2.00	-2.00	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	2,718.53	-2,718.53	-	-	-	2,718.53	-2,718.53	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	87.74	-87.74	-	-	-	87.74	-87.74	-	-	-
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year**	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-30.00	-1.00	-	-	-31.00	-30.00	-1.00	-	-	-31.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-3,140.06	-25.89	-	-	-3,165.95	-3,140.06	-25.89	-	-	-3,165.95
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-247.63	15.49	-	-	-232.14	-247.63	15.49	-	-	-232.14
5	Downgradations of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-86.00	86.00	-	-	-	-86.00	86.00	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-128.04	128.04	-	-	-	-128.04	128.04	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-26.83	26.83	-	-	-	-26.83	26.83	-	-	-
6	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-159.00	-7.00	-	-	-166.00	-159.00	-7.00	-	-	-166.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-72.38	-2.43	-	-	-74.81	-72.38	-2.43	-	-	-74.81
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-49.21	-2.03	-	-	-51.24	-49.21	-2.03	-	-	-51.24
7	Restructured accounts as on 31st Mar, 2022 (Closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	342.00	86.00	-	-	428.00	342.00	86.00	-	-	428.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	4,478.48	138.37	-	-	4,616.85	4,478.48	138.37	-	-	4,616.85
		Provision thereon	-	-	-	-	-	-	-	-	-	-	583.56	47.76	-	-	631.32	583.56	47.76	-	-	631.32

Note : *includes recovery made during the year from the Sub-standard restructure accounts. | **includes recovery made during the year from the standard restructure accounts.

Micro, Small and Medium Enterprises (MSME) sector - Restructuring of advances

The Company has restructured the accounts as per RBI circular DBR. No. BP. BC. 100/21.04.048/ 2017-18 dated February 7, 2018, DBR. No. BP. BC. 108/21.04.048/2017-18 dated June 06 ,2018 , circular DBR. No. BP. BC. 18/21.04.048/2018-19 dated January 01, 2019, circular DOR. No. BP. BC. 34/21.04.048 /2019-20 dated February 11, 2020 and DOR. No. BP. BC /4/21.04.048/2020-21 dated August 6, 2020

Type of borrower	No. of accounts restructured	Amount
MSME	132	649.00

(Currency: Indian rupees in million)

54.W Schedule to the Balance Sheet

As required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended.

	As at March 31, 2023		As at March 31, 2022	
	Amount outstanding	Amount outstanding	Amount outstanding	Amount outstanding
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :				
a) Debentures (other than those falling within the meaning of Public deposit)				
i) Secured	39,023.26	-	43,041.40	-
ii) Unsecured	20,837.60	-	24,997.26	-
b) Deferred Credits	-	-	-	-
c) Term Loans (Bank and Other parties)	10,349.38	-	25,429.86	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	3,450.80	-	2,496.57	-
f) Public Deposits	-	-	-	-
g) Other Loans (specify nature)				
i) Working Capital Demand Loan	6,700.00	-	6,830.00	-
ii) Bank Overdraft	1,348.33	-	1,174.23	-
iii) CBLO Borrowings	18,958.39	-	4,511.54	-
iv) Loan from related parties	14.27	-	1,070.67	-

	Amount Outstanding	
	As at March 31, 2023	As at March 31, 2022
2. Break up of Loans and Advances including bills receivables		
i) Secured	29,715.06	51,006.80
ii) Unsecured	8,930.03	5,903.54
3. Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	NA	NA
a) Lease assets including lease rentals under sundry debtors:		
i) Financial Lease	-	-
ii) Operating Lease	-	-
b) Stock on hire including hire charges under sundry debtors		
i) Assets on hire	-	-
ii) Repossessed assets	-	-
c) Other loans counting towards Asset Financing Company activities		
i) Loans where assets have been repossessed	-	-
ii) Other loans	-	-

(Currency: Indian rupees in million)

	Amount Outstanding	
	As at March 31, 2023	As at March 31, 2022
4. Break up of Investments (including securities held for trading)		
a) Current Investment - Quoted		
i) Shares		
Equity	-	-
Preference Shares	-	-
ii) Debentures and Bonds	312.52	99.34
iii) Units of Mutual Funds	-	-
iv) Government Securities	25,757.19	10,085.14
v) Others	-	-
b) Current Investment - Quoted		
i) Shares		
Equity	78.85	-
Preference Shares	-	-
CCPS	83.50	-
ii) Debentures and Bonds	-	-
iii) Units of Mutual Funds	-	-
iv) Government Securities	-	-
v) Others	-	-
c) Long term Investment - Quoted		
i) Shares		
Equity	-	-
Preference Shares	-	-
ii) Debentures and Bonds	-	-
iii) Units of Mutual Funds	-	-
iv) Government Securities	-	-
v) Others	-	-
d) Long term Investment - Unquoted		
i) Shares		
Equity	-	-
Preference Shares	-	872.13
ii) Debentures and Bonds	-	-
iii) Units of Mutual Funds	-	-
iv) Government Securities	-	-
v) Others	-	-
– Investments in security receipts of trusts	28,060.80	51,105.43
– Investment in Units of AIF	16,480.33	10,252.18

(Currency: Indian rupees in million)

5. Borrower group-wise classification of assets financed as in (2) and (3) above as at March 31, 2023

	Amount net of provisions		
	Secured	Unsecured	Total
a) Related Parties			
Subsidiaries	-	-	-
Companies in the same group	-	4,988.40	4,988.40
b) Other than related parties	26,458.05	3,649.16	30,107.21

Borrower group-wise classification of assets financed as in (2) and (3) above as at March 31, 2022

	Amount net of provisions		
	Secured	Unsecured	Total
a) Related Parties			
Subsidiaries	-	-	-
Companies in the same group	-	-	-
b) Other than related parties	47,785.99	5,387.35	53,173.34

6. Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

	As at March 31, 2023		As at March 31, 2023	
	Market Value/ Fair Value	Book Value (Net of provision)	Market Value/ Fair Value	Book Value (Net of provision)
a) Related Parties				
Subsidiaries	-	-	-	-
Companies in the same group	305.05	305.05	963.66	963.66
Other related parties	-	-	-	-
b) Other than related parties	70,468.14	70,468.14	71,450.56	71,450.56

7. Other Information

	Amount Outstanding	
	As at March 31, 2023	As at March 31, 2022
a) Stage 3 assets		
i) Related Parties	-	-
ii) Other than related parties	758.73	1,616.32
b) Stage 3 assets net of stage 3 provision		
i) Related Parties	-	-
ii) Other than related parties	447.77	1,129.03
c) Assets acquired in satisfaction of debt		

(Currency: Indian rupees in million)

54.X Prudential Floor for ECL

As required in terms of paragraph 2 of circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 - Non-Banking Financial Company - Implementation of Indian Accounting Standards.

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
A	B	C	D	E = C - D	F	G = D - F
Performing Assets						
Standard	Stage 1	18,854.08	400.16	18,453.92	74.72	325.44
	Stage 2	19,032.28	2,838.36	16,193.92	495.38	2,342.98
Total Performing Assets		37,886.36	3,238.52	34,647.84	570.10	2,668.42
Non Performing Assets (NPA)						
Substandard	Stage 3	544.57	232.47	312.10	158.78	73.69
Doubtful - up to 1 year	Stage 3	150.55	55.26	95.29	25.25	30.01
1 to 3 years	Stage 3	63.61	23.23	40.38	25.98	(2.75)
More than 3 years	Stage 3	-	-	-	-	-
Total Doubtful						
Loss Assets	Stage 3	-	-	-	-	-
Total Non Performing Assets (NPA)	-	758.73	310.96	447.77	210.01	100.95
Other items such as guarantees, loan commitments, etc.which are in the scope of Ind AS 109 but not covered under IRACP	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	Stage 1	18,854.08	400.16	18,453.92	74.72	325.44
	Stage 2	19,032.28	2,838.36	16,193.92	495.38	2,342.98
	Stage 3	758.73	310.96	447.77	210.01	100.95
Total Loan Book	-	38,645.09	3,549.48	35,095.61	780.11	2,769.37

(Currency: Indian rupees in million)

54.Y Disclosure on liquidity risk

As required in terms of paragraph 3 of RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

a) Funding Concentration based on significant counterparty (both deposits and borrowings)

	As at March 31, 2023
Number of significant counterparties*	16
Amount of borrowings from significant counterparties	72,810.56
% of Total deposits	NA
% of Total liabilities**	6.08%

* "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI'

** "Total liabilities " refers to the aggregate of financial liabilities and non-financial liabilities.

b) Top 20 large deposits

The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

c) Top 10 Borrowings

	As at March 31, 2023
Amount of Borrowings from top 10 lenders	62,408.07
% of Total Borrowings	61.99%

d) Funding Concentration based on significant instrument/product*

	As at March 31, 2023	
	Amount	% of Total Liabilities**
Debentures		
Non Convertible	52,510.67	4.39%
Compulsory Convertible	7,350.18	0.61%
Bank Borrowings		
Term Loans	10,349.38	0.86%
Working Capital Demand Loan	6,700.00	0.56%
Other Borrowings		
Commercial Papers	3,450.80	0.29%
TriParty Repo	18,958.39	1.58%
Cash Credit	1,348.33	0.11%
Loan from related parties	14.26	0.00%

* "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's borrowings

** "Total liabilities " refers to the aggregate of financial liabilities and non-financial liabilities.

(Currency: Indian rupees in million)

e) Stock Ratios

	As at March 31, 2023
Commercial papers as a % of total public funds	3.43%
Commercial papers as a % of total liabilities	0.29%
Commercial papers as a % of total assets	2.36%
Non-convertible debentures as a % of total public funds	0.00%
Non-convertible debentures as a % of total liabilities	0.00%
Non-convertible debentures as a % of total assets	0.00%
Other short-term liabilities, if any as a % of total public funds*	30.27%
Other short-term liabilities, if any as a % of total liabilities**	25.45%
Other short-term liabilities, if any as a % of total assets	20.81%

***"Total public funds" refers to the aggregate of Debt securities, borrowings other than debt securities and subordinated liabilities.**

** "Total liabilities " refers to the aggregate of financial liabilities and non-financial liabilities.

f) Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee.

- The Asset Liability Management Committee, inter alia

a. Review of macro-economic scenario, impact of industry and regulatory changes monitoring the asset liability gap.

b. Strategising action to mitigate liquidity and other risks associated with the asset liability gap. Review and suggest corrective actions on liquidity mismatch, negative gaps and interest rate sensitivities. Formulate a contingency funding plan (CFP) for responding to severe disruptions and develop alternate strategies as deemed appropriate, which take into account changes in:

   i. Intterest rate levels and trends   ii. Loan products and related markets   iii. Monetary and fiscal policy

c. Articulating and monitoring liquidity risk tolerance that is appropriate for its business strategy and its role in the financial system, and verifying adherence to various risk parameters and prudential limits.

d. Implementation of liquidity risk management strategy of the Company and reviewing the risk monitoring system.

e. Ensure that credit exposure to any one group does not exceed the internally set limits as well as statutory limits set by RBI.

f. Decide the strategy on the source, tenor and mix of assets & liabilities, in line with its business plans, taking into account the future direction of interest rates. Establish a funding strategy that provides effective diversification in the sources and tenor of funding. Consider product pricing for advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by peer NBFCs for similar services/products, etc. Discuss and report on the impact of major funding shifts and changes in overall investment and lending strategies.

g. Endeavour to develop a process to quantify liquidity costs, benefits & risk in the internal product pricing.

h. Review behavioural assumptions and validate models for study of assets & liabilities in preparation of Liquidity and Interest Rate Sensitivity Statements and ALM analysis.

i. Review stress test scenarios including the assumptions and results.

j. Review and approve the capital allocation methodology.

k. Analyse and deliberate at meetings, issues involving interest rate and liquidity risk, including capital allocation, liquidity cost, off balance sheet exposures, contingent liabilities, management of collateral position and intra-group transfers.

l. Review the results of and progress in implementation of the decisions made in the previous meetings. Report the minutes of its meeting to the Board of Directors on quarterly basis.

m. Formulate ALM policy for the Company; and

n. In respect of liquidity risk oversight would include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.

(Currency: Indian rupees in million)

- The Risk Management Committee, inter alia

a. Identifying, measuring and monitoring the various risks faced by the Company;

b. Mitigating various risks associated with functioning of the Company through Integrated Risk Management Systems, Strategies and Mechanisms;

c. To deal with issues relating to credit policies and procedure and manage the credit risk, operational risk, management of policies and process;

d. To assist in developing the Policies and verifying the Models that are used for risk measurement from time to time;

e. To have oversight over implementation of risk and related policies;

f. Promoting an enterprise risk management competence throughout the organisation, including facilitating development of IT-related enterprise risk management expertise; and

g. Establishing a common risk management language that includes measures around likelihood and impact and risk categories

54.Z Details of Resolution plan implemented under the Resolution Framework for COVID-19 related stress as per circular dated August 6, 2020.

Format B - For the half year ended March 31, 2023

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the September 30, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2023	Of (A) amount written off during the half-year ended March 31, 2023	Of (A) amount paid by the borrowers during the half-year ended March 31, 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2023
Personal Loans	27.54	0.74	0.02	5.37	22.16
Corporate persons*	267.77	-	-	217.77	50.00
Of which, MSMEs	-	-	-	-	-
Others	267.77	-	-	217.77	50.00
Total	**563.08**	**0.74**	**0.02**	**440.91**	**122.16**

(Currency: Indian rupees in million)

54.AA Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021.

a) Details of transfer through assignment in respect of loans not in default during the year ended March 31, 2023.

Particulars	Year Ended March 31, 2023
Count or Loan accounts Assigned	431
Amount of Loan account Assigned (₹ in million)	2,329.14
Retention of beneficial economic interest (MRR)	10%
Weighted Average Maturity (Residual Maturity) (in years)	4.16
Weighted Average Holding Period (in years)	4.23
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	Unrated

b) (i) Details of stressed loans transferred during the year ended March 31, 2023.

Particulars	To ARCs
	Year Ended March 31, 2023
Number of accounts	67
Aggregate principal outstanding of loans transferred (₹ in million) *	36,673.33
Weighted average residual tenor of the loans transferred (in years)	0.98
Net book value of loans transferred (at the time of transfer) (₹ in million)	18,962.69
Aggregate consideration (₹ in million)	18,993.58
Additional consideration realised in respect of accounts transferred in earlier years	-

* includes interest accrued, penal interest & other charges due from borrower as included in the sale agreement.

b) (ii) The Company has acquired below loan during the year ended March 31, 2023 (Previous year: Nil)

Particulars	From Others
	Year Ended March 31, 2023
Aggregate principal outstanding of loans acquired	9,104.59
Aggregate consideration paid	5,938.63
Weighted average residual tenor of loans acquired	4.5

54.AB Pursuant to the RBI circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", we have aligned our NPA assessment methodology as per the new norms. The company has considered impact of such alignment in the financial statement for year ended March 31, 2023.

Financial Statement *(Continued)*

(Currency: Indian rupees in million)

54.AC Related Party Disclosure

As required in terms of paragraph B of Section I of circular RBI/2022-23/26 DOR.ACC.REC.No. 20/21.04.018/2022-23 dated April 19, 2022 - Disclosure in Financial Statemements- Notes to Accounts of NBFCs.

Related Party	Category	Parent (As per ownership or control)		Subsidiaries**		Associates/Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
Iteams		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Borrowings	Maximum during the year*	1,300.00	4,000	3,880.00	2,500.00	-	-	-	-	-	-	-	-	5,180.00	6,500.00
	Outstanding at year end	-	-	-	860.00	-	-	-	-	-	-	-	-	-	860.00
Deposits	Maximum during the year*			-	-	-	-	-	-	-	-	-	-	-	-
	Outstanding at year end			-	-	-	-	-	-	-	-	-	-	-	-
Placement of Deposits	Maximum during the year*			-		-	-	-	-	-	-	-	-	-	-
	Outstanding at year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	Maximum during the year*$	-		1,600.00	790.00	-	-	-	-	-	-	-	-	1,600.00	790.00
	Outstanding at year end	-	-	4,980.00	-	-	-	-	-	-	-	-	-	4,980.00	-
Investments	Maximum purchase during the year*	-	-	12,442.44	2,363.15	-	-	-	-	-	-	-	-	12,442.44	2,363.15
	Maximum sale during the year	-	-	5,071.17	2,682.08	-	-	-	-	-	-	-	-	5,071.17	2,682.08
	Outstanding at year end***	-	-	25,581.31	33,261.28	-	-	-	-	-	-	-	-	25,581.31	33,261.28
Purchase of fixed/other assets		-	0.06	-	1.24	-	-	-		-	-	-	-	-	1.30
Sale of Fixed/Other assets		0.01	-	0.28	0.49	-	0.03	-	0.24	-	-	-	-	0.29	0.76
Interest Paid #		3.73	71.69	443.83	685.51	0.37	4.16			-	-	-	-	447.94	761.36
Interest Received #		-	-	283.20	163.75	6.15	10.92			-	-	-	-	289.35	174.67
Others* (Refer Note-1)										-	-	-	-	-	-
Sale of Loans & Credit Substitutes to Trusts		-	-	10,723.72	4,487.84	-	-	-	-	-	-	-	-	10,723.72	4,487.84
Trade Payable				6,955.32	10.16	-	-	-	-	-	-	-	-	6,955.32	10.16
Risk & rewards sharing guarantee taken from		32,880.84	42,906.27	-	-	-	-	-	-	-	-	-	-	32,880.84	42,906.27
Others		1,334.75	2,352.69	25,566.18	7,221.36	494.40	965.65	119.80	131.81	-	-	-	-	27,515.13	10,671.51

1) *As required in above referred circular, the Company is required to specify item if total for the item is more than 5 per cent of total related party transaction, while calculating 5 per cent limit, the Company has taken sum of all transactions such as loan given, loan taken, purchase and sale of investment, securities, income & expenses, income etc. excluding closing balance of assets, liabilities. Others include total of all transactions (excluding closing balances) which are less than 5% individually.
2) * Maximum single transaction value entered amongst any of fellow subsidiary is considered.. In case investment, maximum single transaction value considered
3) **Including fellow subsidiaries, enterprises over which control is exercised by the parent company and alternative Investment Funds
4) * KMP amount includes sitting fees of independent director
5) *** At amortised cost or at fair value
6) $ Includes loan given
7) # Interest Expenses/Income recorded in P&L

(Currency: Indian rupees in million)

54.AD Breach of covenant

As required in terms of paragraph B of Section II of circular RBI/2022-23/26 DOR.ACC.REC.No. 20/21.04.018/2022-23 dated April 19, 2022 - Disclosure in Financial Statemements- Notes to Accounts of NBFCs.

During the financial year ending as on 31 March 2023, there is no incidence of breach of covenant.

54.AE Divergence in Asset Classification and Provisioning

As required in terms of paragraph C of Section II of circular RBI/2022-23/26 DOR.ACC.REC.No. 20/21.04.018/2022-23 dated April 19, 2022 - Disclosure in Financial Statements- Notes to Accounts of NBFCs. Reserve Bank of India (RBI) carried out inspection for financial year ending as on 31, 2022. Based on inspection report, the company confirms that no additional Gross NPAs has been identified by RBI which exceeds 5% of the reported Gross NPAs for the period. Details are as follows:

a) The Company has received inspection report dated January 12, 2023 from Reserve Bank of India (RBI) for financial statements ending March 31, 2022. The RBI in its inspection report has inter alia raised matter relating to the sharing of fair value gains of Rs.1994.10 million between the company and its holding company (refer note no 15.4). This pertains to Security Receipts that are covered under the Shareholders' agreement and the Risks & Rewards sharing agreement with the holding company. The Company has provided its justifications for sharing of these fair value gains to RBI and has discussed this with the Board of Directors in its meeting dated January 24, 2023. In the month of April - 2023, the Company submitted a detailed reply along with calculations, rational for recognising such fair value gain and amended the Risks & Rewards sharing agreement with the holding company. Accordingly impact due to these two cases on P&L was Rs. 5.00 million for the year ended March 31, 2022. Further, the Company has sold/received redemption against such Security Receipts as on March 31, 2023(refer note no. 39.A). Accordingly, this impact of Rs. 5.00 million due to the observation has been considered in the financial statement as on March 31, 2023.

b) Divergence in relation to Gross NPA identified by RBI

Sr.	Particulars	Amount
1	Gross NPAs as on March 31, 2022 as reported by the NBFC	1,616.30
2	Gross NPAs as on March 31, 2022 as assessed by the Reserve Bank of India	1,616.30
3	Divergence in Gross NPAs (2-1)	-
4	Net NPAs as on March 31, 2022 as reported by the NBFC	1,129.00
5	Net NPAs as on March 31, 2022 as assessed by Reserve Bank of India	1,129.00
6	Divergence in Net NPAs (5-4)	-
7	Provisions for NPAs as on March 31, 2022 as reported by the NBFC	487.30
8	Provisions for NPAs as on March 31, 2022 as assessed by Reserve Bank of India	487.30
9	Divergence in provisioning (8-7)	-
10	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2022	-661.79
11	Reported Net Profit after Tax (PAT) for the year ended March 31, 2022	793.53
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2022 after considering the divergence in provisioning*	793.53

*adjusted Net Profit After Tax includes all adjustments made by RBI i.e.. including additional provision on financial instrument etc.

RBI identified requirement for additional provision on account of extension of DCCO project loans. Additional provision identified was Rs. 23.60 million for the year ended March 31, 2022. Since, the same is not in nature of provision for NPA, it is not reported in above disclosure separately. The company has duly responded to said observation made by RBI along with justification.

(Currency: Indian rupees in million)

55. Other Disclosures

55.A Initial Disclosure under SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 on Large corporates

Particulars	Details
Name of the Company	ECL Finance Limited
CIN	U65990MH2005PLC154854
Outstanding borrowing of company as on 31st March 2023	Rs.100,682.03 millions
Highest Credit Rating During the previous FY along name of the Credit Rating Agency	CRISIL AA-, ICRA A+, CARE A+, BWR AA-, ACUITE AA-
Name of stock Exchange# in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Limited

We confirm that we are a large Corporate as per the applicability criteria given under the SEBI circular SEBI / HO/ DDHS / CIR/ P / 2018 /144 dated November 26, 2018.

55.B Initial Disclosure under SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 on Large corporates

Particulars	Details
2 years block period	FY-2023 and FY-2024
Incremental borrowing done in FY 2023 (a)	2,425.00
Mandatory borrowing to be done through issuance of debt securities in FY23 (b) = (25% of a)	606.25
Actual borrowings done through debt securities in FY 2023 (c)	-
Shortfall in the mandatory borrowing through debt securities, if any, for FY22 carried forward to FY23 (d)	250.00
Quantam of (d), which has been met from (c) - (e)	-
Shortfall, if any, in the mandatory borrowing through debt securities for FY23 (after adjusting for any shortfall in borrowing for FY22 which was carried forward to FY23) ‘ (f) = (b) - [-(c) -(e)] [If the calculated value is zero or negative, write “”nil’]	856.25

Details of penalty to be paid, if any, in respect to previous block :

Particulars	Details
2 years block period	FY2021-22 and FY2022-23
Amount of fine to be paid for the block, if applicable Fine = 0.2% of [(d) - (e)]	Nil

55.C 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.

55.D There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2023.

(Currency: Indian rupees in million)

56. **Figures for the previous year have been regrouped/ reclassified wherever necessary to conform to current year presentation.**

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For Chetan T. Shah & Co.
Chartered Accountants
ICAI Firms Registration
Number: 116652W

For V. C. Shah & Co.
Chartered Accountants
ICAI Firms Registration
Number: 109818W

For and on behalf of the Board of Directors

Chetan T. Shah
Partner
Membership No: 101828
Mumbai May 19, 2023

Viral J. Shah
Partner
Membership No: 110120
Mumbai May 19, 2023

Deepak Mittal
Vice Chairman

Phanindranath Kakarla
Managing Director

Sandeep Agarwal
Chief Financial Officer
Mumbai May 19, 2023

Kashmira Mathew
Company Secretary
Membership No: ACS-11833

Edelweiss
Ideas create, values protect
ECL
Finance Ltd.

Chief Financial Officer
Mr. Sandeep Agarwal

Company Secretary
Ms. Kashmira Mathew

Statutory Auditors
M/s Chetan T Shah & Co. and M/s V.C Shah & Co. (Joint Statutory Auditors)

Secretarial Auditors
M/s Alwyn Jay & Co., Company Secretaries

Registered Office
Tower 3, Wing 'B', Kohinoor City Mall, Kohinoor City,
Kirol Road, Kurla (W), Mumbai – 400070

https://eclfinance.edelweissfin.com/

https://www.linkedin.com/company/edelweisssmefinance/