A new **beginning.**
Renewed
commitment.

nido

HOME FINANCE

Annual Report 2022-23

*Formerly known as Edelweiss Housing Finance Limited

Nido

Home Finance Limited

(Formerly known as
Edelweiss Housing Finance Limited)
Corporate Identity Number:
U65922MH2008PLC182906
Financial Statement for the year
ended March 31, 2023

Details as on May 8, 2023

Board of Directors

Mr. Biswamohan Mahapatra	–	Chairman and Independent Director
Mr. Sunil Phatarphekar	-	Independent Director
Mr. Gautam Chatterjee	-	Independent Director
Mr. Deepak Mittal	-	Non- Executive Director
Ms. Shama Asnani	-	Non- Executive Director
Mr. Rajat Avasthi	-	Managing Director & CEO

Chief Financial Officer
Mr. Tushar Kotecha

Company Secretary
Mr. Girish Manik

Statutory Auditors
M/s. NGS & Co. LLP

Registered Office
Tower 3, Wing ' B',
Kohinoor City Mall, Kohinoor City, Kirol
Road,
Kurla (West), Mumbai – 400070
Corporate Identity No.:
U65922MH2008PLC182906
Tel: +91 22 4272 2200
Email: CS.CBG@edelweisshousingfin.com

Registrar & Transfer Agent
Link Intime India Private Limited
C- 101 1st Floor 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400083Maharashtra, India
Tel: +91 22 4918 6200;
Fax: +91 22 4918 6195

Kfin Technologies Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda,
Hyderabad - 500 032
Tel: +91 40 6716 222; Fax: +91 40 2300 1153

Letter from the Managing Director & CEO

Dear Stakeholders,

Greetings,

It brings us great pleasure to connect with you again on behalf of the entire team at Nido Home Finance Limited. As we reflect on the journey traversed by this organization over the past 13 years, it is interesting to see a distinct division in our timeline. The first decade of our existence saw us build a solid foundation, establish our values, and strengthen our market presence. During this period, we metamorphosed into a granular, affordable-finance focused company. In the second innings of our journey, we didn't just add another three years to our age, but we also fundamentally redefined our business model, akin to rebirth, while revitalizing our long-term growth strategy. When looked at in this manner, we see an organization that today is ten years old and three years young!

10 years old!

Housing has been and will remain, a socially relevant and important theme for a young and growing India. As an organization that enables home ownership, it has been a privilege for us to be a part of the housing journey of many Indians. Across India, demand for new housing is being fuelled by urban migration, the nuclearization of families, and the importance of homeownership as a marker of individual prosperity and growth. Much of this incremental demand stems from economic upliftment witnessed by customers from informal-income and lower-income segments. In the first decade of our existence, we have sharpened our strategic focus on these customer segments, which is reflected in our growing presence in smaller, non-metro towns and our engagement with unique customer groups such as 'new to credit' and women borrowers. We recognize that these customer segments are also important constituencies for affirmative action, and we have worked with the National Housing Bank to deliver on 'Housing for All' initiatives of the Government of India, such as the 'Credit Linked Subsidy Scheme' (CLSS) under the Pradhan Mantri Awas Yojana. More than 40% of our retail customers are new-to-credit, and more than 85% are from mid and low-income groups. We have continued to focus on building a granular, affordable housing portfolio, and our average ticket size is around ₹2.5 million.

3 years young!

Housing as a category has an enduring and sustained demand cycle, and it has witnessed continuous evolution. Housing finance, a key enabler of home ownership, has also seen its ups and downs, be it due to the Covid pandemic or earlier on due to the liquidity squeeze of 2018.

In such a dynamic, ever-evolving environment, we have embraced a new **asset-light business model**, which has been built on the back of strategic tie-ups with renowned banks and financial institutions. Under this model, we have leveraged co-lending, direct-assignment, and securitization frameworks to access ALM-matched capital for our growth and provide our customers with home loans and LAP products at attractive interest rates. Almost two-thirds of our AUM has been processed through direct assignment, securitization, or co-lending transactions, which strongly validates the asset-light business model.

To support this pivot in our business model, we have invested in building new capabilities, namely **data sciences (analytics) and technology**. Our data sciences team has worked extensively to support programs targeted at portfolio management, and with time they have repurposed their capabilities also to support use cases that help improve process efficiency.

An essential thrust of our technology agenda has been to build a loan origination system on a low-code technology platform, thus providing us the flexibility to experiment and change. We have also made significant investments to upgrade our core-banking system to be future-ready for growth.

Edelweiss Housing Finance Limited is now Nido Home Finance Limited

Why the new name?

Our organization's 13-year evolutionary journey has manifested itself in a visibly transformed character, be it in our branch structure, product suite, policies, and processes, and most notably, in the talent profile of our team. With so much having changed, we felt this was the right time to reset and reconnect with all our stakeholders in a new avatar.

Against this backdrop, and after receiving necessary regulatory approvals, we have adopted a new name and identity that embodies our changed personality and, we believe, will be more relatable to our target customers. The keyword in the new name of our organization is 'NIDO,' which is in turn inspired by the Sanskrit word 'नीड', which translates as the word 'Nest'. Since the primary purpose of our business is to facilitate homeownership, we wanted to include a synonym of home, or a word that evoked similar emotions, in our new identity.

How did we go about it?

The name change was taken up through a proprietary 4-step approach. We started with an internal crowdsourcing exercise which saw more than three-fourths of all our employees and their family members participate. We received ~ 3600 name suggestions, including ~ 2700 unique names. These names were catalogued and profiled using data science frameworks such as NLP, word embeddings, 't-distributed stochastic neighbour embedding,' and Soundex. Finally, pre-identified employee panels selected a shortlist of names through an iterative selection process, from which the name 'Nido' was selected.

The year that was.

Reflecting on the past year, the Indian economy has rebounded to pre-Covid levels despite the challenges of inflation and the ongoing Russian-Ukrainian conflict. Combined efforts of the government and the Reserve Bank have managed to bring down retail inflation. The travails and insecurities people experienced during the pandemic have helped re-emphasize the fundamental role of home ownership as social security. This is reflected in a healthy pickup in housing demand, now exceeding pre-pandemic levels. Increasing interest rates have also not been able to dampen the momentum in this category.

We at Nido have focused on building resilience against volatility and disruptions, echoing the country's economic endurance. A lot of the work taken up by us in this regard has been spoken about earlier in our '3 years young' story.

We have ended the financial year ending Mar-23 with Assets Under Management (AUM) of ₹41.15 billion and a profit of ₹163 million. The fundamentals of the business remain strong, which is reflected in the comfortable position with respect to the organization's CRAR, at 32.06%. The credit costs are ₹44 million, and Net Non-Performing Assets (NNPA%) for the entity is 1.46% for the period ending Mar-23.

Way forward

Now that our asset-light strategy is validated and business fundamentals are in place, we are well-poised for growth in the coming quarters.

We draw confidence from our core strengths best exemplified in the **organization's agility** displayed in its '3 years young' journey, the successful **pivot of our business model towards a co-lending (CLM)** framework, and the inherent **passion in the team** to create value.

We are excited about the possibilities that lie ahead and shall continue to evolve and adapt, just as we have over the past decade, remaining committed to facilitating homeownership for many Indian households.

Thank you for your unwavering faith and support in our journey.

Yours Sincerely,

Rajat Avasthi

Managing Director & CEO

Nido Home Finance Limited

(Formerly known as Edelweiss Housing Finance Limited)

Vision, Mission, and Values

Vision

Our vision at Nido Home Finance is to be a trusted partner for low, middle, and informal-income entrepreneurs navigating their housing and home-equity finance needs. We aim to realize this vision by providing innovative financial solutions tailored to meet the unique requirements of our customers. Our long-term aspiration is to enable home ownership, focusing strategically on markets experiencing high urban migration, Tier 2 towns, and micro-geographies within Tier 1 cities. This vision serves as our guiding star, leading us toward our broader goal of making homeownership a reality for all segments of society.

Mission

Be a trusted partner for low, middle, and informal-income entrepreneurs for their housing and home-equity finance needs, and lead by the quality and be driven by differentiation.

Values

Our values act as our compass, guiding our actions and decisions:

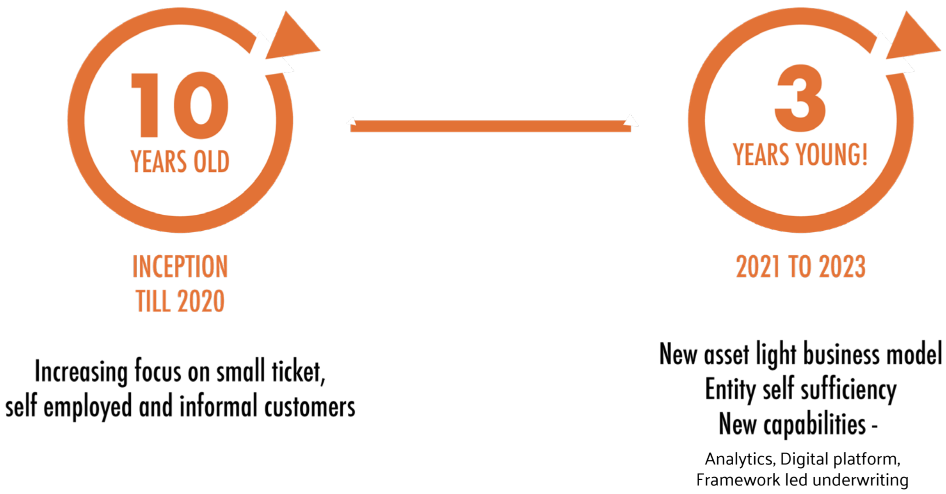
- Commitment: We are committed to delivering quality services to our customers, helping them achieve their dream of owning a home.

- Innovation: We consistently strive to provide innovative financial solutions tailored to the distinct needs of our customers.

- Teamwork and Continuous Learning: Our team of seasoned professionals bring diverse skills and expertise, ensuring we work together to achieve our shared mission and vision. We believe in cultivating a culture of continuous learning, where every team member can expand their knowledge and skills, making Nido a place of growth and development.

The Odyssey - A Resilient and Transformative Journey

A Remarkable Decade and Beyond



Established in 2010 as Edelweiss Housing Finance, Nido Home Finance has forged a remarkable business trajectory over the past decade. As we reflect on the journey traversed by this organization over the past 13 years, it is interesting to see a distinct division in our timeline. We have consistently adapted and evolved throughout this transformative journey, responding to the dynamic market environment. While initially catered to large-ticket, urban customers, our strategic focus has shifted towards serving granular, low-income, and informal-income customer segments within the affordable housing sphere. This transformation is evident in our growing presence in smaller, non-metro towns and our engagement with unique customer segments, including the 'new to credit' and women borrowers. We take immense pride in aligning with essential 'Housing for All' initiatives, such as the "Credit Linked Subsidy Scheme" (CLSS) under the Pradhan Mantri Awas Yojana (PMAY).

Over the past three years, we have redefined our business model and revitalized our strategy. In 2020, we innovatively transitioned to an asset-light model, leveraging the co-lending approach. Through strategic alliances with marquee financial institutions, we synergized our strengths to amplify our lending capacity and offer more competitive interest rates to our customers. This strategic pivot widened our reach and positively impacted a broader customer base.

We have made significant investments to strengthen our capabilities in analytics, digital platforms, and the comprehensive application of data science. These advancements have provided valuable insights into our prospective customers' behavior, preferences, and creditworthiness, enabling us to make informed decisions and deliver enhanced services.

Understanding the Rebranding: Embodying the New Identity

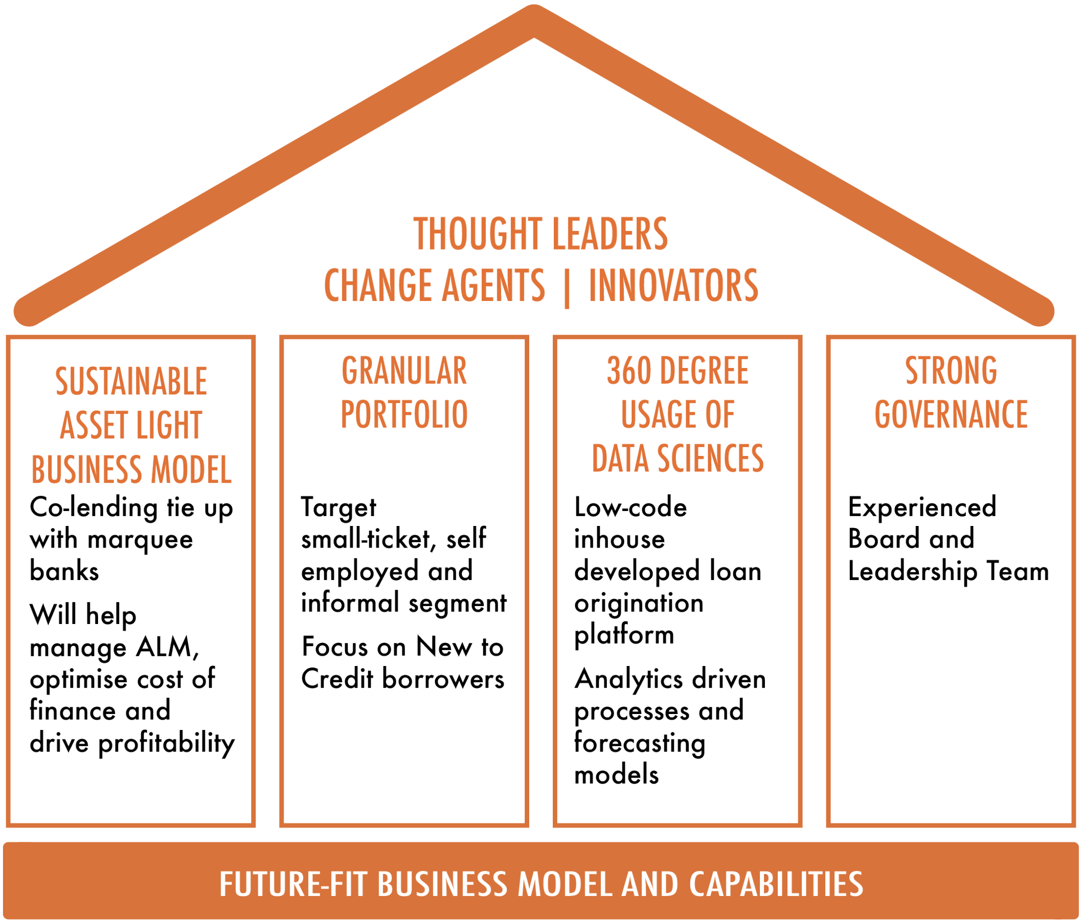
As 2023 marked an essential chapter in our journey, we embraced a strategic rebranding, adopting the name 'Nido,' inspired by the Sanskrit word "नीड", translating to "Nest." The name, Nido, encapsulates the spirit of homeownership - the warmth, comfort, and security synonymous with a home. It is a reaffirmation of our commitment to helping our customers achieve their aspirations of owning a home, encapsulating the emotions and aspirations affiliated with the notion of a home. And while we may have been around for a decade, our spirit and outlook have been refreshed in the last three years. The rebranding exercise strengthens our connection with our core customer segments and further equips us to create value for all our stakeholders.

Nido Home Finance: Future-Ready and Committed

As we compile this annual report, we reflect upon the exceptional journey that has led us to this juncture. Nido Home Finance, standing as a decade-old company, displaying the vigor of a 3-year-young organization, is characterized by a spirit of resilience and adaptability. Our commitment to our target customer segments via adopting an asset-light business model has allowed us to make a significant impact. We are future-ready and remain dedicated to offering innovative, accessible, and customer-centric housing finance for affordable housing.

As we embark on the next phase of our journey, we stand firmly committed to ensuring the prosperity of our customers, employees, and stakeholders. Our spirit of resilience, adaptability, and innovation guides us as we build upon our legacy and forge ahead into the future.

Our Strategic Focus - Empowering Home Ownership



A Committed Vision in the Affordable Segment

Nido Home Finance is dedicated to being an integral part of the customers' journey to fulfill their essential need for shelter. A resultant step of our refreshed intent in the past three years - our strategic focus now revolves around facilitating homeownership and wealth building for individuals within the low-income and informal-income customer segment.

We focus on serving small-ticket home loans for low- and informal-income segments and 'new to credit borrowers. Nido Home Finance has a presence across 67 branches strategically positioned in markets characterized by high urban migration, Tier 2 towns, and micro-geographies of Tier 1 cities. We are proud to serve around 20,000 customers, with our loan portfolio primarily focused on retail home loans. Our granular portfolio predominantly consists of retail home loans, with nine out of ten customers having a loan ticket size of less than ₹3 million. Our growth strategy involves deepening our penetration in these existing markets, staying close to our target customer segment, and pursuing low-cost branch expansion to ensure future scalability.

As we look ahead, our growth trajectory aligns with the 'Housing for All' initiative. Our granular portfolio drives financial inclusion as we aim to expand our reach to newer geographies and untapped markets.

Inclusive Growth with PMAY

At Nido Home Finance, our commitment aligns with the Government of India's visionary "Housing for All" initiative. We aim to help individuals in numerous Tier 2 and Tier 3 towns attain the security and pride of home ownership. Our strategy is tailored to make this a reality by utilizing the Pradhan Mantri Awas Yojana (PMAY) benefits. This scheme stands as a beacon of hope for the economically weaker sections of urban and rural India.

PMAY, inaugurated in June 2015, has since been an essential driver of change in the affordable housing landscape in India. Its unique approach in providing an interest subsidy on home loans, categorized by the economic status of the beneficiaries and subject to a pre-defined cap, ensures that the scheme's advantages are efficiently directed towards the most deserving households. As we navigate the world of housing finance, our partnership with PMAY provides a tangible way to make a difference. With PMAY, we have successfully facilitated subsidies up to ₹2.67 Lakhs, thus ensuring that home finance is within the grasp of our customers.

We take pride in our association with PMAY has had measurable results. Our collaboration has reached an impressive base of ~5800 customers scattered across various cities. The total subsidies facilitated through PMAY by Nido Home Finance have now reached an outstanding ~ ₹1.4 Billion.

This strategic collaboration embodies our determination toward social inclusivity and empowerment. Our endeavor is not just about offering a financial product or service; it is about transforming dreams into reality, making a tangible difference in the lives of our customers, and contributing positively to the socio-economic fabric of our nation.

Looking ahead, we stay committed to our mission of fulfilling the housing needs of the less privileged and contributing to the broader economic and social growth story of India. Our journey is one of perseverance, innovation, and adaptation, one that will continue to nurture possibilities, drive change and make the ambitious vision of 'Housing for All' a tangible reality. As we progress, we will continue to strive, innovate and adapt, ensuring we play our part in this inspirational journey of transforming aspirations into reality.

PMAY Customer Felicitation at Karur Branch

Sustainable Asset-Light Business Model

To achieve our vision of enabling home ownership to our target segment, we have established a future-ready asset-light business model that drives our capabilities.

Our asset-light business model is built on strategic collaborations, including co-lending tie-ups with marquee banks. Through our alliances with renowned banks and financial institutions, we offer Home Loans and Loan Against Property (LAP) products at competitive rates to our target segment, fostering a robust Asset Liability Management (ALM)- matched liabilities mix. These partnerships enable us to effectively manage our AUM, optimize the cost of finance, and drive profitability. We have also diversified our liabilities mix through sell-downs in direct assignments and securitization transactions. Almost two-thirds of our AUM has been processed through direct assignment, securitization, or co-lending transactions, which is a strong validation of the asset-light business model.

Building a Future-ready Ecosystem Based on Data-Sciences and Analytics

At Nido Home Finance, we recognize the transformative power of technology and data sciences and continue to invest in developing future-fit capabilities in these areas. We are building scalable platforms and ecosystems by seamlessly integrating our data science capabilities with our technology platforms. Our efforts in this domain have been instrumental in driving multiple use-cases associated with portfolio management, customer value management (CVM), and process efficiency.

Data-Driven Decision Making

In our commitment to building a scalable underwriting framework, we have deployed state-of-the-art scorecards that allow higher approval rates at reduced risk to allow for efficient, fast, and accurate underwriting. Similarly, we have built quantitative fraud detection (early-warning) techniques that help further reduce risk. These advancements, along with our robust underwriting processes enable us to build a high-quality portfolio at scale.

Enhancing Customer Lifetime Value

We focus on enhancing customer lifetime value by executing effective retention and acquisition programs. Our strategies for cross-selling and upselling leverage advanced analytics, allowing us to provide personalized offers to our existing customers.

Scalability in Operations

We are breaking ground in using Data Science and Artificial Intelligence techniques to improve our operational efficiency. We have implemented several Computer Vision (CV) and Natural language processing (NLP) use cases to simplify our document processing. This allows us to digitally process documents quickly and accurately, improving our user and customer experience.

Improving Risk vigilance

We augment our risk management with extensive use of advanced analytics. Leveraging our rich historical data, we have built a suite of risk models, simulations, and dashboards that allow our risk function to manage risks effectively. Similarly, we use quantitative techniques to optimize our collections efforts.

Investing in IT Upgrades

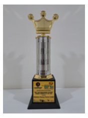
During the last financial year, we significantly upgraded our IT platforms and assets. Our loan origination process benefits from simplified procedures and the use of advanced technologies. We have implemented Aadhar masking for secure data collection and automated extraction of cheque details and signature matching. Additionally, our automated email classification for Query Resolution Cells (QRC) ensures prompt responses, contributing to efficient and satisfying customer service.

Awards and Recognition

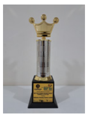
Our commitment to leveraging technology and analytics across our business operations has culminated in enhanced efficiency, improved decision-making, and, most importantly, a superior customer experience. Our efforts have been recognized at the highest levels, with Nido Home Finance receiving the 'Best Analytics HFC' award at the India NBFC Summit & Awards, and the 'Best Data Science Housing Finance Company' award at the World Leadership Congress & Awards, 2023.

Best Risk Management Initiative Housing Finance Company
India NBFC Summit & Awards 2022

Best Data Analytics Housing Finance Company
India NBFC Summit & Awards 2022



Best Risk Management Housing Finance Company of the Year
World Leadership Congress & Awards 2023



Best Data Science Housing Finance Company of the Year
World Leadership Congress & Awards 2023

As we continue to embrace emerging technologies, we remain at the forefront of innovation in the housing finance industry. We are dedicated to offering our customers the best possible solution for their homeownership needs, continually enhancing our services through our robust digital ecosystem.

Our People

Nurturing Relationships and Empowering Excellence

In the journey towards achieving our vision of empowering homeownership, our greatest asset has always been our people. At Nido Home Finance, we understand the importance of fostering connections, embracing innovation, and creating an environment where every team member can thrive and grow. With a firm commitment to people-centricity, we have built a workplace that values inclusivity, open communication, and collaboration.

As part of our focus on 'people and new age capabilities', we have forged strategic partnerships with campuses, established internal career-growth platforms, and embraced automation and governance. These initiatives enable us to attract fresh and diverse talent while providing our existing talent with the necessary resources to thrive in their roles.

Building a Culture of Excellence: Celebrating Our People and Their Success

As an organization, we are committed to being an employer of choice. Our initiatives focus on employee health and wellness, talent nurturing through reward and recognition programs, leadership connects, and robust employee rewards such as the Nido Premier League, WOW Café, and WOW Cards. We celebrate the diversity and inclusivity of our workforce, embracing and acknowledging various cultural, religious, and community festivities. By recognizing key milestones, breakthroughs, and notable accomplishments, we celebrate our team members' collective efforts and contributions.

Empowering Work-Life Balance: Supporting Our Teams

We understand the importance of work-life balance and the well-being of our employees. To support their well-being, we have introduced a leave policy that promotes inclusivity and relevance. This includes flexi-leaves, allowing employees to choose holidays and special occasions they want to celebrate. We also provide bereavement leaves during unfortunate and unforeseen circumstances. Along with maternity, we also offer paternity leave for our employees.

Our Mediclaim policy goes a step further by covering employees' parents, demonstrating our commitment to supporting our employees' holistic needs. To boost productivity and engagement, we have implemented initiatives such as JumpStart Friday, which enables employees to pursue personal interests and hobbies, promoting personal growth, learning, and creative pursuits.

Igniting Growth: Learning and Leadership Excellence

At Nido Home Finance, we believe in empowering excellence through learning and leadership. Our 'Siksha' learning platform focuses on identifying the competencies required for employees to thrive and excel in their roles. We invest in our people through relevant involvements in domain knowledge, functional expertise, behavioral skills, technical proficiency, and leadership development. Our 'SPARK' leadership series facilitates meaningful two-way interaction and instills a culture of continuous learning through leadership experiences and insights. The 'Creativity and Innovation Quarter' provides platforms for team members to work on diverse projects that leverage innovation, challenge the status quo, and drive meaningful change.

For Nido Home Finance, FY23 has been a year of growth, resilience, and achievement. It is a testament to our collective efforts, dedication, and collaboration. Our focus has been on nurturing talent, fostering a culture of innovation, driving positive change, and empowering our team members to think outside the box. We have supported our people, processes, and services through automation processes and new-age technologies. As we chart our pathway to the future, we are committed to empowering ongoing initiatives that drive continuous improvement, innovation, and growth.

Board of Directors

The bedrock of Nido Home Finance's operational excellence and robust corporate governance is our distinguished Board of Directors. Comprising esteemed professionals with vast industry experience, our Board guides the strategic vision and oversees the execution of our goals.

Mr. Biswamohan Mahapatra – Chairman and Independent Director

Mr. Mahapatra an Independent Director and a respected figure in the banking sector. He holds a Master's Degree of Science in Management from Arthur D. Little Management Education Institute, Cambridge, Massachusetts, United States of America, and an MBA from the University of Delhi. He retired as an Executive Director of the Reserve Bank of India (RBI) and is a member of the Standing Advisory Committee to the RBI on New Bank Licensing. He has also been a prominent representative of the RBI at various domestic and international forums and has chaired several important Committees on behalf of the organization. Additionally, he currently serves as an Independent Director on the Boards of several other companies.

Mr. Sunil Phatarphekar - Independent Director

Mr. Phatarphekar an Independent Director with over 30 years of experience as a practicing Advocate. As the driving force behind SNP Legal (Advocates), Mr. Phatarphekar possesses extensive expertise in corporate law and was a co-founder of Shah Desai Doijode and Phatarphekar, Advocates, and had previously served as a partner at Mahimtura & Company. His career includes associations with esteemed law firms and he serves as a Non-Executive Director on the Board of multiple companies.

Mr. Gautam Chatterjee - Independent Director

Mr. Chatterjee is an Independent Director of our Board. As a retired officer of the Indian Administrative Service of the Maharashtra Cadre, belonging to the batch of 1982, Mr. Chatterjee has held important assignments in the Government of Maharashtra and the Government of India. His notable roles include serving as the Additional Municipal Commissioner of Mumbai Municipal Corporation, CEO of Maharashtra Housing and Area Development Authority, and was the first Chairperson of the Maharashtra Real Estate Regulatory Authority (MahaRERA), where he served until January 2021.

Mr. Deepak Mittal - Non-Executive Director

Mr. Mittal has experience spanning over two decades in Financial Services. He currently holds the position of Vice Chairman at ECL Finance Limited. Mr. Mittal has played pivotal roles at Edelweiss Financial Services Limited, including serving as the CEO of Edelweiss Tokio Life Insurance Company Limited and the Chief Financial Officer of Edelweiss Financial Services Limited. He has been instrumental in the successful acquisition and integration of Anagram Stock Broking.

Ms. Shama Asnani - Non-Executive Director

Ms. Asnani has over 20 years of experience in Human Resource Management, with expertise across verticals such as Talent Acquisition, Performance Management, Organisation Engagement, and Training. She is the CHRO, ECL Finance. Additionally, Ms. Asnani has also led global projects and facilitated transformation projects, including driving the Culture and Diversity agenda in the organizations. She has worked with large firms such as KPMG and PWC in the past.

Mr. Rajat Avasthi - Managing Director & CEO

Mr. Avasthi is the Managing Director & CEO of Nido Home Finance, with a career spanning over 25 years in various industries. With an MBA from University Business School, Chandigarh, and B.Sc from Punjab University, Chandigarh. Mr. Avasthi brings more than 20 years of experience and leadership to Nido Home Finance. He was part of Asian Paints for 18 years where he held pivotal roles in sales, corporate marketing, and strategy. Notably, he played a key part in devising a market entry strategy for the company's successful expansion into Indonesia. Prior to joining the Edelweiss Group in 2017, Mr. Avasthi held a leadership role at Vodafone as the Business Head for Punjab, Himachal Pradesh, and Jammu & Kashmir.

Management Team

At the helm of Nido Home Finance, we have a dynamic and versatile team of professionals who form our esteemed Management Team. This exceptional group showcases an amalgamation of diverse skill sets spanning finance, risk management, technology, human resources, and strategy. With a shared commitment to delivering superior services they are the driving force behind our organisation.

Mr. Ajeet Lodha - Chief Risk Officer

Mr. Lodha, our Chief Risk Officer (CRO) has over 18 years of expertise in risk management, analytics, corporate strategy and planning, and quantitative trading. His skills in Credit Risk, Market Risk Management, Asset Liability Management, Operational Risk Management, and Fraud Risk Management are crucial in safeguarding our portfolio. He was previously the CRO and Head of Analytics for Edelweiss Tokio Life Insurance. He also co-headed the Global Risk Group at Edelweiss Financial Services Ltd and was the head of Risk for the Proprietary Trading Desk in his earlier stints.

Ms. Manisha Khadye - Head Legal

Ms. Khadye, heads the Legal vertical at Nido Home Finance. She has more than 28 years of legal expertise in various functions such as Banking, Mortgages including construction and builder finance & corporate legal. She started her career as a Law Officer in The SVC Bank Ltd and later worked in the mortgage business across prominent companies such as Kotak Mahindra Bank, HSBC, and DHFL. She holds a Master in Law degree from the University of Mumbai and also holds a CAIIB qualification.

Mr. Rohan Charles - Business Head - Affordable Housing

Mr. Charles, heads the Affordable Housing Finance business at Nido Home Finance. He has a rich 20-year background in business management, credit risk, sales and marketing, and operations. He has worked extensively in both banking and NBFC sectors across leading financial institutions such as HDFC Limited and Edelweiss. Since 2020, he has been driving the growth of the affordable housing segment at Nido Home Finance.

Mr. Tushar Kotecha - Chief Financial Officer

Mr. Kotecha is the Chief Financial Officer at Nido Home Finance. He brings over twenty years of experience across the NBFC and IT sectors and has extensive knowledge in business planning, budgeting, cost efficiency, financial control, accounts, and taxation, as well as ALM and fund flow management. Previously, he was the CFO at Aditya Birla Housing Finance and held leadership positions at institutions such as Aditya Birla Sun Life Insurance, Accenture and WNS Global.

Mr. Umesh Wadhwa - Chief Business Officerand Head of Product & Marketing

Mr. Wadhwa, our Chief Business Officer, brings more than 20 years of experience in banking loans, credit risk, and business development. His leadership in the home-loan mid-ticket business, construction-finance business, and heading the product & marketing function has been integral to Nido Home Finance for over a decade. He is associated with Edelweiss for 14 years and previously worked with organizations such as HDFC Limited, ICICI Bank and has international experience with Standard Chartered Bank.

Mr. Vikram Kackar - NationalCredit Head

Mr. Kackar, is a Chartered Accountant and has over 20 years of experience in the Banking and Financial Services Industry. He has previously held the position of National Credit Head at Aditya Birla Finance Limited. Prior to that, he was associated with leading financial institutions such as DCB Bank, Standard Chartered Bank, IDBI Bank, and Kotak Mahindra Bank.

Mr. Vivek Agarwal - Chief Operating Officer

Mr. Agarwal is our Chief Operating Officer (COO) with two decades of experience in the financial services industry. His experience in consumer businesses such as life insurance, corporate & retail loans, coupled with his tenure as Head of Corporate Planning and Strategy at Edelweiss, has been instrumental in his role as the COO for Nido Home Finance Limited. He has been associated with Edelweiss for more than 16 years.

Community Welfare

As a responsible corporate citizen, Nido Home Finance is deeply committed to fostering positive change within the communities we serve in association with EdelGive Foundation. At the heart of our endeavors are our Community Welfare programs, designed to enrich lives and promote sustainable development across various societal sectors.

Engaging Through Partnerships

Our unwavering belief in collective action underpins our approach to community welfare. During FY23, we further solidified our commitment by contributing to projects managed by EdelGive Foundations, wherein collaboration with a diverse range of non-governmental and community-based organizations is undertaken. This facilitated the successful implementation of numerous projects that have left a tangible impact on the communities we work with.

Emphasising Education

Education, an essential pillar of individual and societal growth, remains a key focus area of our community welfare initiatives. Recognizing the pivotal role it plays in sculpting future generations, we have collaborated on several initiatives geared toward enhancing education accessibility for underprivileged children. Our alliance with the GyanPrakash Foundation and Agastya International Foundation, for instance, facilitated to promote quality education by respecting the individuality of every child and enabling them to learn and devolve at their own pace, and in transformative education in Rural and Urban Children.

Prioritising Healthcare

Our community welfare efforts extend to ensuring that communities have access to vital healthcare services. By aligning ourselves with various health organisations, we were able to bring healthcare services to those who needed them most. A standout example is our partnership with the Indian Red Cross Society, which saw us organise health camps offering free medical check-ups and treatments for over 1,000 individuals.

Preserving The Environment

At Nido Home Finance, we understand the importance of environmental conservation for future generations. In response to this, we backed several initiatives aimed at promoting environmental sustainability. Our collaboration with Greenpeace India, for instance, allowed us to spearhead awareness campaigns about climate change and sustainable living practices.

Providing Disaster Relief

In times of natural disasters, swift and efficient response is crucial to mitigate the adverse impacts on affected communities. To this end, we teamed up with various organisations to offer relief efforts during such crises. Our notable partnership with Oxfam India during the Kerala floods ensured affected communities received essential aid, funded by our donations and bolstered by our volunteer work.

At Nido Home Finance, our Community Welfare initiatives stand as a testament to our commitment to effect positive change within society. Through strategic partnerships with NGOs and community-based organisations, we are continually striving to improve access to education, prioritise healthcare provision, encourage environmental sustainability, and provide disaster relief when required. Our goal is to enrich lives and contribute to the wellbeing and prosperity of the communities in which we operate.






Management Discussion and Analysis

Macro-economic Review and Outlook

Against the backdrop of a challenging global environment, the Indian Economy is being acknowledged as a bright star. Many economists are today predicting India's growth in the face of a global slowdown. The global economy has experienced at least three shocks since 2020. It all began with the pandemic-induced contraction in global output, followed by the Russian-Ukraine conflict causing inflation to surge worldwide. In response, central banks, led by the Federal Reserve, raised policy rates synchronously to curb inflation. The US rate hike attracted capital to the US markets, leading to the appreciation of the US Dollar against most currencies. This, coupled with the Chinese economy's vulnerabilities, contributed to a lowering of global growth forecasts in Oct 2022 by the International Monetary Fund (IMF).

India too grappled with the challenge of containing inflation exacerbated by European strife in the current year. To control inflationary trends, the Reserve Bank of India (RBI) increased the repo rate by 250 basis points starting May 2022. Measures taken by the Government of India and RBI have successfully brought retail inflation below the RBI's upper tolerance target in March 2023. While the rupee has been one of the better-performing currencies worldwide, its modest depreciation has contributed to domestic inflationary pressures during FY23. Despite strong global headwinds and tighter domestic monetary policy, the International Monetary Fund (IMF) expects India to grow by 5.9% in 2023 and by an average rate of 6.1% over the next five years. This outlook is a strong validation of India's underlying economic resilience.

A Resurgence of the Housing Industry

The rebound in private consumption is an important reason for the positive overall outlook for the Indian economy. This optimism has been most visible in the housing sector in particular. Housing has been and will remain, a very socially relevant and important theme for a young and growing India. During the pandemic, home ownership emerged as an important pillar contributing to social security, fueling a resurgence in post-pandemic demand. India's residential market is expected to witness sustained demand, which is reflected in the fact that housing sale across top 7 cities is ~40% higher than pre-pandemic levels (source: Prop Equity database). Even though property prices and lending rates may increase, they are not expected to dent this buoyancy.

However, one will need to monitor the potential impact on pricing and affordability, given that a similar ramp-up in new projects has not accompanied the upsurge in demand. As a result, the housing market is witnessing a considerable decline in inventory overhang (13 months in Q4 of FY23 V 16 months last year).

Enabling Homeownership: Role of Housing Finance Companies

Retail credit is an important enabler of economic growth. In this regard, Housing credit has played a pivotal role in making homeownership accessible to a larger segment of the population in India. Notwithstanding the market volatility witnessed in the past 4 years, housing credit has continued to grow. The India home-loan book now stands at ₹29 trillion as of December 31, 2022, an 11-12% increase from Mar '22 (source: ICRA reports).

In recent times a lot of this growth has been led by Banks, and the share of HFCs in total housing credit now stands at 31% in December 2022, a decline from 35% in March 2018. This decline in the share of HFCs has happened in the period starting from the liquidity crisis and through the pandemic. An underlying cause for this has been the relative slowdown in credit transmission from banks to NBFCs and HFCs.

The industry has responded by focusing on alternate ways of credit transmission, specifically through co-lending arrangements (CLM) and securitization deals. Securitization volumes of mortgage-backed securities (MBS) have increased in 9M FY2023 to approximately ₹160 billion, registering annualized growth of 26% from FY22. The co-lending space has seen a lot of foundational work happening in FY 2022-23, wherein several strategic partnerships are formed between HFCs and banks. Currently, around 30 to 35 co-lending tie-ups are estimated to be in place.

At a broader level, Affordable Housing Finance Companies (AHFCs) continue to power India's 'Housing for All' story. AHFCs are well-equipped to bridge the demand-supply gap in semi-urban and non-metro areas due to their extensive distribution networks and specialized underwriting capabilities.

Finally, the industry also witnessed a gradual improvement in gross non-performing assets (GNPAs), driven by strengthening recoveries and strong overall home loan book growth.

Outlook:

To conclude, in FY23, the housing industry held its own when faced with various macroeconomic factors, such as the increase in political uncertainties and inflation stress, the repo rate increase, and global recessionary conditions. However, underlying demand and customer affinity with homeownership helped ensure sustained growth in the home loan book.

While the growth of housing finance companies is expected to be driven by home loans, the MSME India story will also help fuel demand for loan against property (LAP).

Construction finance will remain the favored sub-segment within developer funding, given its robust track record compared to other real-estate and builder funding types.

Company Overview

Nido Home Finance Limited, formerly known as Edelweiss Housing Finance Limited (EHFL), –a wholly owned subsidiary of Edelweiss Financial Services Limited, was incorporated on May 30, 2008, as a public limited company under the provisions of the Companies Act, 1956. On May 4, 2023, EHFL received permission for name change from the Ministry of Corporate Affairs when it rebranded itself as Nido Home Finance Limited. The Company is allowed to engage in housing finance (without acceptance of public deposits) under the Certificate of Registration No. DOR-00081 issued by Reserve Bank of India under section 29A of the National Housing Bank Act, 1987, subject to the conditions mentioned in the Certificate of Registration.

Nido Home Finance aims to be an integral part of a customer's homeownership journey. Over the years, the Company has transitioned and changed with the times and can claim to own two distinct identities, one in the first ten years of its existence and the second in the next three years thereafter.

In its first decade, the Company focused on building a strong foundation, establishing core values, and strengthening its market presence. During this period, the Company transitioned from being an urban-focused, large-ticket home-loan company to becoming a small-ticket focused, affordable housing finance company. The Company worked to increase its presence in non-metro towns and aligned itself to specific focus segments like informal and low-income customers, 'new to credit' customers, and women borrowers. The Company also participated in and supported affirmative action schemes such as the Credit Linked Subsidy Scheme (CLSS) under the Pradhan Mantri Awas Yojana.

In the past three years, in a period of high volatility, the Company has embraced a new asset-light business model. Powered by co-lending, this asset-light model has enabled the Company to provide loans at attractive lending rates to customers while complementing the banks in fulfilling their need for priority sector financing. Importantly, this co-lending has provided the company access to ALM-matched capital. The Company has established strategic co-lending partnerships with marquee banks across HL and LAP products and will look forward to leveraging the same as a part of its long-term growth strategy. Securitization is another essential pillar of this asset-light model and has been used extensively to build a well-diversified liabilities mix for Nido Home Finance. In the past 36 months, the Company has undertaken securitization transactions for a cumulative pool size of around ₹9 billion.

The Company has embraced new-age concepts like technology and data sciences which will constitute long-term organizational differentiators. A robust risk management architecture, from origination to collections, has been at the core of our existence and has helped deliver a robust loan portfolio.

With the significant journey of evolution that the organization has been through in the past 13 years, it is important to ensure that stakeholders are able to connect and engage with our NEW AVATAR. In this regard, the Company completed an exercise to rebrand itself. The new name of the organization carries the keyword 'Nido' which is inspired from the Sanskrit work 'नीड', which means 'Nest'.

The product offerings continue to remain the same, with a larger focus on low-income and informal-income customer segments.

Home Financing

Nido Home Finance aims to offer home financing for mainly self-employed, low-income, and informal-income customer segments. These loans provide funding to individuals looking to purchase or construct homes. Credit underwriting considers the borrower's income level, creditworthiness, and the property's valuation to determine loan eligibility and offer competitive interest rates.

Loan Against Property (LAP)

The Company facilitates LAP financing wherein the borrowers can avail loans by mortgaging their property as collateral. The loan amount depends on the property's value, borrower's income, creditworthiness, and repayment capacity.

Retail Construction Finance

Nido Home Finance provides Construction Finance loans for funding developers involved in residential or commercial construction projects. These loans are provided to fund construction at a stage when all permissions have been received and land acquisition is complete.

Financial Highlights

The Company disbursed loans worth ₹9.96 billion in the financial year 2022-23 and ended FY23 with an AUM of ₹41.15 billion. The gross credit book stands at ₹30.69 billion. The fundamentals of the Company are strong and are reflected in a comfortable CRAR of 32.06%, an NNPA of 1.46%, and reduced leverage with D/E at 3.7.

Standalone Profit After Tax (PAT) for the year stood at ₹161 million in 2022-23. Net interest Margins (NIM) improved to 3.1% in Mar-23 from 2.8% in Mar-22. The Company's 'return on average total assets (RoA) stood at 0.41% for the year ended March 31, 2023. Return on average net worth was 2.08%.

Nido Home Finance has a diversified funding mix flows from banks, NHB, Non-Convertible Debentures (NCDs), and securitization. The Company raised ₹3.4 billion in term loans and ₹2.76 billion through public NCDs in FY 23. In the same period, a pool size of ₹8.62 billion was securitized via multiple transactions with banks, NBFCs, and insurance companies. Almost one-third of the outstanding borrowing is through NCD and sub-debt.

Total Operating Expenses remained stable at ₹586 million during the year under review and the Finance Cost was ₹2.96 billion.

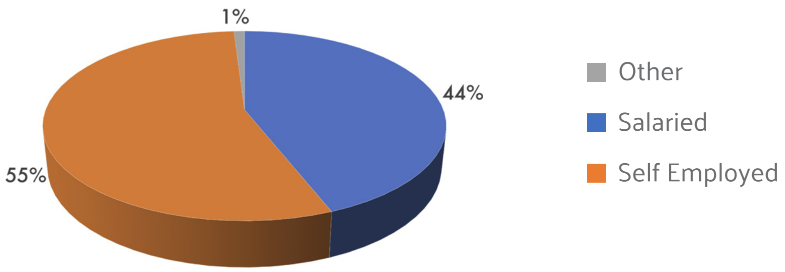
The asset quality and collection efficiency improved in the financial year 2023. GNPA improved to 1.91% as on March 31, 2023, compared to 1.99% on March 31, 2022. The collection efficiency for the year was robust at 98% despite the restructured accounts coming out of moratorium during the year, and significant repo rate hikes led to an increase in EMIs. Due to the pandemic's impact, many of our credit costs were up-fronted in FY22. These were expected to smoothen out over the next 3 to 4 years. However, given the underlying quality of the loan book, a significant reversal in credit costs was seen in FY23 itself, resulting in a total credit cost of ₹44 million for the year.

The Company is rated AA- by CRISIL and Acuite.

Business Operations

Nido's credit business provides residential mortgage loans for the purchase or construction of houses, as well as small-ticket housing loans, residential projects, and loan against property. The focus enables the desired diversification in the Company's business mix, decreasing the conn centration risk. Retail segment loans provide the much-needed thrust for scaling up in a big underserved market like India.

The AUM growth was focused on building granular portfolios and helping deliver financial inclusion. Nido Home Finance has an active customer base of ~20,000 customers. The Company focuses on small-ticket home loans for target segments across salaried and self-employed customers. Around 40% of the retail loan book consists of new-to-credit customers.



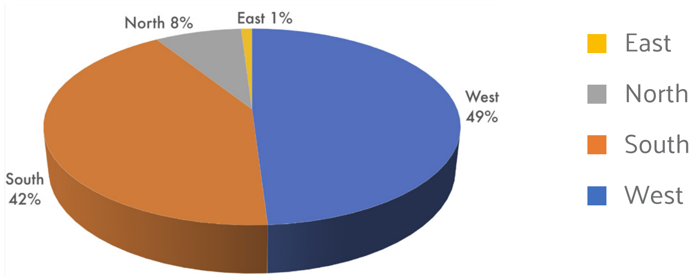
Retail Disbursals by customer profiles

To cater to affordable housing, the Company focuses on actively supporting underserved customers with an average ticket size of ₹1.5 to 2 million. Around 90% of the Company's total retail customers have ticket sizes below ₹3 million.

Furthermore, our partnership with PMAY provides a tangible way to make a difference. Our collaboration has reached out to ~5800 customers across various cities. The total subsidies facilitated through PMAY by Nido Home Finance have reached ~ ₹14 Billion.

Branch network

Nido Home Finance has a pan-India network of 67 branches located in markets witnessing a high degree of urban migration. Around 65% of the retail customers are from non-metro towns.



Zonal distribution of retail disbursals.

Nido Home Finance is committed to providing its customers with reliable and efficient housing finance solutions. The Company strives to maintain streamlined operations to ensure seamless service delivery. The loan disbursement process typically involves application verification, creditworthiness evaluation, risk assessment, loan approval, legal and documentation checks, loan agreement signing, fund transfer, loan servicing and repayment, collection payment, and processing.

Ensuring the soundness of operations and mitigating risks is fundamental to the Company's business. Maintaining robust operational processes ensures that its customers' housing finance needs are met promptly and responsibly. Nido Home Finance maintains a strong governance framework and focuses on driving a 'risk-culture' in the organization. The Company has adopted a 360-degree usage of data sciences by application of data sciences and analytics across loan cycle to position itself as 'Change agents' too.

- Drive scalability by simplified processes.
- Standardize the underwriting process.
- Monitor portfolio quality and drive collection efficiency.

Risks and mitigation measures

A successful risk management framework can help a company achieve business objectives amidst changing business dynamics and macroeconomic environments in the volatility, uncertainty, complexity, and ambiguity (VUCA) world. At Nido Home Finance, risk management is not just another 'function'; it is an integral part of business strategy. 'Respect for Risk' is central to every business decision - "Is it worth it?" and "Can we afford it?". This principle-based approach has stood out well in protecting the organization from the vagaries of the external world.

Nido Home Finance has a robust risk management system to identify, assess, monitor, and manage risks. It involves analyzing potential risks, determining the likelihood and impact of those risks, and developing strategies to mitigate or manage them. The primary goal of risk management is to minimize the impact of risks on the operations, financial performance, and reputation of the Company. It is an ongoing process that requires constant attention and adaptation to changing business conditions. The Company is committed to managing risk, balancing risk and rewards, and supporting the overall business objectives.

The Enterprise Risk Management (ERM) framework is followed for holistic risk management. The objective of the ERM framework is to look at the risks from all perspectives, not just credit or financial risks, and ensure that key risks are adequately and timely addressed. The organization has also put in place an in-house "Eleven-risk framework" to have adequate focus on the key risks faced, namely market risk, credit risk, fraud risk, operational risk, physical and infrastructure risk, technology risk, liquidity risk, people risk, regulatory risk, reputational risk, and business risk.

The credit risk framework of Nido Home Finance ensures a prior and periodic comprehensive assessment of every client, counterparty, and collateral. Exposure limits are sanctioned to counterparties based on their creditworthiness and pre-defined credit policy duly approved by the board. The credit risk monitoring mechanism ensures that exposure to clients is diversified and remains within stipulated limits. Careful selection of quality and quantum of collateral is key for a client limit. The credit risk management framework typically includes identifying credit risks, establishing credit policies and procedures, underwriting, monitoring credit risk, mitigation of credit risk, reporting and management of credit risk, ongoing monitoring, and improvement. Credit underwriting involves analyzing financial statements, credit reports, and other relevant information to assess the borrower's loan repayment ability. Ongoing monitoring and improvement involves analyzing data on credit losses, conducting regular risk assessments, and updating policies and procedures to reflect changes in the organization or the external environment.

The Company has an elaborate Liquidity Risk Management framework. The pivot to the 'Asset Light' business model facilitates ALM risk management structurally. CLM (Co-Lending Model) and securitization are the key levers of the asset-light framework. Additionally, the asset-liability mismatch and collateral margins are regularly assessed. Liquidity requirements are closely monitored, and necessary care is taken to maintain sufficient liquidity cushion for maturing liabilities and for any unforeseen requirements. Diversification in the sources of borrowing is ensured to reduce dependence on a single source.

The operational risk framework is designed to balance and check operational risk at key manifestation points. In addition to defining new processes, constant review of all critical processes is undertaken to proactively identify weak controls and strengthen the same. This helps us in ensuring compliance with governing laws. Operational risk is monitored by checking on metrics such as system downtime, fraud incidents, and operational losses to identify and mitigate operational risk.

The business environment, increasing complexities, and sophistication of technology make us vulnerable to both internal & external fraud risks. The anti-fraud framework emphasizes proactive reporting & early detection of incidents is defined and implemented. Training & campaigns ensure that the employees are cognizant of this risk. More specifically, due diligence on borrower's income, KYC, and title reports is carried out strictly per the policy to avoid fraud. The framework for fraud risk management typically includes assessment of fraud risk, development of fraud prevention policies and procedures, implementation of fraud prevention policies and procedures, detection and investigation of fraud incidents, response to fraud incidents and ongoing monitoring and improvement.

The Company is exposed to various changes in laws and regulations. Regularly realigning with the changed regulatory framework is the key to mitigating this risk.

The Company's risk management approach is three-pronged: Understanding the risk, taking timely and adequate risk management actions followed by strong risk oversight. The three lines of defense model enable a profound understanding to take timely actions with adequate governance mechanisms.

The Risk Appetite framework further guides the Company in developing risk tolerances for strong risk oversight. The Company's risk appetite is reviewed periodically by the Board of Directors to ensure that it remains appropriate to the business objectives and risk environment. Across each risk vector, several Key Risk Indicators (KRI) are presented, supporting the risk appetite statements. The feasibility of the KRIs and thresholds is reviewed annually to consider potential changes in the underlying assumption used in defining such KRIs.

This outlook on risk management has enabled the Company to be a step ahead through environmental stress in recent times without a major impact.

Our people

Our people are our biggest strength, and the Company is committed to building a diverse and inclusive workplace that reflects the Company's values. The growth, development and wellbeing of the teams is always a priority, and the policies and engagement initiatives are designed to ensure this.

The focus for the year has been 'people and new age capabilities' such as analytics and data sciences.

Being an employer of choice is important to us, whether through addressing employee health and wellness, nurturing talent through reward and recognition programs, leadership connects, or robust reward and recognition programs.

The Company ensures constant review and update of its policies and makes sure they are inclusive and relevant. Introducing Flexi leaves and enabling employees to pick holidays for special occasions is an example of how our people policies are crafted and updated, keeping our employees in mind. In addition, bereavement and COVID leaves for employees have also been introduced. The Company has gone a step further to include parents in the employee Mediclaim policy.

In the area of learning and development, the Company focuses on identifying competencies that the employee requires to thrive and excel in their role. The Company has invested in people through relevant interventions across domain, functional, behavioral, technical, and leadership development areas.

Instilling the art of learning via leadership stories is a significant part of this effort, and platform SPARK, a leadership series, allows for this meaningful two-way interaction.

Looking ahead, the Company believes in embracing data sciences and technology. It has invested in automated processes such as the Performance Management System and the HRRMS tool, the goal being to make people's lives easier and more efficient.

Recently we went through a rebranding exercise involving all employees, literally!! This crowd-sourcing exercise helped create a lot of buzz and engagement amongst all employees,

Embracing Data Sciences: Nido Home Finance is revamping its technology stack, including its Loan Management Software (LMS). During FY23, the Company completed its in-house development of a low-code modular Loan Origination Platform. Additionally, the Company has invested in leveraging data sciences and analytics throughout the loan cycle.

Nido Home Finance consistently focuses on a 360-degree usage of data sciences for driving overall business efficiency.

Portfolio Management: The Company continues to leverage data science tools to monitor the overall portfolio quality and drive collection efficiency using tools for computing fraud risks, the propensity to pay, and the propensity to bounce.

Underwriting: The Company has focused on standardizing the assessment process, particularly for customers with assessed income and self-employed individuals, and enabling scalability. The Company has launched initiatives such as scorecards and credit bureau integrations to improve the ability to assess risk accurately and efficiently, resulting in enhanced decision-making.

Process efficiency: The Company has developed several in-house tools such as signature matching and automated data extraction, and auto email classification for customer queries for streamlined operations, amongst many others. This has helped in achieving improvement in the overall customer experience.

Customer value management: To enhance customer lifetime value, data science models enable the Company to drive targeted retention and acquisition programs and provide cross-sell and up-sell recommendations.

The Company strongly believes in embracing and leveraging data sciences and technology to deliver value to all its stakeholders. This commitment was duly recognized when Nido Home Finance was awarded 'Best Analytics HFC' at India NBFC Summit & Awards and the 'Best Data Science Housing Finance Company' at World Leadership Congress & Awards, 2023.

Internal Control Systems

Nido Home Finance has an adequate internal control system commensurate with the nature, complexity of its business and the size of its operations; and designed to ensure accuracy and promptness in financial reporting, fraud control, and compliance with laws and regulations. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company and their compliance with regulatory directions. All significant audit observations and follow-up actions thereon are reported to the Audit Committee of the Board of Directors, which actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements for strengthening the existing internal control system because of changing business needs. Based on the Internal Auditor's report, process owners undertake corrective actions in their respective areas and strengthen the controls.

Enhanced Customer Service

At Nido Home Finance, the Customer Service framework is primarily based on four robust elements: Fairness, Transparency, Responsiveness, and Empathy. These factors have helped the Company craft its Query, Request, and Complaint (QRC') resolution process. Also, the 'Outside-In Strategy'-is adopted, which helps the Company to observe (customers' needs) and implement suitable ways to find and offer resolution through the Company's customer service expert team.

A detailed analysis of all the QRCs are done on a regular basis, and greater emphasis is placed on root cause analysis with a Preventive and Corrective Action (PACA) approach and strategy, which has also been appreciated by the NHB. Furthermore, Nido Home Finance's QRC data analysis has been documented by NHB as a best practice to be followed by other top HFCs in NHB's governance meetings.

For Nido Home Finance, FY-23 was proclaimed as the 'Digitization Phase' with an agenda to empower the customer with "do it yourself" (DIY) tools, which enable the customers to access loan statements, update contact details, and raise QRC on a real-time basis. The digital adoption for raising QRC was 46% higher in the affordable segment and 74% in mid ticket segment.

The Company is determined to enhance the customer service experience through constant engagements over the customers' journey, where various digital customer surveys would generate valuable feedback and suggestions to improve customer experience.

Outlook

In conclusion, the housing and home finance industry remains robust and thriving, providing a solid foundation for growth. Nido Home Finance is well-positioned for the years ahead and is poised to capitalize on the industry's buoyancy. The Company remains committed to focusing on business fundamentals led by asset-light business models and granular, affordable housing. The future growth will be led by a ramp-up of CLM-led disbursals and leveraging the established portfolio of CLM partners. Furthermore, the strategic investments in sales distribution, branches, people, and future-ready capabilities are expected to generate operating leverage in the next 2-3 years.

BOARD'S REPORT

To the Members of
Nido Home Finance Limited
(Formerly known as Edelweiss Housing Finance Limited),

The Directors hereby present their 15th Annual Report on the business, operations and the state of affairs of the Company together with the audited financial statement for the year ended March 31, 2023 (year under review):

Financial Highlights

(₹ in million)

Particulars	2022-2023	2021-2022
Total Income	4,446.85	5,139.10
Total Expenditure	4,238.78	4,937.28
Profit before tax	**208.07**	**201.82**
Tax Expense (including Deferred Tax)	**47.44**	**63.75**
Profit after tax	**160.63**	**138.07**
Add: Profit and Loss account balance brought forward from previous year	2,142.51	1,936.62
Other comprehensive income for the year	2.36	0.09
Profit available for appropriation	**2,305.50**	**2,074.78**
Appropriations		
- Transfer to special reserve under Section 29C of the National Housing Bank Act, 1987	(32.13)	(27.62)
- Transfer from Debenture redemption reserve	-	85.07
- Reversal of ESOPs charges or cancellation	5.37	10.28
- Deferred Tax Liability on opening balance of special reserve created and maintained u/s 36(1)(viii) of the Income Tax Act, 1961	-	-
Surplus carried to Balance Sheet	**2,278.74**	**2,142.51**
Networth (net of intangibles and deferred tax asset)	**7,944.68**	**7776.32**

Results from operations and Information on the state of affairs of the Company

During the year ended March 31, 2023, the Company earned revenues of ₹ 4,446.85 million as against ₹ 5,139.10 million in the previous year and the Profit after tax for the year ended March 31, 2023 stood at ₹ 160.63 million as compared to a profit after tax of ₹ 138.07 million in the previous year.

Of the total income earned during the year, income from fees and commission stood at ₹ 198.69 million and income from lending activities stood at ₹ 580.70 million.

During the year under review, the loan sanctions (in-principal approvals) and the loan disbursements were ₹ 26,911.83 million and ₹ 27,075.36 million respectively

During the year under review, there has been no change in nature of business of the Company.

Transfer to Reserves:

Out of profit for the year, ₹ 32.13 million has been transferred to special reserve under Section 29C of the National Housing Bank Act, 1987.

Transfer from Reserve

The Company has not transferred any amount from Debenture redemption reserve during the financial year ended March 31, 2023. Further pursuant to the amendments in the Companies Act, 2013, debenture redemption reserve is not required to be created for debentures issued by Housing Finance Companies registered with National Housing Bank.

Dividend:

The Board of Directors did not recommend any dividend for the financial year under review.

Share Capital:

As at March 31, 2023, Authorised Share Capital and Paid up Share capital of the Company stands at ₹ 750 million and ₹ 693.5 million respectively. During the year under review, there was no change in the Authorised Share Capital and Paid-up Share Capital of the Company.

Transfer of Shares

During the year, 5 equity shares held by nominee shareholders were transferred.

Depository

As on 31st March 2023, out of the Company's total equity paid-up share capital comprising of 69,350,000 Equity Shares, 69,349,994 Equity Shares representing 99.99% of paid up equity capital were held in dematerialised mode.

Credit Ratings

The credit ratings enjoyed by the Company from various rating agencies as on 31st March 20223 are detailed in the Corporate Governance Report enclosed herewith as **Annexure I**.

Finance & Resource Mobilisation

Your Company continued to borrow funds from Banks and various financial institutions in line with the Asset-Liability Management requirements.

The Company filed its Prospectus on March 29, 2022 for Public Issue of Non -Convertible Secured Debentures of face value ₹ 1,000 each, amounting to ₹ 150 crore with an option to retain over-subscription up to ₹ 150 crore aggregating up to 300 crore. The Company raised ~ ₹ 275 crore through allotment of Debentures under the aforesaid Public Issue. Further, the Company has borrowing lines from Banks/ FIs which were available for the liquidity requirements of the Company. Apart from these, the Company assigned retail pool of mortgage assets amounting to ₹ 698.46 Crores.

In terms of para 68 of the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directors, 2021, the total number of non-convertible debentures which have not been claimed by the investors or not paid by the housing finance company after the date on which the non-convertible debentures became due for redemption were Nil, and the total amount in respect of such debentures remained unclaimed or unpaid beyond the date referred hereinbefore was Nil/-.

Change in credit rating

The Company enjoys credit rating from various Rating Agencies. The details of the credit ratings are more particularly provided in the Notes to the Financial Statements and the Corporate Governance Report.

Subsidiaries, Joint Ventures and Associate Company

Your Company does not have any Subsidiary or Associate Company, nor has it entered into any Joint Venture Agreement.

Loans, Investments and Guarantees

The Company is engaged in the business of providing loans and making investments as part of treasury activities, particulars of which are provided in the Notes to Financial Statements. Except as disclosed in the financial statements, during the year under review, the Company has not given any guarantee.

Updates post March 31, 2023

Pursuant to approval of the Board of Directors at its meeting held on March 29, 2023, the Company had applied for change in name of the Company to Ministry of Corporate Affairs. The MCA approved the change of the name of the Company from Edelweiss Housing Finance Limited to **"Nido Home Finance Limited"** (hereinafter referred to as 'Nido') with effect from May 4, 2023.

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

Except as disclosed in the notes to accounts, if any, there has been no Material changes and Commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relates (i.e. March 31, 2023) and the date of this report.

Annual Return

In accordance with the provisions of Section 92 of the Companies Act, 2013 and the Rules framed thereunder, the copy of the annual return would be made available on the website of the Company at https://www.edelweisshousingfin.com/wp-content/uploads/2022/08/Form-MGT-7-Annual-Return -FY2021-22.pdf within the prescribed timelines.

Management Discussion and Analysis Report

Management discussion and analysis report for the year under review as stipulated under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated May 8, 2022 is enclosed.

Related Party Transactions

All the Related Party Transactions entered by the Company are on arm's length basis and in the ordinary course of business. Particulars of contracts or arrangements with the related Parties as referred to in sub-section (1) of Section 188 of Companies Act, 2013 read with Regulation 23 of SEBI (Listing Obligation and Disclosure) Regulations 2015 and forming part of this report is provided in the financial statement and also annexed as **Annexure II** (Form AOC-2). All the Related Party Transactions as required under Ind AS-24 are reported in the Notes to the financial statement.

The Company has formulated Related Party Transactions Policy. The Policy is uploaded on https://www.edelweisshousingfin.com/wp-content/uploads/2023/06/Policy-on-Related-Party-Transactions.pdf

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 submitted declarations that each of them meet the criteria of independence as provided in the said section. Based on the same, the Board confirms that they meet the criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013 and that they are independent of the management.

Further, in the opinion of the Board, all existing Independent Directors meets the standards of the Company with regard to integrity, expertise and experience (including proficiency). Further, their name have been included in the data bank created by Indian Institute of Corporate Affairs in terms of the Companies (Appointment and Qualification of Directors) Fifth amendment Rules, 2019 dated October 22, 2019.

ii) Non-Independent Directors

a. Non-executive Director

The Board of the Company has 2 (two) Non-Executive Directors as on the date of this report. Ms. Shama Asnani (DIN – 09774021) was appointed as Additional Non Executive Director of the Company with effect from January 25, 2023. Thereafter, the Members at the Extra Ordinary General Meeting held on March 29, 2023 approved and regularized the appointment of Ms. Shama Asnani as Non Executive Director of the Company, liable to retire by rotation.

b. Executive Director

Mr. Rajat Avasthi (DIN - 07969623), is the Managing Director & Chief Executive Officer of the Company with effect from October 25, 2018.

c. Director retiring by rotation

Mr. Deepak Mittal (DIN: 00010337) retires by rotation at the ensuing Annual General meeting (AGM) and, being eligible, offers himself for re-appointment.

d. Key Managerial Personnel

During the year under review there were no changes in the Key Managerial Personnel of the Company.

Number of Board Meetings held

During the year ended March 31, 2022, the Board met 6 (six) times on May 6, 2022, June 23, 2022, July 26, 2022, November 1, 2022, January 19, 2023 and March 29, 2023.

The constitution and the changes in the constitution of the Board during the year under review is detailed in the Corporate Governance Report.

Remuneration Policy

The Company has formulated a Remuneration Policy as per the provisions of Section 178 of the Companies Act, 2013. The Policy provides a framework for the remuneration of the Directors, Members of Senior Management and other employees of the Company. During the year under review, the Board approved changes to the remuneration policy of the Company and included a section on Board diversity in the Policy. The Policy is placed on the website of the Company viz. https://www.edelweisshousingfin.com/wp-content/uploads/2023/06/Remuneration-Policy.pdf

Evaluation of the performance of the Board

The Board has framed an Evaluation Policy ("the Policy") for evaluating the performance of the Board, Chairman, Executive Directors, Independent Directors, Non-executive Directors and Committees of the Board. Based on the same, the performance was evaluated for the financial year ended March 31, 2023.

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

Internal Control Systems and their adequacy

The internal controls at Nido are commensurate with the business requirements, its scale of operation and applicable statutes to ensure orderly and efficient conduct of business. These controls have been designed to ensure reasonable assurance with regard 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, compliance with applicable regulations and relevant matters covered under section 134 (5) (e) of the Companies Act 2013.
The Internal Control Framework of Nido follows the below assurance practices to strengthen overall control:

- COSO framework is implemented by considering the control environment, periodic risk assessment, performing control activity, timely communication to management and monitoring the control activities on a continuous basis.
- Assurance on process efficiency by defining relevant, adequate scope of internal audit, pro-actively preparing for regulatory review, remediating through preventive and corrective steps for identified risk events.
- Reliability of internal controls aligned to risks identified in Risk Control Self-Assessment (RCSA) is monitored through process and internal financial control review.
- Adequate documentation in the form of policies and SOPs (Standard Operating Procedures) enhances the control mechanism.

Internal Financial Controls

The internal financial controls adopted by the Company are in accordance with the criteria established under the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission. Based on its internal evaluation and as confirmed by the Statutory Auditors of the Company, the management team believes that adequate internal financial controls exist in relation to its Financial Statements.

Further details relating to the Company's internal control systems and internal financial controls and their adequacy are covered in the Management Discussion and Analysis.

Risk Management

Risk management is an integral part of the Company's business strategy. The Risk Management Committee oversees the risk management framework of the Company through regular and proactive intervention by senior management personnel.

The constitution and the changes in the constitution of the Risk Management Committee during the year under review is provided in the Corporate Governance Report.

The Company has a Risk Management Policy in place and adopts a conservative and forward-looking risk management practices while lending. The risk management framework ensures that the Company underwrites to prudent risk standards, focuses on its target segment and delivers sustainable profitability. The senior management is responsible for ensuring that appropriate methodology, processes and systems are in place for monitoring, identifying and reviewing the risks associated with the business of the Company, with due support and guidance from the risk management team. The Company leverages analytics to design relevant application-level scorecards and also ensures dashboards for effective dynamic portfolio monitoring.

Mr. Ajeet Lodha is the Chief Risk Officer (CRO) of the Company with effect from June 1, 2020 who is entrusted with such duties and responsibilities as prescribed by the sectoral regulator including under NHB Policy Circular no. 95 /2018-19 and RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 as applicable to Housing Finance Companies (HFCs).

Audit Committee

In accordance with the provisions of Section 177 of the Companies Act, 2013, (the Act), the Board of Directors of the Company has constituted the Audit Committee. The said Committee carries out such functions as are statutorily prescribed under the extant applicable laws and other incidental and ancillary matters related thereto. During the year ended March 31, 2023, the Audit Committee met 5 (Five) times on May 6, 2022, July 26, 2022, November 1, 2022, January 19, 2023 and March 29, 2023. The constitution and the changes in the constitution of the Audit Committee during the year under is provided in Corporate Governance Report.

Nomination and Remuneration Committee (NRC)

In accordance with the provisions of Section 178 of the Act, the Board of Directors of the Company have constituted the Nomination and Remuneration Committee. The said Committee carries out such functions as are statutorily prescribed under the extant applicable laws and other incidental and ancillary matters related thereto. During the year ended March 31, 2023, the Nomination and Remuneration Committee met 3 (Three) times on May 6, 2022, June 23, 2022 and November 1, 2022.

The constitution and the changes in the constitution of the NRC during the year review is provided in the Corporate Governance Report.

Corporate Social Responsibility Committee (CSR Committee)

In accordance with the provisions of Section 135 of the Act, the Board of Directors of the Company has constituted the Corporate Social Responsibility Committee ("the CSR Committee"). The said Committee carries out such functions as are statutorily prescribed under the extant applicable laws and other incidental and ancillary matters related thereto. During the year under review, the CSR Committee met (Two) times on May 6, 2022 and July 26, 2022.

The constitution and the changes in the constitution of the CSR Committee during the year under review is provided in the Corporate Governance Report.

The Company has a Board approved CSR Policy in place. The Policy provides guiding principles for selection of CSR activities, implementation and monitoring mechanism of CSR projects/programs. The CSR Policy of the Company is uploaded on the website i.e. https://www.edelweisshousingfin.com/wp-content/uploads/2023/06/Corporate-Social-Responsibility-Policy.pdf. During the year under review, the structure of CSR Policy was align and standardized . Further, report on the CSR activities for the FY 2022-23 is annexed as **Annexure III.**

Stakeholders Relationship Committee (SRC)

In accordance with the provisions of Section 178 of the Act, the Board of Directors of the Company have constituted the Stakeholders Relationship Committee ('SRC Committee'). The Stakeholder Relationship Committee considers and resolves the grievances of security holders, customers of the Company and other incidental and ancillary matters related thereto. During the year under review, the SRC Committee met once on May 6, 2022.

The constitution and the changes in the constitution of the SRC Committee during the FY 2022-23 is provided in the Corporate Governance Report.

Statutory Auditors

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder (the Act), M/s. NGS & Co LLP, are appointed for a period of 3 (three) years effective November 3, 2021 as the Statutory Auditors of the Company to hold office till the conclusion of 15th Annual General Meeting of the Company.

Internal Auditors

The Board had appointed M/s. M.M. Nissim & Co. as the Internal Auditors for the financial year ended March 31, 2023. The Board at its meeting held on March 29, 2023 had appointed M/s. Sharp & Tannan Associates as the Internal Auditor of the Company for FY2023-24.

Secretarial Audit

The Board had appointed M/s. Manish Ghia & Associates, as Secretarial Auditor of the Company for the financial year ended March 31, 2023. A report issued by the Secretarial Auditors is annexed 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 has framed a Policy on Prevention of Sexual Harassment at workplace. There was no case reported during the year ended March 31, 2023 under the Policy. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

A. Conservation of Energy

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

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

- LED fixtures with low KW rating are being used to reduce the lighting load at Corporate Office.
- Quarterly /Periodic maintenance of Air Conditioners for better performance and to control power consumption at Corporate Office.
- 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.

ii) the steps taken by the Company for utilizing alternate source of energy – Though the operations of the Company are not energy intensive, the Company will endeavor to explore alternative source of energy, as and when it is technically and commercially viable.

iii) the capital investment on energy conservation equipment – Nil

B. Technology Absorption

(i) Efforts made towards technology absorption:

- The Company is continually working towards streamlining and optimizing the business workflows via technology absorption for most of the business functions and operations of the Company.
- Majority of legacy applications have been, either consolidated, or decommissioned; and have been replaced with digital workflows & modern technology solutions.
- Engineering of better technology solutions & elimination of fragmented applications, legacy applications, or applications functioning in silos; a continuous process; shall continue in-parallel; so that there are no outages & zero business continuity risks.
- The Company is continually working towards digitization & digitalization across various business verticals.
- The Company has adopted a cloud-first approach, for all its existing & future applications; with a keen intent of optimizing technology spends & embracing cutting-edge tech stack.
- We operate in a highly automated environment and make use of the latest technologies to support various operations. We have in place a governance framework, information security practices and a business continuity plan to

mitigate information technology-related risks. We are also guided by the Information Security Policy and Cyber Security Policy laid down by RBI Master Direction - Information Technology Framework for the NBFC Sector alongside we are also guided by an independent assurance team within Internal Audit which provides assurance on the management of information technology-related risks. In addition, employees mandatorily and periodically undergo information security training and sensitization exercises.

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

- Reduction of data-loss during customer onboarding,
- Consolidation of digital assets, storage & speedy retrieval,
- Various product enhancements; and
- Cost & resource optimization of ownership & upkeep of multiple applications relating to manpower, infrastructure, support, and maintenance.

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

(iv) Expenditure incurred on Research and Development (R&D):

The Company does not have a dedicated R&D division. However, the Company has 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.

C. Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings or outgo during the year under review (previous year: Nil).

Other Disclosures

No disclosure is required in respect of the details relating to the deposits covered under Chapter V of the Companies Act, 2013, issue of Equity Shares with differential rights as to dividend, voting or otherwise, sweat equity shares, as there were no transactions on these matters during the year ended March 31, 2023. There were no significant or material order passed by any regulator or court or tribunal which would impact the status of the Company as a going concern and the operations in future. No material changes have occurred between the end of financial year i.e. March 31, 2023 and the date of this report affecting the financial position of your Company. Further, no fraud was reported by the Auditors under sub-section (12) of section 143 during the year under review. The Company is in compliance with applicable Secretarial Standards issued by Institute of Company Secretaries of India.

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 under review.

Geographical presence

We operate through a wide network of 67 branches as of March 31, 2023 spread across 11 States and 3 Union territories. The reach of the Company's branches allows it to service its existing customers and attract new customers. The Company services multiple products through each of its offices and the Company's spread out office network reduces its reliance on any one region in India.

The geographical details are as under:

States	Branch Counts
Tamil Nadu	22
Maharashtra	11
Gujarat	11
Andhra Pradesh	7
Telangana	4
Karnataka	4
Chandigarh, Chhattisgarh, Pondicherry, Rajasthan, West Bengal, Madhya Pradesh ,Delhi and Punjab	8 branch each

Regulatory Guidelines

The Company has complied with all the provisions of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 as prescribed by Reserve Bank of India as amended from time to time regarding accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, etc. The Company has been maintaining capital adequacy as prescribed by the RBI/NHB from time to time. The capital adequacy was at a comfortable level of 32.06 % as on March 31, 2023, as against 28.28% (as at March 31, 2022) stipulated by NHB/RBI.

Whistle Blower Policy/Vigil Mechanism

The Company has established Vigil Mechanism ('Whistle-blower Mechanism') which envisages reporting by directors and employees about their genuine concerns or grievances. The policy is uploaded on https://www.edelweisshousingfin.com/wp-content/uploads/2023/06/Whistle-Blower-Policy.pdf. The Audit Committee of the Board of Directors of the Company oversees the vigil mechanism.

Particulars of Employees

In terms of provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of this report. Disclosures as required under Rule 5(1) of the aforesaid Rules are provided as **Annexure V** to this report**.** In terms of provisions of Section 136 of the Companies Act, 2013, any member interested in obtaining a copy of information under Rule 5(2) of the aforesaid rules, may write to the Company Secretary of the Company at the Registered Office address.

Debenture Trustees: The details of Debenture Trustees of the Company is provided in the Corporate Governance Report.

Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013 (the Act), your 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, if any;

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the financial year ended on that date;

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

Acknowledgments

The Board of Directors wish to acknowledge the continued support extended and guidance provided by National Housing Bank, 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 clients and members. Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

For and on behalf of the Board of Directors
Nido Home Finance Limited
(Formerly known as Edelweiss Housing Finance Limited)

	Rajat Avasthi	**Biswamohan Mahapatra**
	MD & CEO	**Chairman & Independent Director**
Mumbai	**DIN: 07969623**	**DIN: 06990345**
May 8, 2023		

ANNEXURE I

Corporate Governance Report

Corporate Governance Philosophy

At Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited) (hereinafter referred to as 'Nido' and/or 'Company'), we strongly uphold good governance practices to promote fairness, transparency, accountability and integrity. In line with this philosophy, Guiding Principles have been articulated and these forms integral part of Company's corporate governance practices. Processes have been designed to run the businesses responsibly and harmonize diversified interests of various stakeholders thereby enhancing stakeholder value.

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.

Over the years, the Company implemented governance practices that extended beyond the letter of the law. In doing so, the Company not only adopted practices mandated in the SEBI Listing Regulations, but also incorporated the relevant non-mandatory compliances, strengthening its position as a responsible corporate citizen.

Governance Structure

The Company 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

The Board of your 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 achieve the highest governance standards. As on the date of this report, the Board comprised 6 Directors – 1 Managing Director & CEO and 2 Non-executive Directors including 3 Independent Directors.

The Board critically evaluates the Company's strategic directions, management policies and their effectiveness. The Board regularly reviews, inter-alia, the industry environment, annual business plans, performance compared with the plans, business opportunities including investments/ divestment, related party transactions, compliance processes including material legal issues, strategy, risk management and the approval of financial statements/ results. Senior executives are invited to provide additional inputs at Board meetings for the items discussed by the Board of Directors as and when required. Further, transparent, frequent and detailed interaction provides a strategic roadmap for the Company's growth.

The appointments and the tenure of Independent Directors adhere to the requirements of the Companies Act, 2013 read with Regulation 17(1A) and 25 of the SEBI Listing Regulations. The Nomination and Remuneration Committee and Board of Directors recommend the appointment/ re-appointment of Independent Directors for consideration of the shareholders.

Directors qualifications, skills, expertise, competencies and attributes

Directors	Industry Knowledge/ Experience			Technical Skills/Experience						Behavioral Competencies	
	Financial and Capital Markets	Understanding of laws and regulations	Experience in Lending Business	Accounting and Finance	Risk Management	Strategic Management	Legal and Compliance	Information Technology	Governance	Leadership and Mentoring Skills	Interpersonal Relations
Mr. Biswamohan Mahapatra	*	*	*	*	*	*	*	*	*	*	*
Mr. Sunil Phatarphekar	*	*	*	*	*	*	*	*	*	*	*
Mr. Gautam Chatterjee	*	*	*	*	*	*	*	*	*	*	*
Mr. Deepak Mittal	*	*	*	*	*	*	*	*	*	*	*
Mr. Rajat Avasthi	*	*	*	*	*	*	-	*	*	*	*
Ms. Shama Asnani	*	*	*	*	*	*	*	*	*	*	*

The Company believes that it is the collective effectiveness of the Board that impacts Company performance and therefore members of the Board amongst themselves should have a balance of skills, experience and diversity of perspective suitable to the Company. Given the Company's size, scale and nature of its businesses, the Board has identified skills/ expertise/ competencies in the area of financial and capital markets, understanding of laws and regulations, experience in lending business, accounting and finance, risk management, strategic management, legal and compliance, information technology, governance, leadership and mentoring skills and interpersonal relations for the effective functioning of the Company and also possessed by the Board members. The details of the key skills/ expertise/ competencies which are necessary for effective functioning of the Company's business and operations are given in the brief profile of the Directors.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in their respective areas. The Directors so appointed are drawn from diverse backgrounds and possess special skill sets with regard to the business processes, industries, project management, finance, management, legal fields.

Confirmation from Independent Directors vis-à-vis management

Based on the disclosures received from Independent Directors, the Board of Directors has confirmed that they fulfilled conditions specified in Section 149(6) of Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and were independent of the management.

Confirmation by Directors regarding directorship/ committee positions

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. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2023 have been made by the Directors and has been reported elsewhere in the report.

Compliance Initiatives

At Nido Home Finance Limited, compliance is a way of life. Our compliance priorities fulfill continuously evolving compliance requirements that reflect our own work, changing market conditions and the non-compliance risks of our business. The Company reviewed compliance risks at regular intervals.

The Company also developed a robust, institutionalized, and integrated compliance framework to provide reasonable assurance to the management and Board about the effectiveness of its compliance management systems. The compliance management systems are in the process of automation for more effective internal control.

Profile of Directors

Mr. Deepak Mittal - Non Executive Director

Mr. Deepak Mittal (DIN: 00010337) has more than two decades of experience in financial services. He heads the credit business of the group. He is presently the Vice Chairman of ECL Finance Limited. He has played several key roles at Edelweiss, one of the most recent being the CEO of Edelweiss Tokio Life Insurance Company Limited, a joint venture between the Edelweiss Financial Services Limited (“EFSL”) and Tokio Marine Holdings of Japan. Prior to leading the Life Insurance business, he helped scale up the Capital Markets business at Edelweiss Financial Services Limited. He subsequently became the Chief Financial Officer of EFSL, where he helped steer the firm through a successful Initial Public Offering in 2007. He 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. He is a Chemical Engineer from IITBHU and an MBA from the IIM Ahmedabad.

Rajat Avasthi – Managing Director & CEO

Mr. Rajat Avasthi (DIN: 07969623) is an MBA from University Business School, Chandigarh and has graduated in BSc. from Punjab University, Chandigarh. Mr. Rajat Avasthi has over 25 years of experience across multiple industries. He started his career with Asian Paints, where he worked for 18 years with roles in sales, corporate marketing & strategy. He also worked on building a market entry strategy for Asian Paint's entry into Indonesia. Prior to joining Edelweiss group, he was associated with Vodafone as the Business Head of their business in Punjab, Himachal Pradesh and Jammu & Kashmir. Prior to that he was head of sales and marketing for Mumbai, their biggest market.

Shama Asnani – Non Executive Director

Ms. Shama Asnani (DIN: -09774021) has over 20 years of work experience in partnering with the business. She has driven the HR Function by leading multiple roles in Talent Acquisition, Performance Management, Organisation Engagement, Training, facilitating the desired transformation including Diversity. She has also been involved in leading Global projects involving domain expertise. She is currently the Head of HR with Credit - Edelweiss Financial Services.

Sunil Phatarphekar – Independent Director

Mr. Sunil Phatarphekar (DIN: 00005164) is the proprietor of SNP Legal (Advocates) and has over 30 years of experience as a practicing Advocate. He started his career in 1987. He has subsequently been associated with various law firms including Crawford Bayley & Company, Mahimtura & Company, and Shah Desai Doijode & Phatarphekar, Advocates. Mr. Phatarphekar also practices in the corporate field with specialization in commercial contracts and new technologies. Mr. Phatarphekar also serves as a Non-Executive director on the Board of various companies.

Biswamohan Mahapatra – Independent Director

Mr. Biswamohan Mahapatra (DIN: 06990345) is an Independent Director on our Board. He holds a Master's degree of science in management from Arthur D. Little Management Education Institute, Cambridge, Massachusetts, United States of America and a master's degree in business administration from the University of Delhi. His career spans over three decades. He retired as an executive director of the RBI on August 28, 2014. Post retirement, he was an Advisor to the RBI on the new bank licensing process. He has represented RBI at various national and international forums and chaired several RBI committees. He was also the Member Secretary to the Committee set up to introduce a financial holding company structure in India and was also involved in the formulation of Basel II and Basel III regulations. He also serves as an Independent Director on the boards of various companies and was reappointed as the Non-Executive Chairman of National Payments Corporation of India.

Gautam Chatterjee – Independent Director

Mr. Gautam Chatterjee (DIN: 02464197) is a retired officer of the Indian Administrative Service of the Maharashtra Cadre belonging to the batch of 1982. He superannuated on January 31, 2016. He has held several important assignments both in the Government of Maharashtra and Government of India, notable among them being Additional Municipal Commissioner of Mumbai Municipal Corporation, Joint Director General of Foreign Trade in the Ministry of Commerce, CEO of Maharashtra Housing and Area Development Authority, CEO of Slum Rehabilitation Authority and Dharavi Redevelopment Project, Principal Secretary of Maharashtra Housing Department, Joint Secretary in the Ministry of Defence, Director General of Shipping in the Ministry of Shipping, Government of India and Additional Chief Secretary, Transport and Ports, Government of Maharashtra. After his superannuation, he served as Officer on Special Duty (OSD) to the Chief Minister of Maharashtra before taking over as the first Chairperson of the Maharashtra Real Estate Regulatory Authority (MahaRERA) where he served till January, 2021.

Board Meetings

The Board regularly meets to deliberate and decide business policy and strategy in addition to routine and other statutory businesses. All material information is circulated to the Directors before meetings or placed at the meeting.

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. The Company also provides video/ audio visual/ teleconferencing facilities to Directors to facilitate their participation in meetings.

Generally, meetings of the Board/ Committees are held in Mumbai. The agenda of the Board/ Committee meetings is prepared by the Company Secretary in consultation with the Chairman/ Chairman of the respective Committee(s).

During FY2022-23, Board met 6 (Six) times on May 6, 2022, June 23, 2022, July 26, 2022, November 1, 2022, January 19, 2023 and March 29, 2023. The maximum interval between any two Board meetings was not more than 120 days.

The Company Secretary attends all meetings of the Board and its Committees and is, inter-alia, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees are sent to the members for their comments in accordance with the Secretarial Standard and after incorporating the comments of Directors, the minutes are entered in the minutes book within 30 days of the conclusion of the respective meetings.

Follow-up: The Company has an effective post-meeting follow-up, review and reporting process of decisions taken by the Board. The significant decisions of the Board are promptly communicated to the concerned departments/ business units. The action taken reports on decisions of the previous meeting(s) are placed at the immediate succeeding meeting for review by the Board.

Composition, Directorships and Attendance as on 31st March 2023

Name and DIN of the Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM held on 30-05-2022	No. of directorships in other Public Limited Companies $	Name of other Listed entities where person is Director - Category of Directorship	Committee Position*	
						Member	Chairman
Mr. Rajat Avasthi (DIN: 07969623)	Executive	5	Yes	0	-	1	0
Mr. Deepak Mittal (DIN: 00010337)	Non-Executive, Non Independent	6	Yes	0	-	2	0
Mr. Phanindranath Kakarla @ (DIN: 02076676)	Non-Executive, Non Independent	4	Yes	-	-	-	-
Ms. Shilpa Gattani (DIN: 05124763) @	Non-Executive, Non Independent	3	Yes	-	-	-	-
Ms. Shama Asnani (DIN: 09774021)	Non-Executive, Non Independent	1	No	0	-	0	0
Mr. Sunil Phatarphekar (DIN: 00005164)	Independent	5	Yes	0	-	7	1
Mr. Biswamohan Mahapatra (Chairman) (DIN: 06990345)	Independent	6	No	1	1	5	3
Mr. Gautam Chatterjee (DIN: 02464197)	Independent	6	No	0	0	2	0

$ Only Directorships of public limited companies incorporated in India have been considered and excludes private limited companies, section 8 companies and foreign companies
*Only Audit Committee and Stakeholders' Relationship Committee, in other public limited companies, have been considered for the Committee position.
@ Mr. Phanindranath Kakarla and Ms. Shilpa Gattani resigned as Non Executive Directors from the Board with effect from November 1, 2022

Directors Induction and Familiarisation Programme

The Board members are 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://www.edelweisshousingfin.com/wpcontent/uploads/2023/06/Familiarisation-Program-for-Independent-Directors.pdf.

Resume of Directors proposed to be re-appointed

The brief resume of Mr. Deepak Mittal, Non-Executive Director liable to retire by rotation and proposed to be re-appointed is a part of the Corporate Governance Report and other information required in terms of Secretarial Standards is appended in the notice for convening the Annual General Meeting.

Committees of the Board

The Company has the following Board Committees:

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

The Board also constitutes specific committee(s) from time to time, depending on emerging business needs. The terms of reference of the Committees are periodically approved, reviewed and modified by the Board. Meetings of each Committee are convened by the Chairman of the respective Committee. The Company Secretary circulates the agenda notes in advance to all members. Minutes of the Committee meetings are approved by the Chairman of the respective Committee and thereafter the same are noted by the Board.

The Company implements an effective post-meeting follow-up, review and reporting process concerning the decisions taken by the Committees. The significant decisions are promptly communicated by the Company Secretary to the concerned departments/ business units Head(s). The action-taken report on decisions of the previous meeting(s) is placed at the immediate succeeding meeting for review by the respective committee.

i. Audit Committee

Composition, Meetings and Attendance

The Audit Committee comprises of four directors namely Mr. Biswamohan Mahapatra (Chairman), Mr. Sunil Phatarphekar (Independent Director), Mr. Gautam Chatterjee (Independent Director) & Mr. Deepak Mittal (Non-Executive Director). All the members possess financial/ accounting expertise/ exposure and have held relevant financial/accounting experience.

The Committee's composition and terms of reference are in compliance with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

During 2022-23, five meetings of the Audit Committee were held on May 6, 2022, July 26, 2022, November 1, 2022, January 19, 2022 and March 29, 2022, the attendance of which is as under. The maximum interval between any two meetings was not greater than 120 days. The requisite quorum was present in all meetings.

Name of Member	Category	Designation	No. of Meeting(s)	
			Held#	Attended
Mr. Biswamohan Mahapatra - Chairman	Chairman	Independent Director	5	5
Mr. Sunil Phatarphekar	Member	Independent Director	5	4
Mr. Gautam Chatterjee	Member	Independent Director	5	5
Mr. Deepak Mittal*	Member	Non-Executive Director	2	2
Ms. Shilpa Gattani^	Member	Non-Executive Director	3	2

 # No of meetings held during the tenure of the Member in the Committee in FY 2022-23.
** Mr. Deepak Mittal was appointed as Member of the Audit Committee effective November 1, 2022.*
^ Ms. Shilpa Gattani resigned as Director of the Company effective close of business hours on November 1, 2022.

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

Terms of Reference

Terms of Reference of the Committee *inter alia* include:

a. oversight of financial reporting process and disclosure of financial information of the Company to ensure that the financial statement is correct, sufficient and creditable;
b. recommendation for the appointment, removal, remuneration and terms of appointment of Statutory Auditors and Internal Auditors of the Company;
c. approval of payment to Statutory Auditors for any other services rendered by them;
d. reviewing with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval with particular reference to :
e. 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;
f. Changes, if any, in accounting policies and practices and reasons for the same;
g. Major accounting entries involving estimates based on the exercise of judgment by management;
h. Significant adjustments made in the financial statements arising out of audit findings;
i. compliance with listing and other legal requirements relating to financial statements;
j. disclosure of any related party transactions;
k. modified opinion (s) in the draft audit report;
l. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
m. review and monitor the auditor's independence and performance, and effectiveness of audit process;
n. reviewing, with management, performance of Statutory and Internal Auditors & adequacy of the internal control systems;
o. Review the Management discussion and analysis of financial condition and results of operations;
p. Consider and take on record the periodic statement/report of Related Party Transactions;
q. grant omnibus approval for Related Party Transactions including any subsequent modifications from time to time;
r. approval or any subsequent modification of transactions of the company with related parties
s. scrutiny of inter-corporate loans and investments;
t. valuation of undertakings or assets of the company, wherever it is necessary;
u. Review Management letters / letters of internal control weaknesses issued by the Statutory Auditors as well as Internal Audit reports relating to internal control weaknesses
v. evaluation of internal financial controls and risk management systems;

w. 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 utilized 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 including Quarterly statement of deviation(s) submitted to stock exchange(s) and annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) and making appropriate recommendations to the board to take up steps in this matter;

x. 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;

y. discussion with Internal Auditors of any significant findings and follow up there on;

z. 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;

aa. 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;

bb. 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;

cc. reviewing the functioning of the whistle blower/vigil mechanism;

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

ee. reviewing the utilization 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.

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

gg. To monitor fraud;

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

ii. 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;

jj. carrying out any other function as is mentioned in the terms of reference of the Audit Committee

kk. 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;

ll. 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;

mm. any other terms of reference as may be specified by the Board from time to time.

ii. Corporate Social Responsibility (CSR) Committee

Composition, Meetings and Attendance

The Corporate Social Responsibility Committee presently comprises of four Directors including two Independent Directors namely Mr. Sunil Phatarphekar (Independent Director), Mr. Gautam Chatterjee (Independent Director), Mr. Deepak Mittal (Non-Executive Director) and Mr. Rajat Avasthi (Managing Director & CEO). The Committee's composition and terms of reference are in compliance with provisions of Section 135 of the Companies Act, 2013.

The Corporate Social Responsibility Committee was devised in accordance with section 135 of the Companies Act 2013 read with the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 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 https://www.edelweisshousingfin.com/wp-content/uploads/2023/06/Corporate-Social-Responsibility-Policy.pdf. The details with respect to the CSR Policy and expenditure made by the Company during the year under review are provided in Annexure III to this report.

During 2022-23, two meeting of the Corporate Social Responsibility Committee were held on May 06, 2022 and July 26, 2022. The requisite quorum was present in all the meetings. The attendance of members was as follows:

Name of Member	Category	Designation	No. of Meeting	
			Held#	Attended
Mr. Sunil Phatarphekar	Member	Independent Director	2	2
Mr. Gautam Chatterjee	Member	Independent Director	2	2
Mr. Rajat Avasthi	Member	Managing Director & CEO	2	2
Mr. Deepak Mittal	Member	Non-Executive Director	2	1

 # No of meetings held during the tenure of the Member in the Committee in FY 2022-23.

Terms of Reference

Terms of Reference of the Committee *inter alia* include:

i. Formulate and recommend to the Board, a Corporate Social Responsibility Policy (the CSR Policy) which shall indicate the activities to be undertaken by the company for CSR as specified in Schedule VII;

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

iii. Monitor the CSR Policy of the Company from time to time.

iii. Nomination and Remuneration Committee

Composition, Meetings and Attendance

The Nomination and Remuneration Committee comprises of three directors namely Mr. Sunil Phatarphekar (Independent Director & Chairman), Mr. Biswamohan Mahapatra (Independent Director) and Mr. Deepak Mittal (Non-Executive Director). The Committee's composition and terms of reference are in compliance with provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

The details of the Nomination and Remuneration policy is provided in the Directors' Report.

The details of remuneration paid to all the Directors and other disclosures required to be made under Regulation 34(3) of the SEBI Listing Regulations have been published elsewhere in this report and in the Board Report.

During 2022-23, the Nomination and Remuneration Committee met two times on May 06, 2022, June 23, 2022 and November 1, 2022. The requisite quorum was present in all the meetings. The attendance of members was as follows:

Name of Member	Category	Designation	No. of Meeting	
			Held#	Attended
Mr. Sunil Phatarphekar	Chairman	Independent Director	3	2
Mr. Biswamohan Mahapatra	Member	Independent Director	3	3
Mr. Deepak Mittal	Member	Non-Executive Director	3	3

No of meetings held during the tenure of the Member in the Committee in FY 2022-23.

Terms of Reference

Terms of Reference of the Committee *inter alia* include:

a. 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;
b. 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;
c. 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;
d. specify manner for effective evaluation of performance of the Board, its Committees and individual Directors and review its implementation and Compliance;;
e. to devise a policy on diversity of Board of Directors;
f. 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;
g. to ensure 'fit and proper' status and credentials of proposed /existing Directors;

h. formulate the criteria for determining the qualifications, positive attributes etc. and independence of a Director;
i. 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
j. 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 & qualitative objectives for the relevant Financial Year and the Key Performance Indicators (KPI) structure associated with the award of any incentives;
k. make recommendations to the Board regarding:
   i. policy relating to the remuneration for the Directors, Key Employees and other employees
   ii. plans for succession for both executive and non-executive Directors, as well as Key Employees
l. 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.
m. The Committee shall report to the Board on its proceedings after each meeting on all matters within its responsibilities.
n. The Committee is authorized by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference
o. recommend to the board, all remuneration, in whatever form, payable to senior management.
p. 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
q. such other functions as may be prescribed from time to time.

Board Membership Criteria

The Board is responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board.

The criteria for appointment to the Board inter-alia include:

- Diversity on the Board;
- Relevant experience and track record in finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to Company's business and relevant to the role;
- Highest personal and professional ethics, integrity, values and stature;
- Devote sufficient time and energy in carrying out their duties and responsibilities; and
- Avoidance of any present or potential conflict of interest.

iv. Risk Management Committee

Composition, Meeting and Attendance

The Risk Management Committee comprises of six members namely Mr. Deepak Mittal (Independent Director and Chairman), Mr. Biswamohan Mahapatra (Independent Director), Mr. Rajat Avasthi (Managing Director & CEO), Mr. Umesh Wadhwa (Member) Mr. Nilesh Kumar Jain (Member) and Tushar Kotecha (Member). The Committee's composition is in compliance with provisions of Regulation 21 of the SEBI Listing Regulations.

During the Financial year 2022-23 the Risk Management Committee met five times on May 27, 2022, August 12, 2022, September 30, 2022, November 23, 2022 and March 27, 2023. The attendance of members was as follows:

Name of Member	Category	Designation	No. of Meeting(s)	
			Held#	Attended
Mr. Deepak Mittal	Chairman	Non-Executive Director	5	5
Mr. Biswamohan Mahapatra	Member	Independent Director	5	4
Mr. Rajat Avasthi	Member	Managing Director & CEO	5	5
Mr. Tushar Kotecha	Member	Executive	5	5
Mr. Umesh Wadhwa	Member	Executive	5	4
Mr. Nilesh Kumar Jain	Member	Executive	5	5

 # No of meetings held during the tenure of the Member in the Committee in FY 2022-23.

Chief Risk Officer is permanent invitees to the Committee.

Terms of Reference

Terms of Reference of the Committee *inter alia* include:

a. Identifying, measuring and monitoring the various risks faced by the Company;
b. To formulate a detailed risk management policy which shall include:
   I. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environmental, social and governance-related [ESG] related risks), information, cyber security risks or any other risk as may be determined by the Committee;
   II. Measure for risk mitigation including systems and processes for internal control of identified risks.
   III. Business continuity plan.
c. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
d. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
e. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
f. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken
g. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
h. Mitigating various risks associated with functioning of the Company through Integrated Risk Management Systems, Strategies and Mechanisms;

i. To deal with issues relating to credit policies and procedure and manage the credit risk, operational risk, management of policies and process;
j. 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;
k. Promoting an enterprise risk management competence throughout the organisation, including facilitating development of IT-related enterprise risk management expertise;
l. Establishing a common risk management language that includes measures around likelihood and impact and risk categories;
m. To evaluate the effectiveness in the made in placing a progressive risk management system and strategy followed by the Company;
n. to evaluate the overall risks faced by the Company including liquidity risk and report to the Board; and
o. Evaluating the risks and materiality of all existing and prospective outsourcing activities.

v. Stakeholders Relationship Committee

Composition, Meetings and Attendance

The Stakeholders Relationship Committee comprises of four Directors namely Mr. Sunil Phatarphekar (Independent Director and Chairman), Mr. Gautam Chatterjee (Independent Director), Mr. Deepak Mittal (Non-Executive Director) and Mr. Rajat Avasthi (Managing Director & CEO). The Committee's composition and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

During 2022-23, the Committee met once on May 6, 2022. The requisite quorum was present in all the meetings. The attendance of members was as follows:

Name of Member	Category	Designation	No. of Meeting(s)	
			Held#	Attended
Mr. Sunil Phatarphekar	Chairman	Independent Director	1	1
Mr. Gautam Chatterjee ^	Member	Independent Director	1	1
Mr. Deepak Mittal	Member	Non-Executive Director	1	1
Mr. Rajat Avasthi	Member	Executive	1	1
Ms. Shilpa Gattani^^	Member	Non-Executive Director	1	1

 # No of meetings held during the tenure of the Member in the Committee in FY 2022-23.
^ Appointed as Member of Stakeholders Relationship Committee effective October 27, 2021
^^ Ms. Shilpa Gattani ceased to be a member of the Committee effective November 1, 2022.

Terms of Reference

Terms of Reference of the Committee *inter alia* include:

a. Consider and resolving the grievances of the customers, security holders, 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.
b. Review of measures taken for effective exercise of voting rights by shareholders.
c. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
d. 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.
e. Redressing of shareholders, customers and investor complaints, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates, non-receipt of balance sheet, etc.;
f. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by the Company, including review of cases for refusal of transfer/transmission of securities;
g. Reference to statutory and regulatory authorities regarding investor grievances;
h. Ensure proper and timely attendance and redressal of investor queries and grievances;
i. To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers; and
j. 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.''

Redressal of Investor Grievances

The Company addresses all complaints, grievances and other correspondence expeditiously and replies generally within 7-10 days except in the case of legal impediments and non-availability of documents. The Company endeavours to implement suggestions as and when received from investors. No Shareholders complaints were received during FY 2022-23. There were 145 investor complaints (Non-Convertible Debentures Holders) which were received during FY 2022-23 and all were resolved.

Compliance Officer

Mr. Girish Manik is the Company Secretary and Compliance officer of the Company.

vi. IT Strategy Committee

Composition, Meetings and Attendance

IT Strategy Committee comprises of five Directors and Eight executives namely Mr. Biswamohan Mahapatra (Chairman and Independent Director), Mr. Gautam Chatterjee (Independent Director), Mr. Deepak Mittal (Non-Executive Director), Mr. Rajat Avasthi (Managing Director & CEO), Mr. Ajeet Lodha (Chief Risk Officer), Mr. Pankaj Maduskar (National Credit Head), Vivek Aggarwal (Chief

Operations Officer) and Tushar Kotecha (Chief Financial Officer). The Committee's composition and terms of reference are in compliance with the provisions of the RBI guidelines.

During 2022-23, the Committee met twice on June 8, 2022 and December 05, 2022. The attendance of members was as follows:

Name of Member	Category	Designation	No. of Meeting(s)	
			Held#	Attended
Mr. Biswamohan Mahapatra	Chairman	Independent Director	2	2
Mr. Gautam Chatterjee	Member	Independent Director	2	2
Mr. Deepak Mittal	Member	Non-Executive Director	2	1
Mr. Rajat Avasthi	Member	Managing Director & CEO	2	2
Mr. Phanindranath Kakarla *	Member	Non-Executive Director	0	0
Mr. Tushar Kotecha^	Member	Chief Financial Officer	2	1
Mr. Pankaj Maduskar	Member	Executive	2	2
Mr. Krishanu Ray	Member	Executive	1	1
Mr. Ajeet Lodha	Member	Executive	2	1
Mr. Vivek Agarwal^	Member	Executive	2	2

\# *No of meetings held during the tenure of the Member in the Committee in FY 2022-23.*

^ *Mr. Tushar Kotecha and Mr. Vivek Aggarwal were appointed as Members of the Committee effective May 6, 2022.*

* *Mr. Phanindranath Kakarla ceased to be a Member of the Committee effective May 6, 2022*

Terms of Reference

Terms of Reference of the Committee *inter alia* include:

- 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;
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- 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;
- Ensuring proper balance of IT investments for sustaining HFC' s growth and becoming aware about exposure towards IT risks and controls;
- Review the functioning of IT Steering Committee;
- The Committee should appraise/ report to the Board periodically and also report on particular matters to Audit Committee or Risk Committee, as required;

- With respect to outsourced operations the Committee shall have the following functions:

    - 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;

- Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;
- Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements;
- Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements;
- Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by the Board;
- Periodically reviewing the effectiveness of policies and procedures;
- Communicating significant risks in outsourcing to the Board on a periodic basis;
- Ensuring an independent review and audit in accordance with approved policies and procedures;
- Ensuring that contingency plans have been developed and tested adequately; and
- Ensuring business continuity preparedness is not adversely compromised because of outsourcing.

vii. ALCO Committee

Composition, Meetings and Attendance

The ALCO Committee comprises of three Directors and two executives namely Mr. Rajat Avasthi (Managing Director & CEO), Mr. Deepak Mittal (Non-Executive Director), Mr. Ajeet Lodha (Chief Risk Officer) and Mr. Tushar Kotecha (Chief Financial Officer). The Committee's composition and terms of reference are in compliance with provisions of the RBI Guidelines.

During 2022-23, the Committee met seven times on May 27, 2022, June 10, 2022, August 3, 2022, September 16, 2022, November 14, 2022, December 21, 2022 and March 24, 2023. The requisite quorum was present in all the meetings. The attendance of members was as follows:

Name of Member	Category	Position	No. of Meeting(s)	
			Held#	Attended
Mr. Rajat Avasthi	Chairman	Managing Director & CEO	7	7
Mr. Deepak Mittal	Member	Non-Executive Director	7	3
Ms. Shilpa Gattani*	Member	Non-Executive Director	4	3
Mr. Ajeet Lodha	Member	Executive	7	7
Mr. Tushar Kotecha	Member	Executive	7	5

\# *No of meetings held during the tenure of the Member in the Committee in FY 2022-23.*
* *Ms. Shilpa Gattani ceased to be Members of the Committee effective November 1, 2022*

Terms of Reference

Terms of Reference of the Committee *inter alia* include:

a. review of macro-economic scenario, impact of industry and regulatory changes monitoring the asset liability gap.
b. Strategizing 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. Interest 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;
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;
o. Should ensure that an independent party regularly reviews and evaluates the various components of the Company liquidity risk management process.

viii. **Lending Committee**

The Lending Committee comprises of three Directors namely Mr. Rajat Avasthi (Managing Director & CEO), Ms. Shama Asnani (Non-Executive Director) and Mr. Gautam Chatterjee (Independent Director). The Committee's composition and terms of reference are in compliance with provisions of the RBI Guidelines.

The Committee did not meet during 2022-23.

Terms of Reference

Terms of Reference of the Committee *inter alia* include:

a. To sanction Loans & Advances to Directors and their related entities, if the loan amount is more than Rupees Five Crores;
b. To sanction Loans & Advances to Directors and their related entities, if the loan amount is Rupees Five Crores or less but such Director is a member of Credit Committee, or any other Committee or Authority which has power to sanction credit facilities;
c. To sanction Loans & advances to Senior Officers and their relatives, if such Senior Officer is a member of Credit Committee, or any other Committee or Authority which has power to sanction credit facilities;
d. 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
e. Any other terms of reference as may be specified by the Board from time to time."

Independent Directors Meetings

During 2022-23, the Independent Directors met once on May 6, 2022. The attendance of members was as follows:

Name of Directors	**Position**	**No. of Meeting(s)**	
		Held #	**Attended**
Mr. Sunil Phatarphekar	Independent Director	1	1
Mr. Biswamohan Mahapatra	Independent Director	1	1
Mr. Gautam Chatterjee	Independent Director	1	1

 # No of meetings held during the tenure of the Member in the Committee in FY 2022-23.

The Independent Directors of the Company met without the presence of Executive Directors under the Chairmanship of Mr. Sunil Phatarphekar, Independent Director, inter-alia for:

- Reviewing the performance of Non-independent Directors and the Board as a whole;

- Reviewing the performance of the Chairman of the Company taking into account the views of Executive and Non-executive Directors;

- Assessing the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

<u>Loans, Investments and Guarantees</u>

The Company is engaged in the business of providing loans and making investments as part of treasury activities, particulars of which are provided in the Notes to Financial Statements. Except as disclosed in the financial statements, during the year under review, the Company has not given any guarantee.

Performance Evaluation

Please refer to Directors Report for details on Board Evaluation.

Directors' Remuneration

i) Executive Directors

The Company pays remuneration as per the Board approved Remuneration/Compensation Policy.

The remuneration paid to the Executive Directors for 2022-23 was as follows:

(in ₹)

Name	Remuneration (Fixed and performance bonus)	Other Perquisites & benefits	Commission	Contribution to Provident & Superannuation Fund/ allowances/ Pension	Total	Stock/ Shadow Options granted	Term up to
Mr. Rajat Avasthi	2,44,22,392	2,21,453	-	9,60,000	2,56,03,845	-	FY2022-23

Note :

- Salary Considered post deduction u/s 10/17 as per Form 16
- The annual increments of the Managing Director & CEO is linked to the performance and is decided by the Nomination and Remuneration Committee.
- The service contract, notice period, retrial benefits, severance pay etc. are applicable as per the terms and conditions of appointment of the above Directors.

ii) Non-Executive Directors

The Non-Executive Independent Directors were entitled to a sitting fee of ₹ 20,000 (upto the January 18, 2023) and ₹ 50,000 (from January 19, 2023 onwards) for attending each Board and Committee meeting. No sitting fees were paid to Non- Executive Non Independent Directors during FY 2022-23.

The Company also reimburses out-of-pocket expenses incurred by the Directors for attending the meetings. The service contract, notice period, severance fee etc. are not applicable to the Non-executive Directors.

The remuneration paid to the Independent Directors for 2022-23 was as follows:

(In ₹)

Name	Sitting Fees	Commission	Total
Mr. Biswamohan Mahapatra	5,50,000	0	5,50,000
Mr. Sunil Phatarphekar	4,20,000	0	4,20,000
Mr. Gautam Chatterjee	4,60,000	0	4,60,000
Total	**14,30,000**	**0**	**14,30,000**

No stock options were granted to any Independent Director.

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

Directors' Shareholding

No Director holds equity shares of the Company as on 31 March 2023

Annual General Meetings (AGMs)

Particulars of past three AGMs

Year	Location	Date & Time	Special Resolutions passed
Annual General Meeting			
2019-20	EDELWEISS HOUSE, OFF C.S.T. ROAD, KALINA, MUMBAI - 400 098	30.07.2020 4:00 PM	i) Issue of Non-Convertible Debentures; ii) Alternation of Object Clause of the Memorandum of Association of the Company
2020-21	EDELWEISS HOUSE, OFF C.S.T. ROAD, KALINA, MUMBAI - 400 098	17.06.2021 05:00 P.M.	i) Appointment of Mr. Rajat Avasthi as Managing Director & CEO of the Company; ii) Issue of Non-Convertible Debentures.
2021-22	TOWER 3, WING ' B', KOHINOOR CITY MALL, KOHINOOR CITY, KIROL ROAD, KURLA (WEST), MUMBAI – 400070	30.05.2022 10:00 A.M	i) Amendments to the overall borrowing limits of the Company ii) Issue of Non-Convertible Debentures.

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

General Shareholder information

1	Annual General Meeting	Please refer to the Notice of ensuing Annual General Meeting
2	Financial Year (2023-24)	April 1 to March 31
		- Results for the quarter ended June 30, 2023 – within 45 days from the end of the quarter
		- Results for the quarter ended September 30, 2023 – within 45 days from the end of the quarter
		- Results for the quarter ended December 31, 2023 – within 45 days from the end of the quarter
		- Results for the quarter and year ended March 31, 2024 – within 60 days from the end of the quarter
3	Book closure date	Not applicable as share of the Company are not listed on any Stock Exchange
4	Dividend payment date	During FY2022-23 the Company did not declare any divided.

5	Listing of Non Convertible Debentures	The Publicly issued Non Convertible Debentures (NCDs) are listed on BSE and NSE and privately placed NCDs are listed on BSE and NSE as applicable to respective private placements. The Listing fees as applicable have been duly paid to stock exchanges. The addresses of the Exchanges are provided in the Annual Report.
6	Stock Code	Not applicable
7	Stock Market Data	Not applicable; as Equity Shares of the Company are not listed on any Stock Exchange
8	Registrar and transfer agent	**Link Intime India Private Ltd** (Registrar to the equity shares of the Company and Registrar to the Issue-NCD Private Placement) **KFin Technologies Private Limited** (Registrar to the Issue-NCD-Public Issue)
9	Security transfer system	Physical Equity shares- in house Equity shares are in dematerialized form, transfer and transmission of such shares is outsourced to Registrar and transfer agent. NCDs are in dematerialized form transfer and transmission of security is outsourced to Registrar and transfer agent.
10	Dematerialization of shares	The Company is wholly owned subsidiary of Edelweiss Financial Services Limited (EFSL) and shares are held by EFSL, Edelweiss Rural and Corporate Services Limited (ERCSL) and Edel Finance Company Limited are in dematerialized form and share held by Nominee shareholders on behalf of EFSL are in physical form.
11	Correspondence for dematerialization, transfer of shares, non –receipt of dividend on shares and any other query	Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Gandhi Nagar,

	relating to the NCDs of the Company	Vikhroli West, Mumbai, Maharashtra 400083
12	Address for Correspondence	Mr. Girish Manik, Company Secretary & Compliance Officer Tower 3, Wing ' B', Kohinoor City Mall , Kohinoor City, Kirol Road, Kurla (west), Mumbai – 400070
13	Outstanding GDR/ ADR/Warrants or any convertible instruments, conversion date and likely impact on equity	Not applicable
14	Credit Ratings	The details are provided in the Corporate Governance Report.
15	Details on Whistleblower Complaints and Complaints received under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	No whistleblower and POSH complaints were received during FY2022-23.
16	Details of Material Subsidiaries	The Company does not have any Subsidiaries.

Disclosures

a) Material Related Party Transactions

None of the materially significant transactions with any of the related parties was in conflict with the interest of the Company.

Attention of the members is drawn to the disclosure of transactions with related parties set out in Notes to the Standalone financial statement forming part of the Annual Report.

The Board of Directors laid down a Policy on Related Party Transactions, setting-out the manner how the Company will address related party transactions, including the material transactions based on the threshold limit applicable to such transactions in accordance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations. The said policy is available on https://www.edelweisshousingfin.com/wp-content/uploads/2023/06/Policy-on-Related-Party-Transactions.pdf. The Board of Directors reviews the said policy at least once every three years for any updation.

b) Strictures and Penalties

There were no strictures or Penalties levied on the Company during the financial year ended March 31, 2023.

c) Compliances

All Returns/ Reports were generally filed within the stipulated time with the Stock Exchanges/ other authorities.

d) 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 of policy can be found on https://www.edelweisshousingfin.com/wp-content/uploads/2023/06/Code-of-Conduct-for-Directors-and-Senior Management.pdf

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

e) Whistle Blower Policy/ Vigil Mechanism

Details of the vigil mechanism are provided in the Directors' Report.

f) 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 and pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company put in place a code on the dealings of Unpublished Price Sensitive Information. The Copy of the code can be found on https://www.edelweisshousingfin.com/wp-content/uploads/2023/06/Code-for-UPSI.pdf

Means of Communication

The quarterly/ half yearly / annual financial results and media releases on significant developments in the Company including presentations that have been made from time to time to the media, institutional investors & analysts are posted on the Company's website https://www.edelweisshousingfin.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 settlement among others are filed electronically on NSE Electronic Application Processing System (NEAPS) & BSE Listing Centre.

The financial results are generally published in one English national daily newspaper.

Annual Report: In accordance with the provisions of the Companies (Management and Administration) Rules, 2014, the Company will provide Annual Report containing inter-alia, Audited standalone financial statements, Auditors' Report, Board Report including Management Discussion & Analysis Report, Corporate Governance Report including information for the Shareholders, other important information and Notice of the ensuing Annual General Meeting electronically.

Annual Report is also available on the Company's website https://www.edelweisshousingfin.com/

Exclusive Designated e-mail id

The Company has designated a dedicated e-mail id i.e. investorgrievances@edelweisshousingfin.com exclusively for investors' servicing for faster registration of their queries and/ or grievances. All investors are requested to avail this facility.

General Shareholders' Information

The Company's registered office is situated in Mumbai Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U65922MH2008PLC182906.

a) Annual General Meeting

Date: June 16, 2023
Time: 4.30 pm (IST)

Venue: Tower 3, 5th Floor, Wing 'B', Kohinoor City Mall, Kohinoor City, Kirol Road, Kurla (West), Mumbai- 400070.

b) Listing on stock exchanges

(i) Debentures

The Debentures of the Company are listed on the following Stock Exchanges:

a) BSE Limited (BSE)
P.J. Tower, Dalal Street
Mumbai - 400 001; and

b) National Stock Exchange of India Limited (NSE)
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051.

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

The financial results are generally published in one English national daily newspaper.

Annual Report: In accordance with the provisions of the Companies (Management and Administration) Rules, 2014, the Company will provide Annual Report containing inter-alia, Audited standalone financial statements, Auditors' Report, Board Report including Management Discussion & Analysis Report, Corporate Governance Report including information for the Shareholders, other important information and Notice of the ensuing Annual General Meeting electronically.

Annual Report is also available on the Company's website https://www.edelweisshousingfin.com/

Exclusive Designated e-mail id

The Company has designated a dedicated e-mail id i.e. investorgrievances@edelweisshousingfin.com exclusively for investors' servicing for faster registration of their queries and/ or grievances. All investors are requested to avail this facility.

General Shareholders' Information

The Company's registered office is situated in Mumbai Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U65922MH2008PLC182906.

a) Annual General Meeting

Date: June 16, 2023
Time: 4.30 pm (IST)

Venue: Tower 3, 5th Floor, Wing 'B', Kohinoor City Mall, Kohinoor City, Kirol Road, Kurla (West), Mumbai- 400070.

b) Listing on stock exchanges

(i) Debentures

The Debentures of the Company are listed on the following Stock Exchanges:

a) BSE Limited (BSE)
P.J. Tower, Dalal Street
Mumbai - 400 001; and

b) National Stock Exchange of India Limited (NSE)
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051.

Issuer Code

The issuer code of the Company is 530L

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

The International Securities Identification Number (ISIN) allotted to Company's shares under the Depository System INE530L01015

Outstanding Stock Options/ Compulsorily Convertible Debentures/ Warrants

As of 31st March 2023, the Company does not have any outstanding stock options/ compulsorily convertible debentures/ Warrants or other convertible instruments.

(ii) Debt Instruments

Debenture Trustees

IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001, Maharashtra, India Tel: +91 22 4080 7000 Fax: +91 22 6631 1776/40807080 E-mail: itsl@idbitrustee.com Website: www.idbitrustee.com Contact Person: Mr. Kunaal Bakhtiani CIN: U65991MH2001GOI131154	**Beacon Trusteeship Limited** 4 C& D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club Bandra (East), Mumbai- 400 051 Tel: +91 22 26558759 Email: compliance@beacontrustee.co.in Website: www.beacontrustee.co.in Contact Person: Ms. Deepavali Vankalu

h) Registrar and Share Transfer Agent (RTA) for Debentures

KFin Technologies Private Limited, Selenium Tower B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana, Toll Free No. 1-800-309-4001; e-mail: einward.ris@kfintech.com;

Contact Person: Mr. Chandra Shekhar Chejarla , Deputy Manager – Corporate Registry; (Website: www.kfintech.com and / or https://ris.kfintech.com/) is the Registrar and Share Transfer Agent (RTA).

KFin is also the depository interface of the Company with both National Securities Depository Limited and Central Depository Services (India) Limited.

i) Share Transfer Mechanism

Pursuant to Regulation 7(2) of the SEBI Listing Regulations, Compliance Certificate jointly signed by Compliance officer and authorized representative of RTA 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.

k) Share Ownership Pattern

The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited and the entire shareholding of 6,93,50,000 Equity Shares is held by the Promoter Group. The Promoters of the Company are Edelweiss Financial Services Limited, Edelweiss Rural & Corporate Services Limited and Edel Finance Company Limited. Edelweiss Rural & Corporate Services Limited is the immediate holding company and holds 38,300,000 Equity Shares representing 55.23% shareholding.

n) Dividend History

The Company has not declared dividend in the past three years and does not propose to declare dividend for FY2022-23.

o) Transfer of Unpaid/ Unclaimed Dividend Amount/ Shares to Investor Education and Protection Fund (IEPF) Authority

As per the provisions of Section 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, there was no unpaid/ unclaimed interest/redemption amount required to be transferred to Investor Education and Protection Fund.

q) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments

The Company has not issued any GDRs/ ADRs and no convertible instrument is pending for conversion at the end of 31 March, 2023.

s) Plant Locations

The Company does not have any manufacturing or processing plants. The Registered Office of the Company is situated at Tower 3, Wing ' B', Kohinoor City Mall , Kohinoor City, Kirol Road, Kurla (west), Mumbai – 400070.

t) Address for Correspondence

(i) Investor Correspondence

For transmission/ transposition/ dematerialisation of securities, non-receipt of interest and any other queries relating to the securities, Investors may write to:

KFin Technologies Private Limited
Selenium Tower B
Plot No.31 - 32,
Financial District, Nanakramguda
Serilingampally Mandal,
Hyderabad – 500 032, Telangana.
Toll Free No. 1- 800-309-4001
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com and/ or https://ris.kfintech.com/
Contact Person: Chandra Shekhar Chejarla

(u) Credit ratings

The credit ratings enjoyed by the Company from various rating agencies as on 31st March 2023 are detailed below:

Product	Name of the Credit Rating Agency	Credit Ratings	Date of Revision, if any	Revised Ratings
Bank Borrowings	CRISIL	AA-	No change	-
	CARE	A+	No change	-
	ICRA	A+	No change	-
Commercial Paper	CARE	A1+	No change	-
	CRISIL	A1+	No change	-
Long Term Sub-Debt	CARE	A+	No change	-
	ICRA	A+	No change	-
Long Term NCD	ACUITE	AA-	August 5, 2022	AA to AA-
	BWR	AA-	No change	-
	CARE	A+	No change	-
	CRISIL	AA-	No change	-
	ICRA	A+	No change	-
Perp-Debt	BWR	A+	No change	-

Compliance Certificate from the Auditors

Certificate from the Secretarial Auditors of the Company, Manish Ghia & Associates, 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 Listing Regulations is annexed to this Report forming part of the Annual Report.

Adoption of Mandatory and Non-mandatory Requirements

Apart from complying with all the mandatory requirements, the Company has adopted following non-mandatory requirements as specified in Regulation 27(1) of the SEBI Listing Regulations:

(a) **Financial Statements:** The financial statements of the Company, on standalone basis, are unqualified.

(b) **Separate Post of Chairman:** Mr. Biswamohan Mahapatra was appointed as Chairman of the Board with effect from January 19, 2023.

(c) The Internal Auditors of the Company directly report to the Audit Committee.

Certificate from CEO and CFO

In terms of Regulation 17(8) of the SEBI Listing Regulations, Compliance Certificate issued by Chief Executive Officer(s) and Chief Financial Officer is annexed to this Report.

Fee to Statutory Auditors

The Company has paid fees of ₹ 3.84 million (including reimbursement of expenses), plus applicable tax to the Statutory Auditors M/s. NGS & Co. LLP respectively.

Investors

The website of the Company https://edelweisshousingfin.com carries information on Financial Results, Corporate Announcements, Presentations and Credit Rating, in addition to other relevant information for investors.

Certificate on Corporate Governance
(Pursuant to Regulation 34(3) and Schedule V Para E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
NIDO HOME FINANCE LIMITED
(Formerly known as Edelweiss Housing Finance Limited)
Tower 3, 5th Floor, Wing B, Kohinoor City Mall,
Kohinoor City, Kirol Road,
Kurla (West), Mumbai-400070

We have examined the compliance of conditions of Corporate Governance by **Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)** for the year ended on March 31, 2023 as stipulated under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in relevant regulation(s) of above mentioned Listing Regulations.

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

For Manish Ghia & Associates
Company Secretaries
(Unique ID: P2006MH007100)

CS Mannish L. Ghia
Partner
M. No. FCS 6252, C.P. No. 3531
PR 822/2020

Place: Mumbai
Date: May 8, 2023
UDIN: F006252E000268085

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

The Board of Directors
Nido Home Finance Limited
(Formerly known as Edelweiss Housing Finance Limited)

Pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulations, we hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the financial year 2022-23, on standalone basis and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2022-23 which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and that we have taken all necessary steps to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

(i) significant changes, if any, in internal control over financial reporting during the financial year 2022-23;
(ii) significant changes, if any, in accounting policies during the financial year 2022-23 and that the same have been disclosed in the notes to the financial statements; and
(iii) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Nido Home Finance Limited
(Formerly known as Edelweiss Housing Finance Limited)

Tushar Kotecha
Chief Financial Officer

For Nido Home Finance Limited
(Formerly known as Edelweiss Housing Finance Limited)

Rajat Avasthi
Managing Director & CEO

Date: 05-05-2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
Nido Home Finance Limited
(Formerly known as Edelweiss Housing Finance Limited)
Tower 3, 5th Floor, Wing B, Kohinoor City Mall,
Kohinoor City, Kirol Road,
Kurla (West), Mumbai-400070

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Nido Home Finance Limited** (formerly known as Edelweiss Housing Finance Limited) having CIN: U65922MH2008PLC182906 and having registered office at Tower 3, 5th Floor, Wing B, Kohinoor City Mall Kohinoor City, Kirol Road, Kurla (West), Mumbai-400070 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of Appointment in Company
1	Sunil Nawal Phatarphekar	00005164	13/04/2020
2	Deepak Mittal	00010337	14/10/2019
3	Gautam Chatterjee	02464197	16/09/2021
4	Biswamohan Mahapatra	06990345	29/10/2020
5	Rajat Ravi Avasthi	07969623	23/09/2020
6	Shama Asnani	09774021	25/01/2023

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**
Company Secretaries
(Unique ID: P2006MH007100)

CS Mannish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531
PR 822/2020

Place: Mumbai
Date: May 8, 2023
UDIN: F006252E000268162

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 thereto:

(Currency: Indian rupees in millions)

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

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	Amount (In millions)	Date of approval by the Board	Amount paid as advances, if any
1	ECap Equities Limited	Short term loans given (Transaction)	One Year	3,600.00	-	-
2	ECL Finance Limited	Short term loans given (Transaction)	One Year	4,040.00	-	-
3	Edelweiss Rural & Corporate Services Limited	Short term loans given (Transaction)	One Year	6,200.00	-	-
4	ECap Securities And Investments Limited	Short term loans given (Transaction)	One Year	1,800.00	-	-
5	ECL Finance Limited	Loan porfolio purchase under direct assignment	One Time	1,998.46	-	-
6	Edeelweiss Rural and Corporate Services Limited	Corporate Gaurantee issued	One Year	950.00	-	-

The above mentioned material related party transactions were entered into by the Company in the ordinary course of business and was duly approved by the Audit Committee of the Company. The materiality threshold is as prescribed under the Companies (Meeting of Board and its Powers) Rules 2014.

For and on behalf of the Board of Directors
Nido Home Finance Limited
(Formerly known as Edelweiss Housing Finance Limited)

Rajat Avasthi
MD & CEO
DIN: 07969623

Biswamohan Mahapatra
Chairman and Independent Director
DIN: 06990345

Mumbai
May 8, 2023

ANNEXURE III

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial year 2022-23

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

1. Brief outline on CSR Policy of the Company:
   To leverage the capacity and capital to equip and enable the social sector achieve the greatest impact on the lives of the poor in India.

2. Composition of CSR Committee as on March 31, 2023:

Sl. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year#	Number of meetings of CSR Committee attended during the year
1	Mr. Sunil Phatarphekar	Independent Director	2	2
2	Mr. Gautam Chatterjee	Independent Director	2	2
3	Mr. Deepak Mittal	Non-Executive Director	2	1
4	Mr. Rajat Avasthi	Managing Director & CEO	2	2

 # No of meetings held during the tenure of the Member in the Committee in FY 2022-23.

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

   CSR Policy - https://www.edelweisshousingfin.com/wp-content/uploads/2023/06/Corporate-Social-Responsibility-Policy.pdf
   CSR Committee Composition and CSR Projects - https://www.edelweisshousingfin.com

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable: **Not applicable**

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2019-20	Nil	Nil
2	2020-21	Nil	Nil
3	2021-22	Nil	Nil
	Total	**Nil**	**Nil**

6. Average net profit of the Company as per section 135(5): **Rs. 86.15 million**

7. (a) Two percent of average net profit of the Company as per section 135(5): Rs**. 1.7 million**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**

(c) Amount required to be set off for the financial year, if any: **Nil**

(d) Total CSR obligation for the financial year (7a+7b-7c): **Rs. 1.7 million**

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
Details provided in Annexure A												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
Nil									

(d) Amount spent in Administrative Overheads: **Nil**

(e) Amount spent on Impact Assessment, if applicable: **N.A.**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 1.7 million**

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

Sl. No.	Particulars	Amount (in Rs. million)
(i)	Two percent of average net profit of the company as per section 135(5)	**1.7**
(ii)	Total amount spent for the Financial Year	**1.7**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	**Nil**
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	**Nil**
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	**Nil**

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs. million).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs. million)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2019-20	Nil	21.94	-	-	-	-
2.	2020-21	Nil	15.79	-	-	-	-
3.	2012-22	Nil	17.6	-	-	-	-
	Total	**Nil**	**55.33**	**-**	**-**	**-**	**-**

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

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

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

    (a) Date of creation or acquisition of the capital asset(s).

    (b) Amount of CSR spent for creation or acquisition of capital asset.

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):

    NIL

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

For and on behalf of the Board of Directors
Nido Home Finance Limited
(Formerly known as Edelweiss Housing Finance Limited)

Rajat Avasthi	**Sunil Phatarphekar**
MD & CEO	**Director**
DIN: 07969623	**DIN: 00005164**

Mumbai
May 8, 2023

Annexure A

S. No.	Name of CSR project	Item from List of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of project		Project duration (in years)	Amount allocated for the project (INR)	Amount spent in the current financial year (INR)	Amount transferred to unspent CSR account for the project as per Section 135(6)	Mode of implementation - Direct (Yes/No)	Mode of implementation through implementation agency	
				State	District						Name	CSR registration no.
1	GyanPrakash Foundation (GPF)	Education	No	Maharashatra	Nandurbar, Parbhani, Satara, Solapur	1	7,78,226	7,78,226	-	No	EdelGive Foundation	CSR00000514
2	Agastya International Foundation	Education	No	West Bengal	Alibuag, Howrah, Satara	1	9,44,774	9,44,774	-	No	EdelGive Foundation	CSR00000514
	TOTAL						**17,23,000**	**17,23,000**	**-**	**-**		

To,
The Board of Directors,
Nido Home Finance Limited

Sub: Confirmation of utilization of CSR amount

I, Tushar Kotecha, CFO of the Company, hereby certify that the Company has disbursed ₹ 17.23 Lakh to EdelGive Foundation as required under section 135 of Companies act, 2013 for financial year 2022-23. Further it has been confirmed by EdelGive Foundation that the said amount has been utilized in accordance with the CSR policy of the Company.

Thanking you,

For Nido Home Finance Limited
(Formerly known as Edelweiss Housing Finance Limited)

Tushar Kotecha
Chief Financial Officer

Date: 05-05-2023

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

[*Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Nido Home Finance Limited
(Formerly known as Edelweiss Housing Finance Limited)
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nido Home Finance Limited** (Formerly known as Edelweiss Housing Finance Limited) (CIN: U65922MH2008PLC182906) and having its registered office at Tower 3, 5th Floor, Wing B, Kohinoor City Mall, Kohinoor City, Kirol Road, Kurla (West), Mumbai-400070 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 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 (**Not applicable to the company during the audit period**);

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the company during the audit period**);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(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; **(Not applicable to the Company during the audit period);**

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

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

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the company during the audit period**);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the company during the audit period**); and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable in respect of Non-convertible debentures of the company listed at stock exchanges);

(vi) The Reserve Bank of India Act, 1934 and Credit Information Companies (Regulation) Act, 2005 and the directions, regulations issued by Reserve Bank of India thereunder and as made applicable to Housing Finance Companies including Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, being laws that are specifically applicable to the Company based on their sector/ industry.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc. mentioned above and in respect of laws specifically applicable to the company based on their sector/industry, in so far as registration, membership, submission of various returns/information or other particulars to be filed with Reserve Bank of India.

We further report that

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

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes. However, in the minutes of the meetings of Board and its Committees, for the period under review, no dissents were noted and hence we have no reason to believe that decisions by the Board were not approved by all the directors present.

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

We further report that during the audit period the company has:

1. allotted 27,59,057 Non-Convertible Debentures (NCDs) of face value of Rs. 1,000/- each, amounting to Rs. 2,759.06 million through Public Issue vide prospectus dated March 29, 2022.

2. obtained approval of the members for change of its name from "Edelweiss Housing Finance Limited" ***to*** "Nido Home Finance Limited" and consequential alteration in the Memorandum of Association (MOA) vide special resolution passed at the Extra Ordinary General Meeting dated March 29, 2023; and

3. obtained approval of the members for adoption of new set of Articles of Association and consequential alteration on account of change of name vide special resolution passed at the Extra Ordinary General Meeting dated March 29, 2023.

We further report that as on the date of issue of this report the name of the company has been changed from "Edelweiss Housing Finance Limited" to "Nido Home Finance Limited".

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.

For **Manish Ghia & Associates**
Company Secretaries
(Unique ID: P2006MH007100)

CS Mannish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531
PR 822/2020

Place: Mumbai
Date: May 8, 2023
UDIN: F006252E000268019

'Annexure A'

To,
The Members,
Nido Home Finance Limited
(Formerly known as Edelweiss Housing Finance Limited)
Mumbai

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.

4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Manish Ghia & Associates**
Company Secretaries
(Unique ID: P2006MH007100)

CS Mannish L. Ghia
Partner
M. No. FCS 6252 C.P. No. 3531
PR 822/2020

Place: Mumbai
Date: May 8, 2023
UDIN: F006252E000268019

ANNEXURE V

Disclosure pursuant to Section 197 (12) of Companies Act, 2013 read with Rule 5(1) of 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:

<table>
<tr><th>No.</th><th>Disclosure Requirement</th><th colspan="3">Disclosure Details</th></tr>
<tr><td rowspan="2">1</td><td rowspan="2">Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year</td><td>Directors</td><td>Title</td><td>Ratio</td></tr>
<tr><td colspan="3">Mr. Rajat Avasthi* Managing Director & CEO 82.09</td></tr>
<tr><td rowspan="4">2</td><td rowspan="4">Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year</td><td>Directors / KMP's</td><td>Title</td><td>% increase in remuneration #</td></tr>
<tr><td>Mr. Rajat Avasthi*</td><td>Managing Director & Chief Executive Officer</td><td>12.98%</td></tr>
<tr><td>Mr. Tushar Kotecha **</td><td>Chief Financial Officer</td><td>458.89%</td></tr>
<tr><td>Mr. Girish Manik ***</td><td>Company Secretary</td><td>513.94%</td></tr>
<tr><td>3</td><td>Percentage increase in the median remuneration of employees in the financial year</td><td colspan="3">-6.35%</td></tr>
<tr><td>4</td><td>Number of permanent employees on the rolls of Company at the end of the year</td><td colspan="3">Employee on the rolls of Company as on 31st Mach 2023 is 614</td></tr>
</table>

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 **-0.8%** and for managerial personnel 66.1%.
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.

**Appointed as Managing Director wef September 23, 2020*
***Appointed as CFO wef January 28, 2022*
****Appointed as CS wef February 1, 2022*
#Since the remuneration of these KMPs is only for part of the year /previous year, the ratio of their remuneration to median and increase, is not comparable.

For and on behalf of the Board of Directors
Nido Home Finance Limited
(Formerly known as Edelweiss Housing Finance Limited)

Rajat Avasthi
MD & CEO
DIN: 07969623

Biswamohan Mahapatra
Chairman & Independent Director
DIN: 06990345

Mumbai
May 8, 2023

Independent Auditors' Report

To the Members of Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)
Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)** ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its Profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 (the 'ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements for the financial year ended March 31, 2023. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
Impairment of financial instruments (including provision for expected credit losses) (as described in note 46.1 of the Ind AS Financial Statements)	
Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its financial instruments using the expected credit loss ('ECL') approach involving an estimation of probability of loss on the financial instruments over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management in respect of following matters: • Defining qualitative/quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'. • Estimation of losses in respect of loans or groups of loans which had no/ minimal defaults in the past. • Grouping of borrowers based on homogeneity by using appropriate statistical techniques. • Staging of loans and estimation of behavioral life. • Determining macro-economic factors impacting credit quality of receivables. The Company has developed models that derive key assumptions used within the provision calculation such as probability of default (PD) and loss given default (LGD). The output of these models is then applied to the provision calculation with other information including the exposure at default (EAD). Given the high degree of management's judgement involved in estimation of ECL, it is an area of material uncertainty and a key audit matter.	• Our audit procedures included considering the Company's accounting policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109 and with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020 ("RBI Guidelines"). • Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories. • Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. • Assessed the additional considerations applied by the management for staging of loans as SICR. • Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • Tested assumptions used by the management in determining the overlay for macro-economic factors. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • Test checked the basis of collateral valuation in the determination of ECL provision. • Compared the disclosures included in the Ind AS Financial Statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director'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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Ind AS Financial Statements

The Company's Management and Board of Directors are 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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

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

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

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and

(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 does not have any pending litigations which would impact its financial position;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

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 to us that, to the best of its knowledge and belief, as disclosed in the note 53(vii)(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiary") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiary;

b) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 53(vii)(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

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

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No.: 119850W

R. P. Soni
Partner
Membership No.: 104796

UDIN:23104796BGWDJD9050

Place: Mumbai
Date: May 08, 2023

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) ('the Company') on the financial statements for the year ended March 31, 2023, we report that:

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which all the property, plant and equipment are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the title deed of immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements is held in the name of the Company.

(d) According to the information and explanations given by the management, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year ended March 31, 2023.

(e) According to the information and explanations given by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not involve inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 20(ii) to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) In our opinion and according to the information and explanations given to us, Company being a non-banking financial company the provisions of clause 3(iii)(a) are not applicable to the Company and hence not commented upon.

(b) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided during the year to companies, firms, Limited Liability Partnerships and other parties are not prejudicial to the Company's interest.

(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 10.1(a) to the 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 10.1(a) to the 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) Company being a Housing Financial Company the provisions of clause 3(iii)(e) are not applicable to the Company and hence not commented upon.

(f) In our opinion and according to the 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 to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantee and securities granted in respect of which the provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) According to the information and explanations given by the management, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) To the best of our knowledge, the Company is not in the business of sale of any goods or provision of such services as prescribed u/s 148 (1) of Companies Act, 2013. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee state insurance, income-tax, service tax, goods and service tax, cess and other material statutory dues, applicable to it, have generally been regularly deposited during the year by the Company with the appropriate authorities. The provisions relating to duty of excise, duty of custom, sales tax, value added tax and cess are not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee state insurance, income-tax, service tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of provident fund, employee state insurance, service tax, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The provisions relating to duty of excise, duty of custom, sales tax, value added tax and cess are not applicable to the Company. The dues outstanding in respect of income tax on account of dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax	4,45,523	AY 2020-21	CIT(A)

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

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

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

(c) In our opinion and according to the information and explanations given to us, term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained.

(d) In our opinion and on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the Company has utilized the monies raised during the year by way of public offer (including debt instruments) in the nature of Non convertible debenture for the purposes for which they were raised.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally convertible) during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that no fraud by the Company or on the Company has been notice or reported during the year.

(b) According to the information and explanations given to us, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor, predecessor auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

(xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

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

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

(b) The Company has valid Certificate of Registration (CoR) from the National Housing Bank as per the National Housing Bank Act, 1987 for conducting Housing Finance activities.

(c) Based on our examination, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) According to the information and explanations given by the management, the Group has one Core Investment Company as part of the Group.

(xvii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not incurred cash losses in the current financial year and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 53 (iii) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no unspent amounts in respect of other than ongoing projects, that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 35.2 to the financial statements.

(b) According to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 35.2 to the financial statement.

(xxi) The Report is part of standalone financials of the Company hence the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No.: 119850W

R. P. Soni
Partner
Membership No.:104796

UDIN: 23104796BGWDJD9050

Place: Mumbai
Date: May 08, 2023

Annexure B to the Auditors' Report

Annexure B the Independent Auditor's report of even date on the financial statements of Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) ("the Company")

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 **Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants 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 with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No.:119850W

R. P. Soni
Partner
Membership No.:104796

UDIN: 23104796BGWDJD9050

Place: Mumbai
Date: May 08, 2023

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Balance Sheet as at March 31, 2023
(Currency : Indian rupees in millions)

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial assets			
Cash and cash equivalents	6	**1,003.39**	2,929.57
Bank balances other than cash and cash equivalents	7	**1,993.25**	2,072.78
Trade receivables	8	**39.89**	56.78
Loans	9	**30,270.43**	30,964.41
Investments	10	**2,804.02**	2,618.06
Other financial assets	11	**1,208.49**	571.82
		37,319.47	39,213.42
Non-financial assets			
Current tax assets (net)	12	**213.55**	113.67
Investment property	14	**23.88**	-
Property, plant and equipment	15	**122.14**	128.32
Other intangible assets	16	**48.81**	5.11
Intangible assets under development	16 (a)	**13.99**	17.35
Other non- financial assets	17	**120.54**	88.72
		542.91	353.17
TOTAL ASSETS		**37,862.38**	39,566.59
LIABILITIES			
Financial liabilities			
Trade payables	18		
(i) total outstanding dues of micro enterprises and small enterprises		**8.17**	5.19
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**98.26**	141.32
Debt securities	19	**7,998.79**	7,935.92
Borrowings (other than debt securities)	20	**9,966.96**	14,485.73
Subordinated liabilities	21	**508.63**	508.63
Other financial liabilities	22	**11,182.87**	8,549.48
		29,763.68	31,626.27
Non-financial liabilities			
Current tax liabilities (net)	23	**13.90**	5.68
Provisions	24	**43.85**	43.98
Deferred tax liabilities (net)	13	**42.46**	71.81
Other non-financial liabilities	25	**53.81**	42.53
		154.02	164.00
Equity			
Equity share capital	26	**693.50**	693.50
Other equity	27	**7,251.18**	7,082.82
		7,944.68	7,776.32
TOTAL LIABILITIES AND EQUITY		**37,862.38**	39,566.59

The accompanying notes are an integral part of the financial statements. 1 to 55

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants
ICAI Firm Registration Number : 119850W

For and on behalf of the Board of Directors
Nido Home Finance Limited
(Formerly Known as Edelweiss Housing Finance Limited)

For R.P.Soni
Partner
Membership No. 104796

Rajat Avasthi
MD & CEO
DIN: 07969623

Biswamohan Mahapatra
Director
DIN: 06990345

Place : Mumbai
Date : May 08, 2023

Tushar Kotecha
Chief Financial Officer

Girish Manik
Company Secretary
Membership No. A26391

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Statement of Profit and Loss for the year ended March 31, 2023
(Currency : Indian rupees in millions)

		Note	For the year ended March 31, 2023	For the year ended March 31, 2022
I.	**Revenue from operations**			
	Interest income	28	**4,163.11**	4,453.13
	Dividend income		**4.12**	-
	Fee and commission income	29	**198.69**	580.70
	Net gain on fair value changes	30	**48.70**	86.33
	Total Revenue from operations		**4,414.62**	5,120.16
II.	**Other income**	31	**32.23**	18.94
III.	**Total Income**		**4,446.85**	5,139.10
IV.	**Expenses**			
	Finance costs	32	**2,958.77**	3,275.68
	Impairment on financial instruments	33	**43.62**	426.39
	Employee benefits expense	34	**650.29**	663.11
	Depreciation, amortisation and impairment	15 &16	**38.45**	40.16
	Other expenses	35	**547.65**	531.94
	Total expenses		**4,238.78**	4,937.28
V.	**Profit/(Loss) before tax**		**208.07**	201.82
VI.	Tax expenses:			
	Current tax	36.1 & 36.2	**77.59**	1.15
	Current tax		**71.89**	12.89
	Short / (Excess) provision for earlier years		**5.70**	(11.74)
	Deferred tax	36.3	**(30.15)**	62.60
VII.	**Profit for the year**		**160.63**	138.07
	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Remeasurement gain / (loss) on defined benefit plans	40	**3.16**	0.12
	Less: Income tax relating to items that will not be reclassified to profit or loss	36.3	**(0.80)**	(0.03)
	Other Comprehensive Income / (loss)		**2.36**	0.09
	Total Comprehensive Income		**162.99**	138.16
	Earnings per equity share (In Rs) (Face value of Rs. 10 each):			
	(a) Basic	38	**2.32**	1.99
	(b) Diluted		**2.32**	1.99

The accompanying notes are an integral part of the financial statements. 1 to 55

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants
ICAI Firm Registration Number : 119850W

For and on behalf of the Board of Directors
Nido Home Finance Limited
(Formerly Known as Edelweiss Housing Finance Limited)

For R.P.Soni
Partner
Membership No. 104796

Rajat Avasthi
MD & CEO
DIN: 07969623

Biswamohan Mahapatra
Director
DIN: 06990345

Tushar Kotecha
Chief Financial Officer

Girish Manik
Company Secretary
Membership No. A26391

Place : Mumbai
Date : May 08, 2023

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Statement of Cash flows for the year ended March 31, 2023
(Currency : Indian rupees in millions)

		For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit before tax	**208.07**	201.82
	Adjustments for		
	Depreciation, amortisation and impairment	**38.45**	40.16
	Impairment on financial instruments	**43.62**	426.39
	Interest on lease liabilities	**12.32**	12.79
	Profit on Lease Modification/Cancellation	**(6.67)**	-
	Fair Value of Financial Instruments	**(11.00)**	19.77
	Bad debts written off/recovery	**(20.79)**	-
	ESOP and SAR cost reimbursement	**3.55**	4.40
	Loss /(Gain) on sale of Property, plant and equipment	**(1.27)**	0.45
	Operating cash flow before working capital changes	**266.28**	705.78
	Add / (Less): Adjustments for working capital changes		
	Decrease/(Increase) in Receivables	**16.00**	45.24
	Decrease/(Increase) in Stock in trade	-	155.83
	Decrease/(Increase) in Receivables from financing business (net)	**651.25**	4,569.79
	Decrease/(Increase) in Other financial assets	**(553.47)**	(886.67)
	Decrease/(Increase) in Investments	**(174.96)**	(1,036.97)
	Decrease/(Increase) in Other non financial assets	**(31.82)**	45.61
	Increase / (Decrease) in Trade payables	**(40.08)**	74.23
	Increase / (Decrease) in Non financial liabilities and provisions	**13.51**	25.37
	Increase / (Decrease) in Other financial liability	**(511.85)**	(821.41)
	Cash flow from operations	**(365.14)**	2,876.80
	Income taxes paid (Net)	**(168.49)**	(104.18)
	Net cash generated from / (used in) operating activities -A	**(533.63)**	2,772.62
B	**Cash flow from investing activities**		
	Purchase of Property, plant and equipment and Intangible assets	**(42.69)**	(4.16)
	Decrease/(Increase) in Capital Work-in-progress and Intangibles under development	**(5.93)**	(14.06)
	Sale of Property, plant and equipment	**2.53**	0.75
	Purchase of Investment property	**(3.09)**	-
	Net cash generated from / (used in) investing activities - B	**(49.18)**	(17.47)
C	**Cash flow from financing activities**		
	Increase / (Decrease) in Debt securities [1]	**118.70**	(3,561.85)
	Increase / (Decrease) in Borrowings other than debt securities [1]	**(4,452.45)**	(8,171.95)
	Securitization liability (including loan assigned under PCG scheme)	**3,027.81**	2,489.28
	Repayment of lease obligations	**(37.43)**	(36.88)
	Net cash used in financing activities - C	**(1,343.37)**	(9,281.40)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(1,926.18)**	(6,526.24)
	Cash and cash equivalent as at the beginning of the year (refer note 6)	**2,929.57**	9,455.81
	Cash and cash equivalent as at the end of the year (refer note 6)	**1,003.39**	2,929.57
	Operational cash flows from interest		
	Interest paid	**1,965.90**	3,065.05
	Interest received	**4,033.13**	4,010.12

Notes:

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

2. For disclosure relating to changes in liabilities arising from financing activities, refer note 37

3. 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.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants
ICAI Firm Registration Number : 119850W

For and on behalf of the Board of Directors
Nido Home Finance Limited
(Formerly Known as Edelweiss Housing Finance Limited)

For R.P.Soni
Partner
Membership No. 104796

Rajat Avasthi
MD & CEO
DIN: 07969623

Biswamohan Mahapatra
Director
DIN: 06990345

Tushar Kotecha
Chief Financial Officer

Girish Manik
Company Secretary
Membership No. A26391

Place : Mumbai
Date : May 08, 2023

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Statement of Changes in Equity for the year ended March 31, 2023
(Currency : Indian rupees in millions)

(a) Equity share capital

	Outstanding as on April 01, 2021	Issued during the year	Outstanding as on March 31, 2022	Issued during the year	Outstanding as on March 31, 2023
Issued, Subscribed and Paid up (Equity shares of Rs.10 each, fully paid-up)	693.50	-	693.50	-	693.50
	693.50	**-**	**693.50**	**-**	**693.50**

(b) Other Equity

	Securities Premium Account	Deemed capital contribution - Equity shares	Reserve under section 29C of the National Housing Bank Act, 1987	Debenture redemption reserve	Retained earnings	Total
Balance at April 01, 2021	**4,075.18**	**33.46**	**547.80**	**341.32**	**1,936.62**	**6,934.38**
Profit or loss	-	-	-	-	138.07	138.07
Remeasurement gain / (loss) on defined benefit plans	-	-	-	-	0.09	0.09
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	138.16	138.16
Transfers to / from retained earnings	-	-	27.62	(85.07)	57.45	-
Reversal of ESOPs charges on cancellation	**-**	**-**	**-**	**-**	10.28	**10.28**
Balance at March 31, 2022	**4,075.18**	**33.46**	**575.42**	**256.25**	**2,142.51**	**7,082.82**
Profit or loss	-	-	-	-	160.63	160.63
Remeasurement gain / (loss) on defined benefit plans	-	-	-	-	2.36	2.36
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**162.99**	**162.99**
Transfers to / from retained earnings	-	-	32.13	-	(32.13)	-
Reversal of ESOPs charges on cancellation	-	-	-	-	5.37	**5.37**
Balance at March 31, 2023	**4,075.18**	**33.46**	**607.55**	**256.25**	**2,278.74**	**7,251.18**

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants
ICAI Firm Registration Number : 119850W

For and on behalf of the Board of Directors
Nido Home Finance Limited
(Formerly Known as Edelweiss Housing Finance Limited)

For R.P.Soni
Partner
Membership No. 104796

Rajat Avasthi
MD & CEO
DIN: 07969623

Biswamohan Mahapatra
Director
DIN: 06990345

Tushar Kotecha
Chief Financial Officer

Girish Manik
Company Secretary
Membership No. A26391

Place : Mumbai
Date : May 08, 2023

1. **Corporate Information:**

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited ('Nido' or 'the Company') is a public limited company domiciled and incorporated on May 30, 2008 under the provisions of the Companies Act applicable in India. The Company is subsidiary of Edelweiss Rural & Corporate Services Limited. The Company is registered as Housing finance institution (without accepting public deposit) with the National Housing Bank (NHB) under section 29A of the NHB Act, 1987, registration no. is 03.0081.10.

The Company's primary business is providing loan to Retail customers for construction or purchase of residential property, loan against property and loans to real estate developers.

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.

2.1 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 expected 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 41-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

2.2 Functional and Presentation Currency

The financial statements are presented in Indian Rupees (`) which is the functional and the presentation currency of the Company and all values are rounded to the nearest Million, except when otherwise indicated.

3. **Significant accounting policies**

3.1 Recognition of Interest income and Dividend income

3.1.1 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. 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 taking into account 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 loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

3.1.2 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 cure and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Penal interest income on delayed EMI or pre EMI is recognised on receipt basis.

3.1.3 Fee and Commission Income

Fee and commission income include fees other than those that are an integral part of EIR. The Company recognises the fee and commission income in accordance with the terms of the relevant contracts / agreements and basis the probability of consideration collection.

3.1.4 Dividend Income

Dividend income is recognised when the Company's right to receive dividend is established on the reporting date.

3.1.5. Other Income

Other Income represents income earned from activities incidental to the business and is recognised when the right to receive income is established as per the terms of the contract. Other ancillary charges are recognized on realisation.

3.2 Financial Instruments:

3.2.1 Date of recognition:

Financial assets and liabilities except for loans and borrowings are initially recognised on the trade date, i.e. the date when Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.

3.2.2 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.

3.2.3 Classification and 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:

- Amortised cost
- Fair value through other comprehensive income [FVOCI]
- Fair value through profit or loss [FVTPL]

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

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

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

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 date. The changes in fair value of financial assets is recognised in Profit and loss account.

3.3 Financial Assets and Liabilities:

3.3.1 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 evidence of a recent pattern of short-term profit is 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.

3.3.2 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.

3.3.3 Financial Guarantee:

Financial guarantees are contract that requires the Company to make specified payments to reimburse to holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantee issued or commitments to provide a loan at below market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently they are measured at higher of this amortised amount and the amount of loss allowance.

3.3.4 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. Un-Cancellable loan commitments are in the scope of the ECL requirements.

3.4 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 has not reclassified any of its financial assets or liabilities in current year and previous year.

3.5 Derecognition of financial Instruments:

3.5.1 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 contractual 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 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.

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.

3.5.2 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 or loss.

3.6 Impairment of financial assets:

The Company records provisions based on expected credit loss model (“ECL”) on all loans, other financial assets not measured at FVTPL undrawn loan commitment and financial guarantee contracts, 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. As ECL considers 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 did not have 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 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 Assets are 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%.

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 loss on the uncancellable loan commitment is recognised together with the loss allowance for the financial asset.

The Company's product offering includes working capital facilities 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.

3.7 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 ECL. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis. However, some collateral, for example, securities relating to margin requirements, is assessed on a daily basis.

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.

3.8 Collateral Repossessed:

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should it 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.

3.9 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 write off as per relevant policy.

3.10 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.

3.11 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 categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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

3.12 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.

3.13 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.

3.14 Retirement and other employee benefit:

3.14.1 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.

3.14.2 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.

3.14.3 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.

3.14.4 Equity-settled share-based payments and Stock Appreciation Rights (SARs):

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.

3.15 Property, Plant and Equipment (PPE):

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

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

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

As per the requirement of Schedule II of the Companies Act, 2013, the 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**
Furniture and fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

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

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

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

3.16 Intangible Assets:

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any. Intangibles such as software are amortised over a period of 3 to 5 years based on its estimated useful life.

3.17 Impairment of non-financial assets:

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

3.18 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.

3.19 Cash and cash equivalents

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

3.20 Income tax expenses:

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

3.20.1 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.

3.20.2 Deferred tax:

Deferred tax is recognised on temporary differences arising 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent 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.

3.20.3 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.

3.21 Investment Properties

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs. Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property.

The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

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

4. Significant accounting judgements, estimates and assumptions:

The preparation of these financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are included are given below:

4.1 Business model assessment:

The Company determines the business model at a level that reflects how the financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed 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 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 instruments.

4.2 Significant increase in credit risk:

As explained in note 46.1, 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. Ind AS 109 does not define what constitutes a significant increase in credit risk. 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. Refer to note 46.1 for more details.

4.3 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.

4.4 Fair value of financial instruments:

The Fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions based on market conditions existing at the end of each reporting period. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk, funding value adjustments, correlation and volatility.

4.5 Effective Interest Rate (EIR) Method:

The Company’s EIR methodology, as explained in Note 3.1.1, 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

4.6 Impairment of Financial assets:

The impairment provisions for the financial assets except assets valued at fair value through Profit & Loss account (FVTPL) are based on assumptions about estimation of the amount and timing of future cash flows, collateral values, assessment of a significant increase in credit risk, probability of default (PD) and Loss given default (LGD) rates. The Company uses judgements in making these assumptions and selecting the inputs for impairment calculations based on its past history, existing market conditions and forward looking estimates at the end of each period. These estimates are driven by number of factors, change in which can result in different level of allowance.

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

- The Company’s internal credit grading model, which assigns PDs to the individual grades based on ageing.
- 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 LTECL basis 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, EADs and LGDs.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

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

4.7 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 exist, 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.

4.8 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.

4.9 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.

4.10 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. Standards issued but not yet effective:

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

(i) Amendment to Ind AS 8 - Definition of Accounting estimates
The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.
The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

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

(ii) Amendment to Ind AS 1- Disclosure of Accounting Policies
The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a

requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Consequential amendments have been made in Ind AS 107.

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

(iii) Amendment to Ind AS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.
The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

Consequential amendments have been made in Ind AS 101.

The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023. The Company is currently assessing the impact of the amendments.

1. **Corporate Information:**

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited ('Nido' or 'the Company') is a public limited company domiciled and incorporated on May 30, 2008 under the provisions of the Companies Act applicable in India. The Company is subsidiary of Edelweiss Rural & Corporate Services Limited. The Company is registered as Housing finance institution (without accepting public deposit) with the National Housing Bank (NHB) under section 29A of the NHB Act, 1987, registration no. is 03.0081.10.

The Company's primary business is providing loan to Retail customers for construction or purchase of residential property, loan against property and loans to real estate developers.

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.

2.1 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 expected 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 41-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

2.2 Functional and Presentation Currency

The financial statements are presented in Indian Rupees (`) which is the functional and the presentation currency of the Company and all values are rounded to the nearest Million, except when otherwise indicated.

3. **Significant accounting policies**

3.1 Recognition of Interest income and Dividend income

3.1.1 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. 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 taking into account 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 loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

3.1.2 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 cure and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Penal interest income on delayed EMI or pre EMI is recognised on receipt basis.

3.1.3 Fee and Commission Income

Fee and commission income include fees other than those that are an integral part of EIR. The Company recognises the fee and commission income in accordance with the terms of the relevant contracts / agreements and basis the probability of consideration collection.

3.1.4 Dividend Income

Dividend income is recognised when the Company's right to receive dividend is established on the reporting date.

3.1.5. Other Income

Other Income represents income earned from activities incidental to the business and is recognised when the right to receive income is established as per the terms of the contract. Other ancillary charges are recognized on realisation.

3.2 Financial Instruments:

3.2.1 Date of recognition:

Financial assets and liabilities except for loans and borrowings are initially recognised on the trade date, i.e. the date when Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.

3.2.2 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.

3.2.3 Classification and 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:

- Amortised cost
- Fair value through other comprehensive income [FVOCI]
- Fair value through profit or loss [FVTPL]

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

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

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

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 date. The changes in fair value of financial assets is recognised in Profit and loss account.

3.3 Financial Assets and Liabilities:

3.3.1 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 evidence of a recent pattern of short-term profit is 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.

3.3.2 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.

3.3.3 Financial Guarantee:

Financial guarantees are contract that requires the Company to make specified payments to reimburse to holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantee issued or commitments to provide a loan at below market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently they are measured at higher of this amortised amount and the amount of loss allowance.

3.3.4 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. Un-Cancellable loan commitments are in the scope of the ECL requirements.

3.4 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 has not reclassified any of its financial assets or liabilities in current year and previous year.

3.5 Derecognition of financial Instruments:

3.5.1 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 contractual 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 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.

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.

3.5.2 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 or loss.

3.6 Impairment of financial assets:

The Company records provisions based on expected credit loss model (“ECL”) on all loans, other financial assets not measured at FVTPL undrawn loan commitment and financial guarantee contracts, 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. As ECL considers 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 did not have 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 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 Assets are 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%.

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 loss on the uncancellable loan commitment is recognised together with the loss allowance for the financial asset.

The Company's product offering includes working capital facilities 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.

3.7 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 ECL. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis. However, some collateral, for example, securities relating to margin requirements, is assessed on a daily basis.

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.

3.8 Collateral Repossessed:

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should it 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.

3.9 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 write off as per relevant policy.

3.10 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.

3.11 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 categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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

3.12 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.

3.13 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.

3.14 Retirement and other employee benefit:

3.14.1 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.

3.14.2 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.

3.14.3 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.

3.14.4 Equity-settled share-based payments and Stock Appreciation Rights (SARs):

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.

3.15 Property, Plant and Equipment (PPE):

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

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

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

As per the requirement of Schedule II of the Companies Act, 2013, the 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
Furniture and fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

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

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

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

3.16 Intangible Assets:

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any. Intangibles such as software are amortised over a period of 3 to 5 years based on its estimated useful life.

3.17 Impairment of non-financial assets:

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

3.18 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.

3.19 Cash and cash equivalents

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

3.20 Income tax expenses:

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

3.20.1 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.

3.20.2 Deferred tax:

Deferred tax is recognised on temporary differences arising 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent 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.

3.20.3 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.

3.21 Investment Properties

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs. Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property.

The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

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

4. Significant accounting judgements, estimates and assumptions:

The preparation of these financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are included are given below:

4.1 Business model assessment:

The Company determines the business model at a level that reflects how the financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed 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 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 instruments.

4.2 Significant increase in credit risk:

As explained in note 46.1, 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. Ind AS 109 does not define what constitutes a significant increase in credit risk. 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. Refer to note 46.1 for more details.

4.3 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.

4.4 Fair value of financial instruments:

The Fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions based on market conditions existing at the end of each reporting period. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk, funding value adjustments, correlation and volatility.

4.5 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 3.1.1, 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

4.6 Impairment of Financial assets:

The impairment provisions for the financial assets except assets valued at fair value through Profit & Loss account (FVTPL) are based on assumptions about estimation of the amount and timing of future cash flows, collateral values, assessment of a significant increase in credit risk, probability of default (PD) and Loss given default (LGD) rates. The Company uses judgements in making these assumptions and selecting the inputs for impairment calculations based on its past history, existing market conditions and forward looking estimates at the end of each period. These estimates are driven by number of factors, change in which can result in different level of allowance.

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

- The Company's internal credit grading model, which assigns PDs to the individual grades based on ageing.

- 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 LTECL basis 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, EADs and LGDs.

- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

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

4.7 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 exist, 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.

4.8 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.

4.9 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.

4.10 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. Standards issued but not yet effective:

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

(i) Amendment to Ind AS 8 - Definition of Accounting estimates
The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.
The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

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

(ii) Amendment to Ind AS 1- Disclosure of Accounting Policies
The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a

requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Consequential amendments have been made in Ind AS 107.

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

(iii) Amendment to Ind AS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.
The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

Consequential amendments have been made in Ind AS 101.

The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023. The Company is currently assessing the impact of the amendments.

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements for the year ended March 31, 2023 (Continued)
(Currency : Indian rupees in millions)

		As at March 31, 2023	As at March 31, 2022
6	**Cash and cash equivalents**		
	Cash on hand	-	0.01
	Balance with banks		
	- in current accounts	**958.06**	2,026.12
	- in fixed deposits with original maturity less than three	**45.33**	903.44
		1,003.39	2,929.57
7	**Bank balances other than cash and cash equivalents**		
	Fixed deposits with original maturity less than 3 months	-	1,112.07
	Fixed deposits with original maturity more than three months and less than 12 months	**1,713.11**	730.61
	Fixed deposits with original maturity more than 12 months	**280.14**	230.10
		1,993.25	2,072.78
7.A	**Encumbrances on fixed deposits with bank held by the Company**		
	Given as credit enhancements towards securitisation/ assignment under partial credit guarantee scheme	**1,180.12**	910.76
	Given as collateral against the Bank Overdrafts (refer note 39a)	-	1,117.00
8	**Trade receivables**	**March 31, 2023**	March 31, 2022
	Receivables considered good - non-related party	**28.74**	16.44
	Receivables considered good - related party - (Refer note 43)	**11.71**	42.73
	Receivables which have significant increase in credit risk	**6.52**	3.80
		46.97	62.97
	Less : Allowance for expected credit losses	**(7.08)**	(6.19)
		39.89	56.78
		39.89	56.78

(Currency : Indian rupees in millions)

9(a) Trade Receivables Ageing

As at March 31, 2023

Particulars	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment #					
(i) Undisputed Trade receivables – considered good	40.45	-	-	-	-	40.45
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	6.52	-	-	6.52
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Receivable (A)	**40.45**	**-**	**6.52**	**-**	**-**	**46.97**
(i) Undisputed Trade receivables – considered good	0.56	-	-	-	-	0.56
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	6.52	-	-	6.52
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
ECL Provision on receivables (B)	**0.56**	**-**	**6.52**	**-**	**-**	**7.08**
Receivables net of provision = (A)-(B)	**39.89**	**-**	**-**	**-**	**-**	**39.89**

\# Unbilled amount is due Rs Nil.

As at March 31, 2022

Particulars	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment #					
(i) Undisputed Trade receivables – considered good	59.17	-	-	-	-	59.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	3.76	0.04	-	3.80
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Receivable (A)	59.17	-	3.76	0.04	0.00	62.97
(i) Undisputed Trade receivables – considered good	2.39	-	-	-	-	2.39
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	3.76	0.04	-	3.80
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
ECL Provision on receivables (B)	2.39	-	3.76	0.04	-	6.19
Receivables net of provision = (A)-(B)	56.78	-	-	-	-	56.78

\# Unbilled amount is Rs 0.01 Million

Reconciliation of impairment allowance on trade receivables:	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Impairment allowance measured as per simplified approach		
Impairment allowance - Opening Balance	**(6.19)**	(4.19)
(Add)/less: change due to receivable balance / bucketing (net)	**(0.89)**	(2.00)
Impairment allowance - Closing Balance	**(7.08)**	(6.19)

Note: For disclosure relating to trade receivable ageing/ provision matrix, refer note 48

(Currency : Indian rupees in millions)

		As at March 31, 2023	As at March 31, 2022
9	**(i) Loans (at amortised cost)**		
	A. Term Loans		
	(i) Housing Loans	**21,053.04**	19,994.85
	(ii) Non Housing Loans	**9,213.13**	11,453.87
	Total (I)	**30,266.17**	31,448.72
	(II) Loans At Fair Value through Profit and Loss		
	Credit Substitutes		
	(i) Housing Loans	-	-
	(ii) Non Housing Loans	425.88	-
		425.88	**-**
	Less: Impairment loss allowance	-	
	Total (I) +(II)- Gross	**30692.05**	**31448.72**
	Less: Impairment loss allowance	(421.62)	(484.31)
		30,270.43	**30,964.41**
	B. Term Loans		
	(i) Secured by tangible assets (Refer note 46.1.2)	**30,067.12**	31,432.08
	(ii) Unsecured	**624.93**	16.64
	Total (B) - Gross	**30,692.05**	31,448.72
	Less: Impairment loss allowance	**(421.62)**	(484.31)
	Total (B) - Net	**30,270.43**	30,964.41
	C. Term Loans		
	C.I Loans in India		
	(i) Public Sectors	-	-
	(ii) Others	**30,692.05**	31,448.72
	Total (C.I) - Gross	**30,692.05**	31,448.72
	Less: Impairment loss allowance	**(421.62)**	(484.31)
	Total (C.I) - Net	**30,270.43**	30,964.41
	C.II Loans outside India	**-**	-
	Less: Impairment loss allowance	**-**	-
	Total (C.II) - Net	-	-
	Total: (C I and C II)	**30,270.43**	30,964.41

Notes:

(i) The non-housing loan referred in note 10(A)(i) includes an amount of Rs. 632.23 million (previous year includes Rs. 657.66 million) being mortgage credit insurance premium payable by the obligor on housing loan.

(ii) There were no loans given against the collateral of gold jewellery and hence the percentage of such loans to the total outstanding asset is Nil (previous year Nil).

(iii) Loans which are repayable on demand or without specifying any terms or period of repayment are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

	As on March 31, 2023	
Type of Borrower	**Loan outstanding**	**% to the total outstanding Loans**
Promoter	-	0.00%
Directors	-	0.00%
KMP's	-	0.00%
Related Parties	-	0.00%
Total	-	0.00%

	As on March 31, 2022	
Type of Borrower	Loan outstanding	% to the total outstanding loans
Promoter	-	0.00%
Directors	-	0.00%
KMP's	-	0.00%
Related Parties	-	0.00%
Total	-	0.00%

(Currency : Indian rupees in millions)

9.1. Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 46.1 and policies on ECL allowances are set out in Note 3.6.

(a) Gross carrying amount of loan assets allocated to Stage 1, Stage 2 and Stage 3

	As at March 31, 2023				As at March 31, 2022			
Particulars	**Stage I**	**Stage II**	**Stage III**	**Total**	Stage I	Stage II	Stage III	Total
Loans (at amortised cost)								
Performing								
High grade	**26,824.38**	**-**	**-**	**26,824.38**	27,937.60	-	-	27,937.60
Standard grade	**-**	**3,280.14**	**-**	**3,280.14**	-	2,883.82	-	2,883.82
Non-performing								
Impaired	**-**	**-**	**587.53**	**587.53**	-	-	627.30	627.30
Total	**26,824.38**	**3,280.14**	**587.53**	**30,692.05**	27,937.60	2,883.82	627.30	31,448.72

(i) The Company has taken necessary steps to recover the amount of all overdue cases. All the recovery process are as per the terms mentioned in the agreement and are in compliant with RBI and NHB guidelines
(ii) There are 417 loan accounts classified as stage 3 (including cases classified as non performing asset (NPA) as per the RBI Guidelines) having overdue amount of Rs. 119.04 million as at March 31, 2022.

(b) Reconciliation of changes in gross carrying amount and the corresponding ECL in relation to loan assets are, as follows:

For the year ended March 31, 2023	**Non-credit impaired**				**Credit impaired**		**Total**	
	Stage I		**Stage II**		**Stage III**			
Particulars	**Gross carrying amount**	**Allowance for ECL**	**Gross carrying amount**	**Allowance for ECL**	**Gross carrying amount**	**Allowance for ECL**	**Gross carrying amount**	**Allowance for ECL**
Opening Balance	**27,937.60**	**89.22**	**2,883.82**	**226.15**	**627.30**	**166.10**	**31,448.72**	**481.47**
Transfers:								
Transfers to 12 Month ECL (Stage 1)	730.07	54.49	(561.24)	(28.17)	(168.83)	(26.31)	-	-
Transfers to lifetime ECL (Stage 2)	(820.79)	(5.05)	906.13	18.29	(85.35)	(13.24)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(319.33)	(1.60)	(388.07)	(30.11)	707.40	31.71	-	-
Net remeasurement of ECL arising from transfer of stage	-	(50.39)	-	30.65	-	52.64	-	32.90
Net new and further lending/ (repayments)	(702.19)	2.98	444.61	(23.36)	(59.10)	(35.46)	(316.68)	(55.85)
Amounts written off	(0.98)	(0.08)	(5.11)	(3.07)	(23.81)	(8.80)	(29.90)	(11.96)
Loans sold to assets reconstruction company	-	-	-	-	(410.09)	(28.56)	(410.09)	(28.56)
Closing balance	**26,824.38**	**89.56**	**3,280.14**	**190.37**	**587.53**	**138.07**	**30,692.05**	**418.00**
For the year ended March 31, 2022								
Opening Balance	30,886.26	82.28	4,291.50	279.42	1,275.82	130.36	36,453.58	492.06
Transfers:								
Transfers to 12 Month ECL (Stage 1)	1,435.00	91.64	(1,271.30)	(75.13)	(163.70)	(16.51)	-	-
Transfers to lifetime ECL (Stage 2)	(1,003.36)	(7.46)	1,050.03	12.15	(46.67)	(4.69)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(515.83)	(3.46)	(981.44)	(59.68)	1,497.27	63.13	-	(0.01)
Net remeasurement of ECL arising from transfer of stage	-	(86.61)	-	50.16	-	60.52	-	24.07
Net new and further lending/ (repayments)	(2,856.38)	13.33	(204.45)	19.57	(16.19)	68.14	(3,077.02)	101.04
Amounts written off	(8.09)	(0.50)	(0.52)	(0.34)	(79.32)	(12.83)	(87.93)	(13.67)
Loans sold to assets reconstruction company	-	-	-	-	(1,839.91)	(122.02)	(1,839.91)	(122.02)
Closing balance	27,937.60	89.22	2,883.82	226.15	627.30	166.10	31,448.72	481.47

(Currency : Indian rupees in millions)

9.2. Credit Quality of exposure (Loan Commitment)

(a) Gross carrying amount of loan commitment allocated to Stage 1, Stage 2 and Stage 3

	As at March 31, 2023				As at March 31, 2022			
Particulars	**Stage I**	**Stage II**	**Stage III**	**Total**	Stage I	Stage II	Stage III	Total
Loans (at amortised cost)								
Performing								
High grade	1,364.56	-	-	1,364.56	859.47	-	-	859.47
Standard grade	-	32.25	-	32.25	-	8.50	-	8.50
Non-performing	-	-	-	-	-	-	-	-
Impaired	-	-	3.11	3.11	-	-	3.94	3.94
Total	**1,364.56**	**32.25**	**3.11**	**1,399.92**	859.47	8.50	3.94	871.91

(b) Reconciliation of changes in gross carrying amount and the corresponding ECL in relation to loan commitment are, as follows:

<u>For the year ended March 31, 2023</u>

Particulars	**Non-credit impaired Stage I Gross carrying amount**	**Non-credit impaired Stage I Allowance for ECL**	**Stage II Gross carrying amount**	**Stage II Allowance for ECL**	**Credit impaired Stage III Gross carrying amount**	**Credit impaired Stage III Allowance for ECL**	**Total Gross carrying amount**	**Total Allowance for ECL**
As at April 01, 2022	**859.47**	**0.71**	**8.50**	**0.45**	**3.94**	**1.68**	**871.91**	**2.84**
Transfers:								
Transfers to 12 Month ECL (Stage 1)	5.86	0.08	(5.86)	(0.08)	-	(0.00)	-	(0.00)
Transfers to lifetime ECL (Stage 2)	(24.85)	(0.48)	26.18	0.55	(1.33)	(0.07)	(0.00)	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(2.62)	(0.44)	(0.49)	(0.10)	3.11	0.54	-	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-	-	-	-	-
Net new sanctions and (disbursements)	526.69	2.34	3.93	0.04	(2.61)	(1.61)	528.01	0.78
Closing balance	**1,364.56**	**2.21**	**32.25**	**0.87**	**3.11**	**0.54**	**1,399.92**	**3.62**

<u>For the year ended March 31, 2022</u>

Particulars	Stage I Gross carrying amount	Stage I Allowance for ECL	Stage II Gross carrying amount	Stage II Allowance for ECL	Stage III Gross carrying amount	Stage III Allowance for ECL	Total Gross carrying amount	Total Allowance for ECL
As at April 01, 2021	1,257.25	0.97	10.02	0.58	13.99	1.40	1,281.26	2.95
Transfers:								
Transfers to 12 Month ECL (Stage 1)	3.71	0.29	(1.83)	(0.11)	(1.88)	(0.18)	-	-
Transfers to lifetime ECL (Stage 2)	(29.03)	(0.03)	29.03	0.03	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(18.61)	(0.01)	(0.29)	-	18.90	0.01	-	-
Net remeasurement of ECL arising from transfer of stage	-	-	-	-	-	-	-	-
Net new sanctions and (disbursements)	(353.85)	(0.51)	(28.43)	(0.05)	(27.07)	0.45	(409.35)	(0.11)
Closing balance	859.47	0.71	8.50	0.45	3.94	1.68	871.91	2.84

(Currency : Indian rupees in millions)

10 Investments

As at March 31, 2023	**At Amortised cost (1)**	**At fair value**			**Subtotal 5 = (2+3+4)**	**At cost (6)**	**Total (7)= (1+5+6)**
		Through OCI (2)	**Through P&L (3)**	**Designated at fair value through Profit or loss (4)**			
Security receipts (refer note below)	-	-	2,174.31	-	2,174.31	-	2,174.31
Investment in Pass Through Certificate (PTC)	502.37	-	-		-	-	502.37
Investment in Mutual Fund	-	-	127.34	-	127.34	-	127.34
Total - Gross (A)	**502.37**	**-**	**2,301.65**	**-**	**2,301.65**	**-**	**2,804.02**
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	502.37	-	2,301.65	-	2,301.65	-	2,804.02
Total (B)	**502.37**	**-**	**2,301.65**	**-**	**2,301.65**	**-**	**2,804.02**
Less: Allowance for impairment (net) (C)	-	-	-	-	-	-	-
Total Net (A-C)	**502.37**	**-**	**2,301.65**	**-**	**2,301.65**	**-**	**2,804.02**

As at March 31, 2022	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Security receipts (refer note below)	-	-	2,618.06	-	2,618.06	-	2,618.06
Total - Gross (A)	-	-	2,618.06	-	2,618.06	-	2,618.06
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	2,618.06	-	2,618.06	-	2,618.06
Total (B)	-	-	2,618.06	-	2,618.06	-	2,618.06
Less: Allowance for impairment net (C)	-	-	-	-	-	-	-
Total Net (A-C)	-	-	2,618.06	-	2,618.06	-	2,618.06

Note:

1 During the year ended March 31, 2023, the Company sold financial assets amounting to Rs. 335.45 million (Previous year Rs 1,925.70 million) (net of losses) to various asset reconstructions company trusts (‘ARC Trusts’) and acquired security receipts (SR) amounting to Rs. 285.13 million (previous year Rs 1636.93 million) respectively from these ARC Trusts. Ind AS 109 – ‘Financial Instruments’, prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from the Company’s financial statements. EFSL, the holding company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were derecognised in Company’s financial statements.

(Currency : Indian rupees in millions)

10.1 Investments

	As at March 31, 2023			As at March 31, 2022		
	Face value	**Quantity**	**Amount**	Face value	Quantity	Amount
Security Receipts						
EARC Trust SC 401	814.19	5,89,050	470.74	814.37	9,81,750	796.80
EARC Trust SC 418	768.39	2,73,190	209.92	881.99	2,73,190	240.95
EARC Trust SC 447	874.27	5,66,270	495.07	977.12	5,66,270	553.31
EARC Trust SC 451	770.32	2,94,440	226.81	957.87	2,94,440	282.02
EARC Trust SC 459	811.43	1,37,100	111.25	1,000.00	1,37,100	137.10
Omkara PS33/2020-21 Trust	1,000.00	5,39,478	557.59	1,000.00	5,85,378	607.88
CFMARC Trust - 112	1,000.00	1,10,330	102.93			
Pass Through Certificates (PTC)						
RF Trust -3	5,02,400.00	1,000	502.37	-	-	-
Mutual Fund						
Aditya Birla Sun Life Liquid Fund	100.23	12,70,504	127.34	-	-	-
Total			**2,804.02**			2,618.06

(Currency : Indian rupees in millions)

		As at March 31, 2023	As at March 31, 2022
11	**Other financial assets**		
	(unsecured, considered good)		
	Security Deposits	**52.65**	21.67
	Liquid Collateral with trust for Securitisation transactions	**715.94**	294.98
	Advances to others	**439.90**	255.17
		1,208.49	571.82
12	**Current tax assets (net)**		
	Advance income taxes (net of provision for tax Rs. 319.23 million, previous year Rs. 575.26 million)	**213.55**	113.67
		213.55	113.67
13	**Deferred tax assets (net)**		
	Deferred tax assets		
	Loans		
	Provision for Expected credit loss	**107.99**	122.77
	Effective Interest Rate on financials assets	**6.91**	6.65
	Property, plant and equipment and intangibles		
	Difference between book and tax WDV (Net) (including intangibles)	**10.33**	11.48
	Employee benefit obligations		
	Provision for compensated absences	**1.06**	2.16
	Disallowances under section 43B of the Income Tax Act, 1961	**8.54**	8.86
	Loss on sale of stressed assets to ARC	**11.30**	-
	Lease liability	**33.50**	35.07
		179.63	186.99
	Deferred tax liabilities		
	Investments and other financial instruments		
	Unamortised excess interest spread on loan assignment	**77.86**	113.39
	Interest Receivable on Stage 3 (On transition to Ind AS)	-	1.35
	Borrowings		
	Effective interest rate on financial liabilities	**7.36**	9.92
	Right-of-use Asset (ROU)	**27.88**	28.14
	Special Reserve u/s 36(1) (viii)	**106.66**	101.02
	Gain / (Loss) on Fair value of Investments (Net)	**2.33**	4.98
		222.09	258.80
		(42.46)	**(71.81)**

Note: For disclosure relating to movement of deferred tax assets/ liabilities, refer note 36.3

14 Investment Property

	As at March 31, 2023	As at March 31, 2022
Real Estate		
Gross Carrying amount		
Opening Gross carrying amount	-	-
Additions	**23.88**	-
Disposal	-	-
Closing gross carrying amount (a)	**23.88**	-
Accumlated Depreciation/Impairment		
Opening Accumlated depreciation/Impairment	-	-
Depreciation/Impairment charge	-	-
Depreciation on sale/Impairment reversal	-	-
Closing accumulated depreciation/Impairment (b)	-	-
Net Carrying value of Investment Property (a)-(b)	**23.88**	-

14.1 The Company has entered into debt assets swap,wherein the net carrying amount of the investment property taken over stood at Rs 23.88 millions as at March 31, 2023.(Previous Year Rs Nil). The properties taken over by the Company is a residential property located in key Metro cities. The properties are being held for capital appreciation,which the Company will dispose off at an appropriate time in accordance with the applicable regulations.

14.2 Fair Value

Particulars	As at March 31, 2023	As at March 31, 2022
Fair Value of Investment Property	**23.88**	-

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements for the year ended March 31, 2023 (Continued)
(Currency : Indian rupees in millions)

15 Property, Plant and Equipment

Description of Assets	**Gross Block**				**Accumulated Depreciation, amortisation and Impairment**				**Net Block**
	As at April 1, 2022	**Additions during the year**	**Disposals during the year**	**As at March 31, 2023**	**As at April 1, 2022**	**Charge for the year**	**Disposals during the year**	**As at March 31, 2023**	**As at March 31, 2023**
Land*	**1.21**	**-**	**-**	**1.21**	**-**	**-**	**-**	**-**	**1.21**
Leasehold improvements	**18.05**	**2.12**	**0.05**	**20.12**	**12.97**	**3.25**	**0.05**	**16.17**	**3.95**
Furniture and Fixtures	**8.43**	**1.15**	**0.83**	**8.75**	**4.59**	**1.11**	**0.54**	**5.16**	**3.59**
Office equipment	**10.05**	**1.61**	**0.58**	**11.08**	**8.14**	**1.04**	**0.49**	**8.69**	**2.39**
Computers	**43.29**	**0.55**	**20.69**	**23.15**	**38.86**	**1.24**	**19.77**	**20.33**	**2.82**
Right-of-use Asset (ROU) (refer note 44)	**206.76**	**33.34**	**8.10**	**232.00**	**94.91**	**29.30**	**0.39**	**123.82**	**108.18**
Total	**287.79**	**38.77**	**30.25**	**296.31**	**159.47**	**35.94**	**21.24**	**174.17**	**122.14**

*Charged against secured redeemable non-convertible debentures

Property, Plant and Equipment (Previous Year)

Description of Assets	Gross Block				Accumulated Depreciation, amortisation and Impairment				Net Block
	As at April 1, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at April 1, 2021	Charge for the year	Disposals during the year	As at March 31, 2022	As at March 31, 2022
Land*	1.21	-	-	1.21	-	-	-	-	1.21
Leasehold improvements	18.08	2.09	2.12	18.05	10.70	4.26	1.99	12.97	5.08
Furniture and Fixtures	8.65	0.93	1.15	8.43	4.35	1.16	0.92	4.59	3.84
Vehicles	0.32	-	0.32	-	0.23	-	0.23	-	-
Office equipment	11.01	0.47	1.43	10.05	8.15	1.27	1.28	8.14	1.91
Computers	58.85	0.28	15.84	43.29	51.50	2.60	15.24	38.86	4.43
Right-of-use Asset (ROU) (refer note 44)	161.42	51.58	6.24	206.76	66.33	29.51	0.93	94.91	111.85
Total	259.54	55.35	27.10	287.79	141.26	38.80	20.59	159.47	128.32

*Charged against secured redeemable non-convertible debentures

(Currency : Indian rupees in millions)

16 Other Intangible Assets

Description of Assets	Gross Block				Accumulated Amortisation and Impairment				Net Block
	As at April 1, 2022	Additions during the year	Disposals during the year	As at March 31, 2023	As at April 1, 2022	Charge for the year	Disposals during the year	As at March 31, 2023	As at March 31, 2023
Other Intangible Assets									
Software	**20.06**	**46.21**	**-**	**66.27**	**14.95**	**2.51**	**-**	**17.46**	**48.81**
Total	**20.06**	**46.21**	**-**	**66.27**	**14.95**	**2.51**	**-**	**17.46**	**48.81**

Other Intangible Assets (Previous Year)

Description of Assets	Gross Block				Accumulated Amortisation and Impairment				Net Block
	As at April 1, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at April 1, 2021	Charge for the year	Disposals during the year	As at March 31, 2022	As at March 31, 2022
Other Intangible Assets									
Software	15.95	4.20	0.09	20.06	13.68	1.36	0.09	14.95	5.11
Total	15.95	4.20	0.09	20.06	13.68	1.36	0.09	14.95	5.11

16 (a) Intangible Assets Under Development

Intangible Assets Under Development Ageing as at March 31, 2023

Intangible Assets Under Development	**Amount in Intangible Assets Under Development for a period of**				**Total**
	Less than 1 year	**1-2 Years**	**2-3 years**	**More than 3 years**	
Project in progress	13.99	-	-	-	13.99
Total	**13.99**	**-**	**-**	**-**	**13.99**

Intangible Assets Under Development Ageing as at March 31, 2022

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

(Currency : Indian rupees in millions)

		As at March 31, 2023	As at March 31, 2022
17	**Other non-financial assets**		
	Input tax credit (Goods and Services Tax)	**53.36**	19.53
	Prepaid expenses	**26.83**	21.40
	Advance to vendors	**39.07**	44.91
	Advances to employees	**1.28**	2.88
		120.54	88.72
18	**Trade Payables**		
	Trade payables to non-related parties	**85.66**	89.93
	Trade payables to related parties - (Refer note 43)	**20.77**	56.58
		106.43	146.51

18.1. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act) has been determined to the extent such parties have been identified on the basis of Information available with the Company. The amount of principal and interest outstanding during the year is given below:

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
(a) The principal amount remaining unpaid to any supplier as at the end of each accounting year	**8.17**	**5.14**
(b) The interest due thereon remaining unpaid to any supplier as at the end of each accounting year	**0.00**	**0.05**
(c) The amount of interest due and payable for the period of delay in making payment (which have been but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e)The amount of interest accrued and remaining unpaid at the year end	-	-
(f)The amount of further interest remaining due and payable even in the succeeding years, until such date the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

18.2. Trade Payable Ageing

Particulars	**Outstanding from March 31, 2023 #**				
	Less than 1 Year	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	**8.17**	-	-	-	**8.17**
(ii) Others	**92.71**	**2.55**	**0.74**	**2.26**	**98.26**
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**100.88**	**2.55**	**0.74**	**2.26**	**106.43**

Unbilled amount is Rs 36.25 million

Particulars	Outstanding from March 31, 2022 #				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	5.19	-	-	-	5.19
(ii) Others	138.10	0.81	1.76	0.65	141.32
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	143.29	0.81	1.76	0.65	146.51

Unbilled amount is Rs 80.25 million.

19	**Debt securities (In India)**		
	(At amortised cost)		
	Non-convertible redeemable debentures (Secured)		
	Privately Placed Non-convertible debentures	**1,768.91**	4,194.21
	Publicly Placed Non-convertible debentures	**6,229.88**	3,741.71
		7,998.79	7,935.92

Note: For disclosure relating to repayment and other terms, refer note 50

(Currency : Indian rupees in millions)

	As at March 31, 2023	As at March 31, 2022
20 Borrowings other than debt securities (In India)		
(At amortised cost)		
Term loans (secured)		
- From Banks	**9,049.91**	11,897.48
- From National Housing Bank	**917.05**	1,324.40
	9,966.96	13,221.88
Note: For disclosure relating to repayment and other terms, refer note 49		
Bank overdraft (secured)	**-**	61.44
[Secured by charge on receivables from financing business] Bank overdraft is in nature of Committed Cash Credit lines repayable on demand. (Interest rate range, March-23: 8.50% - 10.50%, March-22: 8.50% - 10.25%)		
Working capital demand loan (WCDL)	**-**	1,200.00
[Secured by charge on receivables from financing business] WCDL is in nature of short term loan. (Interest rate range, March-23: 8% - 9.70%, March-22: 7.75% - 9.70%)		
Loan from related parties (Unsecured)	**-**	2.41
(Interest rate payable Nil (previous year 11.46% - 14.30%)		
	9,966.96	14,485.73

Notes:-

(i) Company has not declared wilful defaulter by any bank or financial Institution or other lender.

(ii) All the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

	As at March 31, 2023	As at March 31, 2022
21 Subordinated liabilities (In India)		
(At amortised cost)		
Non-convertible subordinated debentures (Unsecured)	**508.63**	508.63
	508.63	508.63
Note: For disclosure relating to repayment and other terms, refer note 51		

	As at March 31, 2023	As at March 31, 2022
22 Other financial liabilities		
Securitisation liability (including loan assigned under PCG* scheme)	**10,764.29**	7,769.69
Investor payable on account of assigned loans	**52.83**	342.99
Other payables	**174.03**	159.75
Book overdraft	**-**	44.18
Payable to employees	**58.62**	93.55
Lease liabilities (Refer note 44)	**133.10**	139.32
	11,182.87	8,549.48

* Partial Credit Guarantee Scheme

(Currency : Indian rupees in millions)

		As at March 31, 2023	As at March 31, 2022
23	**Current tax liabilities (net)**		
	Provision for taxation	**13.90**	5.68
	(net of advance tax Rs. 851.04 million, previous year Rs. 619.93 million)		
		13.90	5.68
24	**Provisions**		
	Provision for employee benefits (Refer note 40)		
	Gratuity	**33.95**	35.19
	Compensated leave absences	**4.21**	8.57
	Provision for expenses	**5.69**	0.22
		43.85	43.98
25	**Other non-financial liabilities**		
	Revenue received in advance	**1.06**	0.66
	Payable to others	**26.71**	17.65
	Statutory dues payable	**26.04**	24.22
		53.81	42.53

(Currency : Indian rupees in millions)

		As at March 31, 2023	As at March 31, 2022
26	**Equity share capital**		
	Authorised :		
	7,50,00,000 (Previous year: 7,50,00,000) equity shares of Rs.10 each	**750.00**	750.00
		750.00	750.00
	Issued, Subscribed and Paid up:		
	6,93,50,000 (Previous year: 6,93,50,000) Equity shares of Rs. 10, fully paid-up	**693.50**	693.50
		693.50	693.50

(a) ***Movement in share capital :***

	As at March 31, 2023		As at March 31, 2022	
	No of shares	**Amount**	No of shares	Amount
Outstanding at the beginning of the year	**6,93,50,000**	**693.50**	6,93,50,000	693.50
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	**6,93,50,000**	**693.50**	6,93,50,000	693.50

(b) ***Terms/rights attached to equity shares :***

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

(c) **Shares held by holding/ultimate holding company and/or their subsidiaries**

	As at March 31, 2023		As at March 31, 2022	
	No of shares	**%**	No of shares	%
Ultimate Holding / Holding company				
Edelweiss Financial Services Limited (EFSL), the ultimate holding company*	**34,69,775**	**5.00%**	34,69,775	5.00%
Edelweiss Rural & Corporate Services Limited, the holding company	**3,83,00,000**	**55.23%**	3,83,00,000	55.23%
Fellow subsidiaries				
Edel Finance Company Limited	**2,75,80,225**	**39.77%**	2,75,80,225	39.77%
	6,93,50,000	**100.00%**	6,93,50,000	100.00%

*Including six equity shares held by nominees of EFSL.

(d) **There are no shares reserved for issue under options and contracts / commitments for the sale of shares/ disinvestment.**

(e) **Shares held by promoters at the end of the financial year March 31, 2023**

	As at March 31, 2023		
Promoter Name	**No. of Shares**	**% of total shares**	**%change during the year**
Ultimate Holding / Holding company			
Edelweiss Financial Services Limited, the ultimate holding company*	34,69,775	5.00%	No change
Edelweiss Rural & Corporate Services Limited, the holding company	3,83,00,000	55.23%	No change
Fellow subsidiaries			
Edel Finance Company Limited	2,75,80,225	39.77%	No change
Total	**6,93,50,000**	**100.00%**	

*Including six equity shares held by nominees of EFSL.

Shares held by promoters at the end of the financial year March 31, 2022

	As at March 31, 2022		
Promoter Name	No. of Shares	% of total shares	%change during the year
Ultimate Holding / Holding company			
Edelweiss Financial Services Limited, the ultimate holding company	34,69,775	5.00%	-25.35%
Edelweiss Rural & Corporate Services Limited, the holding company	3,83,00,000	55.23%	No change
Fellow subsidiaries			
Edel Finance Company Limited	2,75,80,225	39.77%	25.35%
Total	**6,93,50,000**	**100.00%**	

(f) No bonus shares have been issued b the Company during five years immediately preceding the Balance Sheet date.
(g) No shares have been bought back by the Company during the five years immediately preceding the current year.
(h) There are no securities that are convertible into Equity Shares.

(Currency : Indian rupees in millions)

27	**Other Equity**	**31, 2023**	As at March 31, 2022
	Securities Premium	**4,075.18**	4,075.18
	Statutory Reserve	**607.55**	575.42
	Debenture Redemption Reserve	**256.25**	256.25
	Deemed capital contribution - Equity	**33.46**	33.46
	Retained Earnings	**2,278.74**	2,142.51
		7,251.18	7,082.82

Note: For movement in Other Equity, refer 'Statement of changes in Equity'

27.1 Nature and purpose of Reserves

(a) **Securities Premium**

Securities premium is used to record the premium on issue of shares. Balance in Securities premium can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(b) **Reserve under section 29C of the National Housing Bank Act, 1987**

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

(c) **Debenture Redemption Reserve**

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. Company being Housing Finance Company (HFC) has to maintain Debenture Redemption reserve upto 25% of the value of debentures issued through public issue. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings. However, as per the amendment in the Companies Act 2013, debenture redemption reserve is not required for debentures issued by Non-Banking Finance Companies (including HFC) regulated by Reserve Bank of India for both public as well as privately placed debentures.

(d) **Deemed capital contribution - Equity**

This reserve relates to Share options granted to eligible employees of the Company by the parent company under its employee share option plan.

(e) **Retained Earnings**

Retained earnings comprises of the Company’s undistributed earnings after taxes.

(Currency : Indian rupees in millions)

		For the year ended March 31, 2023	For the year ended March 31, 2022
28	**Interest Income (at amortised cost)**		
	Interest on Loans	**3,868.19**	4,030.38
	Interest income from securities held for trading/Investment	**0.04**	13.21
	Interest on term deposits with bank	**95.30**	108.24
	Other interest income	**28.75**	25.97
	Interest income -Pass throgh Certificates	**57.53**	-
	Income on direct assignment	**113.30**	275.33
		4,163.11	4,453.13
29	**Fee and commission income**		
	Fee and commission income	**198.69**	580.70
		198.69	580.70
30	**Net gain on fair value changes**		
(a)	**On trading portfolio**		
	Gain on buy back of debt securities (amortised cost)	**-**	6.30
	Profit on sale of mutual fund units (FVTPL)	**59.60**	19.14
	Profit on sale of equity shares (FVTPL)	**-**	49.66
	Profit/(Loss) on sale of debt instruments (FVTPL)	**0.10**	(8.54)
(b)	**Investments**		
	Fair Value Gain / (Loss) on Mutual Fund (FVTPL)	**(0.09)**	-
	Fair Value Gain / (Loss) on Security Receipts (FVTPL)	**(10.52)**	19.77
	Others		
	Fair Value Gain / (Loss) on Loans (FVTPL)	**(0.39)**	-
		48.70	86.33
31	**Other income**		
	Other non operating income	**32.23**	18.94
		32.23	18.94

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements for the year ended March 31, 2023 (Continued)
(Currency : Indian rupees in millions)

	For the year ended March 31, 2023	For the year ended March 31, 2022
32 Finance costs (at amortised cost)		
Interest on borrowings	**1,111.92**	1,679.51
Interest on Securitisation liabilities (Including loan assigned under PCG scheme	**932.13**	436.88
Interest on debt securities	**833.72**	1,065.51
Interest on subordinated liabilities	**56.25**	56.27
Other interest expense (including bank charges)	**12.43**	24.72
Interest on lease liabilities	**12.32**	12.79
	2,958.77	3,275.68
33 Impairment on financial instruments		
Loss on sale of loan assets sold to assets reconstruction company	**74.64**	347.14
Bad debts and advances written off	**30.79**	87.93
Diminution in value of investments	**-**	-
Provision for expected credit loss (at amortised cost) (including on loan commitments)	**(61.81)**	(8.68)
	43.62	426.39
34 Employee benefit expenses		
Salaries and wages	**573.47**	602.17
Contribution to provident and other funds	**31.74**	26.78
Gratuity Expense (refer note 40)	**9.23**	7.38
ESOP and SAR (Refer note below)	**3.55**	4.40
Staff welfare expenses	**32.30**	22.38
	650.29	663.11

Note:
Edelweiss Financial Services Limited ("EFSL") the ultimate holding Company has granted an Employee stock option plan (ESOP)/ Stock Appreciation Rights (SAR) option to acquire equity shares of EFSL that would vest in a graded manner to Company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options /rights, Company has accepted such cross charge and recognised the same under the employee cost.

(Currency : Indian rupees in millions)

		For the year ended March 31, 2023	For the year ended March 31, 2022
35	**Other expenses**		
	Advertisement and business promotion	**2.11**	0.14
	Commission and brokerage	**1.28**	0.54
	Communication	**5.76**	3.91
	Directors' sitting fees	**1.43**	0.82
	Legal and professional fees	**136.51**	110.28
	Printing and stationery	**3.18**	3.88
	Loan origination costs amortised	**70.00**	112.69
	Rent, rates and taxes	**117.33**	99.75
	Repairs and maintenance	**6.12**	5.93
	Electricity charges	**9.52**	7.00
	Computer expenses	**50.27**	28.45
	Corporate social responsibility (refer note 35.2)	**1.72**	7.60
	Rating support fees	**8.29**	7.70
	Office expenses	**28.78**	46.48
	Postage and courier	**1.89**	3.61
	Goods and Service tax expenses	**47.35**	51.52
	Stamp duty	**19.33**	11.60
	Auditors' remuneration (refer note 35.1)	**3.84**	6.93
	Travelling and conveyance	**30.60**	17.55
	Miscellaneous expenses	**2.34**	5.56
		547.65	531.94
35.1	**Auditors' remuneration:**		
	As an Auditor		
	Statutory Audit	**1.70**	2.00
	Limited Review	**1.20**	2.60
	Certification	**0.89**	2.29
	Towards reimbursement of expenses	**0.05**	0.04
		3.84	6.93
35.2	**Details of CSR Expenditure:**		
	As per the provisions of Section 135 of Companies Act 2013,		
a)	Amount required to be spent by the Company	**1.72**	7.60
b)	Amount of expenditure incurred		
	(i) Construction/ Acquisition of any assets	-	-
	(ii) on purpose other than (i) above	**1.72**	7.60
c)	shortfall at the end of the year		
	(i) Construction/ Acquisition of any assets	-	-
	(ii) on purpose other than (i) above	-	-
d)	Total of previous years shortfall,	-	-
e)	Reason for shortfall,	**Not Applicable**	Not Applicable
f)	Details of related party transactions (Refer note 43)		
	Name of Related Party	EdelGive Foundation	
	Relationship	Fellow Subsidiary	
g)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation	-	-
h)	Nature of CSR activities		

For the year ended March 31, 2023 and March 31, 2022

Education Working to enhance child learning through work with system and community and support to the development of contextual literature for children

(Currency : Indian rupees in millions)

36 Income tax

36.1 The components of income tax expense:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	**71.89**	12.89
Short / (Excess) provision for earlier years	**5.70**	(11.74)
Deferred tax relating of items between book and tax profits	**(30.15)**	62.60
Total tax charge	**47.44**	63.75
Current tax	**77.59**	1.15
Deferred tax	**(30.15)**	62.60

36.2 Reconciliation of total tax charge

Accounting profit before tax as per financial statements	**208.07**	201.82
Tax rate (in percentage)	**25.17%**	25.17%
Income tax expense calculated based on this tax rate	**52.37**	50.79
Adjustment in respect of current income tax of prior years	**5.70**	(11.74)
Effect of income not subject to tax:		
Income on closure/modification of leases	**9.42**	(1.11)
Adjustment on account of Valuation of Securities (ICDS)	**-**	0.79
Deduction u/s 35D of Income tax Act, 1961	**(0.08)**	(0.08)
Contribution towards Corporate Social Responsibility	**0.43**	1.91
ESOP and SAR cost reimbursement	**0.89**	0.75
Effect of non–deductible expenses:		
Others	**(21.29)**	22.44
Impact of tax rate changes (between two accounting periods)	**-**	-
Tax charge for the year recorded in P&L	**47.44**	63.75
Effective tax rate	**22.80%**	31.59%

(Currency : Indian rupees in millions)

36 Income tax

36.3 Movement of Deferred Tax assets / (liabilities)

For the Year Ended March 31, 2023

	Deferred tax asset / (liability) (Opening)	**In profit or loss**	**In OCI**	**Directly in equity**	**Total movement**	**Deferred tax asset / (liability) (Closing)**
Deferred taxes in relation to:						
Deferred Tax Assets						
Loans						
Provision for Expected credit loss	122.77	(14.78)	-	-	(14.78)	107.99
Effective interest rate on financial assets	6.65	0.26	-	-	0.26	6.91
Employee benefit obligations						
Provision for compensated absences	2.16	(1.10)	-	-	(1.10)	1.06
Disallowances under section 43B of the Income Tax Act, 1961	8.86	0.48	(0.80)	-	(0.32)	8.54
Property, plant and equipment and intangibles						
Difference between book and tax WDV (including intangibles)	11.48	(1.15)	-	-	(1.15)	10.33
Loss on sale of stressed assets to ARC	-	11.30			11.30	11.30
Lease liability	35.07	(1.57)	-	-	(1.57)	33.50
Deferred Tax Liabilities						
Investments and other financial instruments						
Unamortised excess interest spread on loan assignment	(113.39)	35.53	-	-	35.53	(77.86)
Interest Receivable on Stage 3 (On transition to Ind AS)	(1.35)	1.35			1.35	-
Borrowings						
Effective interest rate on financial Liabilities	(9.92)	2.56	-	-	2.56	(7.36)
Right-of-use Asset (ROU)	(28.14)	0.26	-	-	0.26	(27.88)
Special Reserve u/s 36 (I) (viii)	(101.02)	(5.64)	-	-	(5.64)	(106.66)
Gain / (Loss) on Fair value of Security Receipts (Net)	(4.98)	2.64	-	-	2.64	(2.33)
Total	**(71.81)**	**30.15**	**(0.80)**	**-**	**29.35**	**(42.46)**
For the Year Ended March 31, 2022						
Deferred Tax Assets						
Provision for expected credit loss	136.84	(14.07)	-	-	(14.07)	122.77
Effective interest rate on financial assets	6.12	0.53	-	-	0.53	6.65
Employee benefit obligations						
Provision for compensated absences	1.24	0.92	-	-	0.92	2.16
Disallowances under section 43B of the Income Tax Act, 1961	18.25	(9.36)	(0.03)	-	(9.39)	8.86
Property, plant and equipment and intangibles						
intangibles)	11.26	0.22	-	-	0.22	11.48
Lease liability	30.59	(0.50)	-	-	(0.50)	35.07
Others	32.40	(32.40)	-	-	(32.40)	-
Deferred Tax Liabilities						
Investments and other financial instruments						
Unamortised excess interest spread on loan assignment	(107.87)	(5.52)	-	-	(5.52)	(113.39)
Interest Receivable on Stage 3 (On transition to Ind AS)	(1.87)	0.52	-	-	0.52	(1.35)
Borrowings						
Effective interest rate on financial Liabilities	(13.52)	3.60	-	-	3.60	(9.92)
Right-of-use Asset (ROU)	(23.92)	-	-	-	-	(28.14)
Gain / (Loss) on Fair value of Security Receipts (Net)	-	(4.22)			(4.22)	(4.98)
Special Reserve u/s 36 (I) (viii)	(98.70)	(2.32)	-	-	(2.32)	(101.02)
Total	(9.18)	(62.60)	(0.03)	-	(62.63)	(71.81)

(Currency:Indian rupees in million)

37 Cash Flow Disclosure

Change in Liabilities arising from financing activities

Particulars	**As at March 31, 2022**	**Cash Flows**	**Changes in Fair value**	**Others***	**As at March 31, 2023**
Debt Securities	7,935.92	118.70	-	(55.83)	7,998.79
Borrowings other than Debt Securities	14,485.73	(4,452.45)	-	(66.32)	9,966.96
Subordinated Liabilities	508.63	-	-	-	508.63
Securitization liability (including loan assigned under PCG scheme)	7,769.69	3,027.82	-	(33.22)	10,764.29
	30,699.97	**(1,305.93)**	**-**	**(155.37)**	**29,238.67**

Particulars	As at March 31, 2021	Cash Flows	Changes in Fair value	Others*	As at March 31, 2022
Debt Securities	11,676.75	(3,561.85)	-	(178.98)	7,935.92
Borrowings other than Debt Securities	22,628.38	(8,171.95)	-	29.30	14,485.73
Subordinated Liabilities	508.61	-	-	0.02	508.63
Securitization liability (including loan assigned under PCG scheme)	5,266.66	2,489.28	-	13.75	7,769.69
	40,080.40	(9,244.52)	-	(135.91)	30,699.97

*Other column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

(Currency : Indian rupees in millions)

38. 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.

	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit attributable to Equity holders of the Company - A	**160.63**	138.07
Weighted average Number of Shares		
- Number of equity shares outstanding at the beginning of the year	**6,93,50,000**	6,93,50,000
- Number of equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	**6,93,50,000**	6,93,50,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	**6,93,50,000**	6,93,50,000
Nominal value of equity shares (in rupees)	**10.00**	10.00
Basic and diluted earnings per share (in rupees) (A/B)	**2.32**	1.99

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at the year end.

39. Contingent Liability and Commitment:

(a) Contingent Liability

	As at March 31, 2023	As at March 31, 2022
Taxation matters	**Nil**	Nil
Litigation pending against the company	**Nil**	Nil
Corporate guarantee not acknowledged as debt	**Nil**	950.00

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with Income Tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

(b) Commitment:

	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances)	**1.95**	10.52
Loan sanctioned pending disbursements	**1,399.92**	871.91

(Currency : Indian rupees in millions)

40 Retirement and other 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 recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised Rs. 30.18 millions (March 31, 2022 : Rs 25.30 Millions) for provident fund in the Statement of profit and loss.

(b) Defined benefit plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972. The gratuity benefit is partially provided through funded plan and annual expense is charged to the statement of profit and loss on the basis of actuarial

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation (DBO) for gratuity are 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, are measured using the Projected Unit

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 defined benefit obligations (A)	**33.95**	35.20
Fair Value of plan assets (B)	**-**	-
Present value of defined benefit obligations (A-B)	**33.95**	35.20
Net deficit / (assets) are analysed as:		
Liabilities	**33.95**	35.20
Assets	**-**	-

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:

		Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022
(i)	**Present value of defined benefit obligations (opening)**	**35.20**	32.51	-	-	**35.20**	32.51
	Current service cost	**7.09**	5.70	-	-	**7.09**	5.70
	Past service cost	-	-			-	-
	Interest cost	**2.14**	1.68	-	-	**2.14**	1.68
		44.43	39.89	-	-	**44.43**	39.89
(ii)	**Other comprehensive Income**						
	Remeasurement Actuarial loss (gain) arising from :						
	Experience	**0.36**	(0.69)	-	-	**0.36**	(0.69)
	Financial and demographic assumptions	**(3.52)**	0.57	-	-	**(3.52)**	0.57
	Expected return from plan assets	-	-	-	-	-	-
		(3.16)	(0.12)	-	-	**(3.16)**	(0.12)
(iii)	**Others**						
	Transfer In/ (Out)	**1.10**	1.15			**1.10**	1.15
	Contributions by Employer	-	-	-	-	-	-
	Benefits paid	**(8.41)**	(5.73)	-	-	**(8.41)**	(5.73)
		(7.31)	(4.58)	-	-	**(7.31)**	(4.58)
(iv)	**Closing Balance (i) + (ii) + (iii)**	**33.95**	35.20	-	-	**33.95**	35.20
	Represented by:						
	Net defined benefit asset					-	-
	Net defined benefit liability					**33.95**	35.20

(Currency : Indian rupees in millions)

40 Retirement and other employee benefits

Components of defined benefit plan cost:

		For the year ended March 31, 2023	For the year ended March 31, 2022
(i)	**Recognised in Statement of profit or loss**		
	Current service cost	**7.09**	5.70
	Interest cost	**2.14**	1.68
	Expected return on plan assets	-	-
	Past service cost	-	-
		9.23	7.38
(ii)	**Recognised in other comprehensive income**		
	Remeasurement of net defined benefit liability/(asset)	**(3.16)**	(0.12)
	Return on plan assets excluding net interest	-	-
		(3.16)	(0.12)
	Total (i) + (ii)	**6.07**	7.26

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)	**31.00%**	16.00%
Interest Rate on Net DBO/ (Asset)	**5.90%**	5.00%
Mortality Rate	**IALM 2012-14 (Ult.)**	IALM 2012-14 (Ult.)
Expected weighted average remaining working lives of employees	**2 Years**	4 Years

Sensitivity analysis:

	As at March 31, 2023		As at March 31, 2022	
	Increase	**Decrease**	Increase	Decrease
Salary Growth Rate (+/- 1%)	**0.87**	**(0.87)**	1.84	(1.69)
Discount Rate (+/- 1%)	**(0.86)**	**0.88**	(1.69)	1.88
Withdrawal Rate (+/- 1%)	**0.00**	**(0.00)**	(0.10)	0.10
Mortality (increase in expected lifetime by 1 year)	**Negligible Change**		2	
Mortality (increase in expected lifetime by 3 year)	**Negligible Change**		6	

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis.

Asset liability comparisons:	**As at March 31, 2023**	As at March 31, 2022
Present value of DBO	**33.95**	35.20
Fair Value of Plan assets	-	-
Net (Assets)/Liability	**33.95**	35.20

(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. The leave encashment on separation is paid on basic salary.

(Currency : Indian rupees in millions)

41. Maturity Analysis of assets and liabilities

	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	1,003.39	-	1,003.39	2,929.57	-	2,929.57
Bank balances other than cash and cash equivalents	1,943.79	49.46	1,993.25	2,052.17	20.61	2,072.78
Trade receivables	39.89	-	39.89	56.78	-	56.78
Loans	6,479.63	23,790.80	30,270.43	8,037.00	22,927.41	30,964.41
Investments	456.79	2,347.23	2,804.02	319.70	2,298.36	2,618.06
Other financial assets	401.33	807.16	1,208.49	255.36	316.46	571.82
Non-financial assets						
Current tax assets (net)	-	213.55	213.55	-	113.67	113.67
Investment property	-	23.88	23.88	-	-	-
Property, plant and equipment	-	122.14	122.14	-	128.32	128.32
Intangible assets under development	-	13.99	13.99	-	17.35	17.35
Other intangible assets	-	48.81	48.81	-	5.11	5.11
Other non- financial assets	120.54	-	120.54	88.72	-	88.72
Total Assets	**10,445.35**	**27,417.03**	**37,862.38**	13,739.30	25,827.29	39,566.59
Financial Liabilities						
Trade payables	106.43	-	106.43	146.51	-	146.51
Debt securities	351.26	7,647.53	7,998.79	2,679.85	5,256.07	7,935.92
Borrowings (other than debt securities)	5,131.22	4,835.74	9,966.96	7,540.06	6,945.67	14,485.73
Subordinated liabilities	8.63	500.00	508.63	8.63	500.00	508.63
Other financial liabilities	2,244.57	8,938.30	11,182.87	2,262.56	6,286.92	8,549.48
Non-financial liabilities						-
Current tax liabilities (net)	13.90	-	13.90	5.68	-	5.68
Provisions	43.85	-	43.85	43.98	-	43.98
Deferred tax liabilities (net)	-	42.46	42.46	-	71.81	71.81
Other non-financial liabilities	53.81	-	53.81	42.53	-	42.53
Total Liabilities	**7,953.67**	**21,964.03**	**29,917.70**	12,729.80	19,060.47	31,790.27
Net	**2,491.68**	**5,453.00**	**7,944.68**	1,009.51	6,766.81	7,776.32

(Currency : Indian rupees in millions)

42 Segment Information

The Company is operating under single business segment i.e. to provide loans for purchase or construction of residential houses, loan against properties and loans to real estate developers. Accordingly, there is no separate reportable segment and hence no disclosure is made under Ind AS 108 - 'Operating Segment Reporting'. Further, segmentation based on geography has not been presented as the Company operates only in India.

43 Related Party Disclosures

i. List of related parties and relationship:

Name of related parties by whom control is exercised :

Ultimate Holding Company	Edelweiss Financial Services Limited
Holding Company	Edelweiss Rural & Corporate Services Limited
Fellow Subsidiaries (with whom transactions have taken place)	ECap Securities & Investments Limited (formerly known as ECap Equities Limited w.e.f May 10, 2022)
	Edelweiss Investment Adviser Limited
	ECL Finance Limited
	Edelweiss Rural & Corporate Services Limited
	Edelweiss Asset Reconstruction Company Limited
	Edelweiss Asset Reconstruction Company Limited Trust
	EARC Trust SC 401
	EARC Trust SC 418
	EARC Trust SC 447
	EARC Trust SC 451
	EARC Trust SC 459
	ECap Equities Limited (formerly known as Edel Land Limited w.e.f December 21, 2022)
	Edelweiss Retail Finance Limited
	Zuno General Insurance Limited (formerly known as Edelweiss General InsuranceCompany Limited w.e.f December 27, 202
	EdelGive Foundation
	Edel Investments Limited
	Edelweiss Tokio Life Insurance Company Limited
	Edelweiss Alternative Asset Advisors Limited
Fellow Associates (Cessed to be associates w.e.f March 30, 2023)	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited w.e f August 18, 2022)
	Nuvama Wealth and Investment Limited (formerly known as Edelweiss BrokingLimited w.e.f September 30, 2022)
	Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited w.e.f October 17, 2022)
	Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited w.e.f September 19, 2022)
Independent Director	Mr. Sunil Phatarphekar (w.e.f. Apr 13, 2020)
	Mr. Biswamohan Mahapatra
	Mr. Gautam Chatterjee
Key Management Personnel (with whom transactions have taken place)	Mr. Deepak Mittal
	Mr. Phanindranath Kakarla (Resigned w.e f Nov 1, 2022)
	Mr. Shilpa Gattani (Resigned w.e f Nov 1, 2022)
	Ms. Shama Asnani (w.e f January 25, 2023)
	Mr. Rajat Avasthi (MD & CEO)
	Mr. Tushar Kotecha (Chief Finance Officer)
	Mr. Girish Manik (Company Secretary)

ii. Transactions with related parties :

Nature of Transaction	Related Party Name	For the year ended March 31, 2023	For the year ended March 31, 2022
Capital Account Transactions:			
Short term loans taken from	*Sum of transactions during the period*		
	ECap Equities Limited	-	500.00
	Edelweiss Retail Finance Limited	-	250.00
	Sum of transactions during the period		
	ECap Equities Limited	-	500.00
	Edelweiss Retail Finance Limited	-	250.00
Short term loans repaid to	*Sum of transactions during the period*		
	ECap Equities Limited	-	500.00
	Edelweiss Retail Finance Limited	-	250.00
Short term loans given to	*Sum of transactions during the period*		
	ECap Equities Limited	**3,600.00**	-
	ECL Finance Limited	**4,040.00**	7,950.00
	Edelweiss Retail Finance Limited	**-**	6,500.00
	Edelweiss Rural & Corporate Services Limited	**6,200.00**	4,400.00
	ECap Securities And Investments Limited	**1,800.00**	-

(Currency : Indian rupees in millions)

Short term loans repaid by	*Sum of transactions during the period*		
	ECap Equities Limited	**3,000.00**	-
	ECL Finance Limited	**4,040.00**	8,950.00
	Edelweiss Retail Finance Limited	-	6,500.00
	Edelweiss Rural & Corporate Services Limited	**6,200.00**	4,400.00
	ECap Securities And Investments Limited	**1,800.00**	-
Loan portfolio purchase under direct assignment	ECL Finance Limited	**1,998.46**	1,005.78
	Edelweiss Retail Finance Limited	-	282.82
Loan sold to ARC trust	Edelweiss Asset Reconstruction Company Limited	**-**	1,925.70
Loan sold under Securitisation	Edelweiss General Insurance Company Limited	-	100.83
	Edelweiss Tokio Life Insurance Company Limited	**-**	997.36
Investment in Security Receipt issued by at book Value	EARC Trust SC 417	-	365.93
	EARC Trust SC 418	-	273.19
	EARC Trust SC 447	-	566.27
	EARC Trust SC 451	-	294.44
	EARC Trust SC 459	**-**	137.10
Sale of Security Receipts	Edelweiss Asset Reconstruction Company Limited Trust	**319.73**	-
	Edelweiss Retail Finance Limited	-	378.65
Purchase of bonds from	ECL Finance Limited	-	150.72
	Edelweiss Retail Finance Limited	-	0.20
Redemption of bonds held in	Edelweiss Rural & Corporate Services Limited	**-**	94.78
Current Account Transactions:			
Interest Expenses on loan from	ECap Equities Limited	**-**	0.61
	Edelweiss Retail Finance Limited	**-**	2.08
Interest Income on loan to	ECL Finance Limited	**44.19**	71.62
	ECap Equities Limited	**80.75**	-
	Edelweiss Retail Finance Limited	-	19.32
	Edelweiss Rural & Corporate Services Limited	**122.70**	93.46
	ECap Securities And Investments Limited	**23.64**	-
Interest Income on security deposit to			
	Edelweiss Rural & Corporate Services Limited	**-**	11.74
	ECap Equities Limited	**-**	9.39
Interest Expenses on Non convertible Debentures	ECL Finance Limited	**0.49**	8.68
	Nuvama Wealth Finance Limited	**0.16**	0.02
	Edelweiss Retail Finance Limited	**0.51**	0.81
	Edelweiss Tokio Life Insurance Company Limited	**5.01**	2.58
	Zuno General Insurance Limited	**0.82**	-
	ECap Equities Limited	**0.49**	-
Interest Income on non convertible debentures	Edelweiss Rural & Corporate Services Limited	**-**	13.21

(Currency : Indian rupees in millions)

Cost reimbursement paid (net)	Edelweiss Financial Services Limited	**1.17**	1.42
	Edelweiss Rural & Corporate Services Limited	**0.02**	0.99
	ECL Finance Limited	**3.04**	1.61
	Nuvama Wealth Management Limited	-	0.00
	ECap Equities Limited	**1.52**	0.06
	Nuvama Wealth and Investment Limited	-	0.08
	Edelweiss Retail Finance Limited	**0.49**	0.38
Cost reimbursement received from (net)	Nuvama Clearing Services Limited	**0.00**	-
Cost reimbursement of technology cost	Edelweiss Financial Services Limited	**0.68**	-
	Edelweiss Rural & Corporate Services Limited	**50.87**	47.98
	ECL Finance Limited	**6.58**	4.96
Reimbursement of ESOP cost	Edelweiss Financial Services Limited	**3.55**	4.40
Corporate Guarantee fee paid	ECap Equities Limited	**0.03**	0.03
	Edelweiss Rural & Corporate Services Limited	**0.03**	0.02
Risk and reward sharing fee expense	Edelweiss Financial Services Limited	-	1.94
Reimbursement of ARC management fee from	Edelweiss Financial Services Limited	**11.39**	89.03
Service fee received from	Edelweiss Retail Finance Limited	**0.07**	0.26
	ECL Finance Limited	**0.39**	0.11
Service charges paid	Edelweiss Retail Finance Limited	**0.81**	1.50
	ECL Finance Limited	**1.08**	1.44
Shared Premises Cost paid (net)	ECL Finance Limited	**22.48**	27.50
	Edelweiss Retail Finance Limited	**2.38**	8.66
	Nuvama Wealth and Investment Limited	-	0.07
	ECap Equities Limited	**16.61**	1.80
Shared Premises Cost received (net)	Nuvama Clearing Services Limited	**0.10**	-
	Zuno General Insurance Limited	-	0.26
	Edelweiss General Insurance Company Limited	-	0.26
	Edelweiss Financial Services Limited	-	0.01
	Edelweiss Rural & Corporate Services Limited	-	0.15
Corporate Guarantee fee received from	Edelweiss Rural & Corporate Services Limited	**0.00**	0.01
Rating support fees paid to	Edelweiss Rural & Corporate Services Limited	-	0.13
		-	
Professional fees paid to	ECL Finance Limited	-	0.55
		-	-
Management Fees paid to	Edelweiss Asset Reconstruction Company Limited	**19.40**	76.72
Enterprise service charge paid to	Edelweiss Rural & Corporate Services Limited	**0.69**	0.63
	ECL Finance Limited	-	20.12
Director Sitting fees	Mr.Sunil Phatarphker		
	Mr.Biswamohan Mahapatra	**1.43**	0.82
	Mr Gautam Chatterjee		
Remuneration to	Mr.Tushar Kotecha		-
	Mr.Girish Manik	**40.85**	32.38
	Mr. Rajat Avasthi		
	Mr. Manish Dhanuka	-	
	Ms. Riddhi Parekh	-	

Purchase of Property, plant and equipment			
	ECL Finance Limited	**-**	0.43
	Edelweiss Investment Advisors Limited	**-**	0.00
	Edelweiss Retail Finance Limited	**0.14**	0.33
	Edelweiss Rural & Corporate Services Limited	**-**	0.07
Sale of Property, plant and equipment	Nuvama Wealth and Investment Limited	**-**	0.00
	Nuvama Clearing Services Limited	**-**	0.00
	Edelweiss Insurance Brokers Limited		0.00
	Edelweiss Rural & Corporate Services Limited	**0.01**	0.00
	Nuvama Wealth Management Limited	**-**	0.00
	Edelweiss Alternative Asset Advisors Limited	**0.01**	-
	Edelweiss Investment Advisors Limited	**0.00**	-
Expenses Paid (Brokerage and Commission)	Nuvama Wealth and Investment Limited	**97.40**	0.03
	Edelweiss Financial Services Limited	**2.50**	-
	Edel Investments Limited	**0.02**	0.01
Security Deposit Paid (Rental)	ECap Equities Limited	**13.68**	-
	ECL Finance Limited	**14.60**	-
Security Deposit Refund (Rental)	Edelweiss Tokio Life Insurance Company Limited	**0.04**	-
Advisory fees earned from	ECL Finance Limited	**28.22**	17.50
	Edelweiss Retail Finance Limited	**2.97**	4.30
CSR expenses paid to	EdelGive Foundation	**1.72**	7.60
Corporate Guarantee Issued	Edelweiss Rural & Corporate Services Limited	**950.00**	-
Amount paid to broker for Cash segment	Nuvama Wealth Management Limited	**-**	237.53
	Edelweiss Investment Limited	**-**	148.08
Amount received from broker for Cash segment	Nuvama Wealth Management Limited	**-**	333.83
	Edelweiss Investment Limited	**-**	168.09
Margin Placed	Nuvama Wealth Management Limited	**-**	80.00
	Edelweiss Investment Limited	**-**	113.00
Margin Withdrawal	Nuvama Wealth Management Limited	**-**	86.00
	Edelweiss Investment Limited	**-**	113.00

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements for the year ended March 31, 2023 (Continued)
(Currency : Indian rupees in millions)

Balances with related party

Non convertible debentures held by (Face value)	Nuvama Wealth Finance Limited	-	0.16
	ECL Finance Limited	-	8.33
	Edelweiss Retail Finance Limited	**1.80**	7.47
	Edelweiss Tokio Life Insurance Company Limited	**55.80**	25.80
	Zuno General Insurance Limited	**10.00**	-
	ECap Equities Limited	**17.83**	-
Short term loan given to	ECap Equities Limited	**600.00**	-
Interest Payable on Short term borrowings to	Edelweiss Retail Finance Limited	-	0.11
Interest expense accrued on Short term borrowings	ECap Equities Limited	-	0.54
	Edelweiss Retail Finance Limited	-	1.87
Interest Income accrued on loan to	ECL Finance Limited	**5.11**	7.38
	Edelweiss Rural & Corporate Services Limited	-	9.26
	ECap Equities Limited	**8.39**	
	ECap Securities And Investments Limited	**11.43**	
Interest accrued but not due on Non convertible debentures held by	Nuvama Wealth Finance Limited	-	0.01
	Edelweiss Retail Finance Limited	**0.13**	0.52
	ECL Finance Limited	-	0.58
	Edelweiss Tokio Life Insurance Company Limited	**2.00**	1.81
	Zuno General Insurance Limited	**0.08**	-
	ECap Equities Limited	**1.56**	-
Trade Payables to	Edelweiss Financial Services Limited	**0.04**	4.88
	ECL Finance Limited	**4.57**	22.09
	Edelweiss Retail Finance Limited	**0.25**	6.22
	Nuvama Wealth and Investment Limited	-	0.11
	Edelweiss Rural & Corporate Services Limited	**11.00**	21.28
	ECap Equities Limited	**4.91**	2.00
Other Payable to	Edelweiss Financial Services Limited	**1.47**	0.63
Trade Receivables from	ECL Finance Limited	**1.47**	13.26
	Edelweiss Financial Services Limited	**9.65**	24.46
	Edelweiss Retail Finance Limited	**0.57**	3.68
	ECap Equities Limited	**0.00**	0.57
	Zuno General Insurance Limited	**0.00**	-
	Edelweiss Rural & Corporate Services Limited	**0.00**	0.72
	Edelweiss Tokio Life Insurance Company Limited	**0.00**	0.00
	Nuvama Clearing Services Limited	-	0.02
Security Deposit Placed (Rental)	ECap Equities Limited	**13.68**	-
	Edelweiss Tokio Life Insurance Company Limited	**0.11**	-
	ECL Finance Limited	**14.60**	-
Other Receivable from	ECL Finance Limited	**0.69**	0.93
	Edelweiss Retail Finance Limited	**0.41**	0.08
	Edelweiss Rural & Corporate Services Limited	**0.00**	0.14
Investment in Security Receipts (Books value) issued by	Edelweiss Asset Reconstruction Company Limited Trust		
	EARC Trust SC 401	**479.60**	799.51
	EARC Trust SC 418	**209.92**	240.95
	EARC Trust SC 447	**495.07**	553.31
	EARC Trust SC 451	**226.79**	282.02
	EARC Trust SC 459	**111.24**	137.10
Non-fund Based			
Corporate Guarantee taken from	Edelweiss Financial Services Limited	**917.05**	1,324.40
	Edelweiss Rural & Corporate Services Limited	**1,353.24**	1,612.82
	ECap Equities Limited	**412.64**	280.22
Corporate Guarantee Given to	Edelweiss Rural & Corporate Services Limited	-	950.00
Risk and Rewards sharing arrangement	Edelweiss Financial Services Limited	**1,840.28**	2,208.60

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 The above list contain name of only those related parties with whom the Company has undertaken transactions for the year ended March 31, 2023 and March 31, 2022.

(Currency : Indian rupees in millions)

44 Leases

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance as at April 1	111.85	95.09
Addition	33.34	51.58
Lease pre-closure (Net)	(7.71)	(5.31)
Amortisation for the year	(29.30)	(29.51)
Balance as at March 31	**108.18**	**111.85**

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance as at April 1	139.32	121.54
Additions/ reversal (net)	33.34	51.58
Interest on lease liabilities	12.32	12.79
Lease pre-closure (Net)	(14.45)	(9.71)
Repayment of lease obligation	(37.43)	(36.88)
Balance as at March 31	**133.10**	**139.32**

44.3. Amounts recognised in profit or loss:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Amortization of right-of-use assets	29.30	29.51
Interest expense on lease liabilities	12.32	12.79
Reversal of lease pre-closure	(6.74)	(4.40)
Total	**34.88**	**37.90**

44.4. Total Cash outflow for leases:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash outflow of long term leases	37.43	36.88
Cash outflow of short term leases	1.95	0.55
Total	**39.38**	**37.43**

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

	As at March 31, 2023	As at March 31, 2022
Less than 1 year	38.36	40.03
1-3 years	65.15	67.35
3-5 years	28.96	54.14
More than 5 years	2.63	5.72
Total	**135.10**	**167.24**

45 *Cost sharing*

Edelweiss Financial Services Limited, being the ultimate 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 34 and 35 include reimbursements paid and are net of reimbursements received based on the management's best estimates are Rs. 105.73 million (previous year Rs. 94.83 million)

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements for the year ended March 31, 2023 (Continued)
(Currency : Indian rupees in millions)

46. Risk Management

(a) Introduction and risk profile

Risk is an inherent part of Company's business activities. When the Company extends a corporate or retail loan, buy or sell 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.

(b) Risk Management Structure

The Company 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 Company has also established a Risk Committee that is responsible for managing the risk arising out of various business activities.

Company's 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, Company follows conservative lending norms. The Company centralises the risk monitoring systems to monitor it's 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.

(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. Company's key business processes are regularly monitored by the business and/or operation heads. Company's loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of 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 Quarterly briefing is given to the Board of Directors and all other relevant stakeholder on the utilisation

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, that they decide to take on. 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 it's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees’ annual ratings and remuneration reviews.

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements for the year ended March 31, 2023 (Continued)
(Currency : Indian rupees in millions)

(d) Types of Risks

The Company's risks are generally categorized in the following risk types:

Risk	Exposure Arising from	Measurement	Management of risk
Credit Risk	Cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging Analysis, Credit Ratings	Credit limits and regular monitoring.
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
Market Risk	Investments in Government Securities, Treasury Bills, Equity Shares, Futures & Options	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the exposure at an acceptable level, with option of taking Interest Rate Swaps/Futures if deemed necessary.
Operational & Process Risk	Absence of defined process, Miscommunication/lack of clear ownership, Incomplete/missing documentation, 3rd party/service provider errors, Absence of backup / checkers	Losses from failed transactions processing on account of gaps/absence of defined processes	Regular monitoring to keep the losses at an acceptable level, process monitoring at regular intervals, internal and external audit
Business risk	Change in competition/political/or regulatory environments	Impact analysis of the change in macro economic conditions and align the extant appetite with the changed environment	Periodic review of change in macro-economic environment
Fraud risk	Employee/ customer/ 3rd party or vendor fraud	Measurement of loss arising from a single fraud instance and cumulative fraud instance , any incidents arising from employee fraud , outsourcing vendors assessment	Regular monitoring of fraud incidents and resolution plans, periodic review of outsourcing vendors
Technology risk	Data leakage, non availability of systems, application security, IT infra compromise	Measurement of any incident pertaining to tech service availability , cyber security, breach of confidential data or any other nature	Workshops, emailers (mentioning Do's and Dont's), reporting to the senior management, periodic IT-vulnerability assessments/ development, Periodic BCP and DR drills
Regulatory risk	Compliance and governance risk	Measurement of incidents pertaining to delay in submitting regulatory returns/communication, filing of ROC forms and other submissions, filing of disclosures / intimations with Stock Exchanges, Regulatory penalties in monetary form imposed (if	Regular monitoring through RAS, review of internal policies and corporate governance principles
People risk	Organizational talent availability, Ethics and culture of employees	% Attrition rate, any incident pertaining to sexual harassment and fraud or corruption	Regular monitoring through RAS, review of internal policies, POSH policy, code of conduct and HR processes

.

46.1. Credit Risk

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 loans and trade receivables. The Company has 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.

(a) 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 devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS. Accordingly, the loans are classified into various stages as follows:

Internal rating grade	Internal grading description	Stages
Performing		
High grade	0 dpd and 1 to 30 dpd*	Stage I
Standard grade	31 to 90 days dpd*	Stage II
Credit Impaired		
Individually impaired	NPA**	Stage III

*Excluding non performing asset (NPA)

**Represent loan assets classified as NPA as per the extant RBI guidelines

(b) Expected Credit Loss

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:

- An unbiased and probability weighted amount that evaluates a range of possible outcomes

- 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;

- 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.

(c) 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.

(d) 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.

(e) 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. 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 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.

(f) 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

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

(g) 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. 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 involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

(h) 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 various research database like Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database etc. 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.

(i) 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, considering 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 marco-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.

(Currency : Indian rupees in millions)

46.1.1. Risk concentration

The following table shows the risk concentration by industry for the components of the balance sheet. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Company's internal credit assessment system and year-end stage classification are further disclosed in Note 10.

Industry analysis

As at March 31, 2023	**Financial services**	**Retail - Housing**	**Retail - Non Housing**	**Construction**	**Total**
Financial assets					
Cash and cash equivalent and other bank balances	**2,996.64**	**-**	**-**	**-**	**2,996.64**
Trade receivables	**39.89**	**-**	**-**	**-**	**39.89**
Loans	**2,218.61**	**17,265.87**	**7,253.04**	**3,532.90**	**30,270.43**
Investments	**2,804.02**	**-**	**-**	**-**	**2,804.02**
Other financial assets	**1,208.49**	**-**	**-**	**-**	**1,208.49**
	9,267.65	**17,265.87**	**7,253.04**	**3,532.90**	**37,319.47**
Loan Commitments	**-**	**1,253.44**	**146.48**	**-**	**1,399.92**
Total	**9,267.65**	**18,519.31**	**7,399.52**	**3,532.90**	**38,719.39**

As at March 31, 2022	Financial services	Retail - Housing	Retail - Non Housing	Construction	Total
Financial assets					
Cash and cash equivalent and other bank balances	5,002.35	-	-	-	5,002.35
Trade receivables	56.78	-	-	-	56.78
Loans	1,505.90	18,157.87	9,724.74	1,575.68	30,964.19
Investments	2,618.06	-	-	-	2,618.06
Other financial assets	571.82	-	-	-	571.82
	9,754.91	18,157.87	9,724.74	1,575.68	39,213.20
Loan Commitments	-	871.90	0.01	-	871.91
Total	9,754.91	19,029.77	9,724.75	1,575.68	40,085.11

(Currency : Indian rupees in millions)

46.1.2. Collateral held and other credit enhancements

(a) The tables on the following pages show the maximum exposure to credit risk by class of financial asset along with details of principal type of collateral:

	Maximum exposure to credit risk (carrying amount before ECL)		**Principal type of collateral**
	As at March 31, 2023	As at March 31, 2022	
Financial assets			
Loans (at amortised cost):			
Retail Loans	**27,124.27**	29,703.92	Property; book receivables
Wholesale Loans	**2,943.23**	1,728.16	Property; book receivables and liquid securities
Total (A)	**30,067.50**	31,432.08	
Loan commitments	**1,399.94**	871.90	Property; book receivables
Total (B)	**1,399.94**	871.90	
Total (A + B)	**31,467.44**	32,303.98	

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

As at March 31, 2023

	Maximum exposure to credit risk (carrying amount before ECL)	**Associated ECL**	**Carrying amount**	**Fair value of collateral**
Financial assets				
Loans	**587.53**	**138.08**	**449.45**	**755.00**
Total (A)	**587.53**	**138.08**	**449.45**	**755.00**
Loan commitments (Retail)	**3.11**	**0.54**	**2.57**	**4.00**
Total (B)	**3.11**	**0.54**	**2.57**	**4.00**
Total (A + B)	**590.64**	**138.62**	**452.02**	**759.00**

As at March 31, 2022

Financial assets				
Loans	627.29	166.10	461.19	1,041.20
Total (A)	627.29	166.10	461.19	1,041.20
Loan commitments	3.94	1.68	2.26	6.53
Total (B)	3.94	1.68	2.26	6.53
Total (A + B)	631.23	167.78	463.45	1,047.73

(Currency : Indian rupees in millions)

46.1.3. Overview of modified and forborne loans

The table below includes assets that were modified and, therefore, treated as forborne during the year, with the related modification gain / (loss) suffered by the Company.

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Amortised costs of financial assets modified during the year	**-**	1,279.54
Net modification gain / (loss)	**-**	67.05

46.1.4. Transfer of financial assets

(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 part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

	As at March 31, 2023	As at March 31, 2022
Securitisations		
Carrying amount of transferred assets *(held as Collateral)*	**11,144.33**	7,862.64
Carrying amount of associated liabilities	**10,832.69**	7,804.87
Fair value of assets	**11,406.76**	8,481.31
Fair value of associated liabilities	**10,832.69**	7,804.87
Net position at FV	**574.07**	676.44

(Currency : Indian rupees in millions)

46.2. Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. 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.

The company has financing arrangement from banks/ financial institutions in form of committed credit lines.

46.2.1. Analysis of non-derivative financial assets and liabilities by remaining contractual maturities

As at March 31, 2023	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
A. Financial Assets											
Cash and cash equivalent and other bank balances	958.07	3.36	109.96	784.86	71.16	12.16	1,007.61	49.46	-	-	2,996.64
Securities held for trading	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	39.89	-	-	-	-	-	39.89
Loans	-	511.01	177.89	643.68	1,401.76	1,768.47	3,708.73	13,573.80	4,506.62	18,681.77	44,973.73
Investments	-	-	14.98	14.58	89.22	115.56	222.44	601.08	109.52	1,636.64	2,804.02
Other financial assets	-	-	175.17	205.65	-	19.00	1.51	-	52.46	754.70	1,208.49
Total undiscounted financial assets	**958.07**	**514.37**	**478.00**	**1,648.77**	**1,602.03**	**1,915.19**	**4,940.29**	**14,224.34**	**4,668.60**	**21,073.11**	**52,022.77**
B. Financial Liabilities											
Trade payables	-	-	-	106.43	-	-	-	-	-	-	106.43
Debt securities	-	10.74	106.63	46.17	22.69	387.00	133.20	2,795.32	5,485.86	1,973.49	10,961.10
Borrowings (other than debt securities)	-	17.28	78.16	80.47	1,833.00	1,310.84	2,536.74	4,032.81	1,506.18	27.60	11,423.08
Subordinated financial liabilities	-	-	-	-	-	-	56.25	612.50	-	-	668.75
Other financial liabilities	-	71.86	118.95	243.74	320.80	470.45	1,018.77	3,198.72	531.79	5,207.79	11,182.87
Total undiscounted financial liabilities	**-**	**99.88**	**303.74**	**476.81**	**2,176.49**	**2,168.29**	**3,744.96**	**10,639.35**	**7,523.83**	**7,208.88**	**34,342.23**
Net financial assets / (liabilities)	**958.07**	**414.49**	**174.26**	**1,171.97**	**(574.46)**	**(253.10)**	**1,195.33**	**3,584.99**	**(2,855.23)**	**13,864.23**	**17,680.55**

Note - The company has financing arrangement from banks/ financial institutions in form of committed credit lines. Undrawn committed credit lines as at March 31, 2023 is Rs. 500 million.

46.2.2. The table below shows the expected maturity of the Company's loan commitments

	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Undrawn loan commitments	-	752.61	69.60	66.13	101.61	56.06	105.33	248.20	0.38	-	1,399.92
Total	**-**	**752.61**	**69.60**	**66.13**	**101.61**	**56.06**	**105.33**	**248.20**	**0.38**	**-**	**1,399.92**

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements for the year ended March 31, 2023 (Continued)
(Currency : Indian rupees in millions)

As at March 31, 2022	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
A. Financial Assets											
Cash and cash equivalent and other bank balances	2,026.13	1,112.07	45.22	858.22	5.15	-	934.95	20.61	-	-	5,002.35
Securities held for trading	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	56.78	-	-	-	-	-	-	56.78
Loans	-	413.18	187.44	669.01	884.01	2,004.34	6,149.35	13,271.67	5,022.34	21,977.32	50,578.66
Investments	-	-	319.70	-	-	-	-	400.00	400.00	1,498.36	2,618.06
Other financial assets	-	-	252.89	1.04	-	-	1.43	-	21.48	294.98	571.82
Total undiscounted financial assets	2,026.13	1,525.25	805.25	1,585.05	889.16	2,004.34	7,085.73	13,692.28	5,443.82	23,770.66	58,827.67
B. Financial Liabilities											
Trade payables	-	-	-	146.51	-	-	-	-	-	-	146.51
Debt securities	-	2.02	37.15	1,603.25	883.52	394.06	58.76	1,045.12	4,779.58	1,808.82	10,612.28
Borrowings (other than debt securities)	-	-	85.90	88.76	3,205.33	1,591.31	3,492.14	6,993.84	374.72	186.41	16,018.41
Subordinated financial liabilities	-	-	-	-	-	-	56.25	112.50	612.50	-	781.25
Other financial liabilities	-	22.09	691.06	212.23	179.09	355.40	802.69	2,422.94	439.26	3,424.72	8,549.48
Total undiscounted financial liabilities	-	24.11	814.11	2,050.75	4,267.94	2,340.77	4,409.84	10,574.40	6,206.06	5,419.95	36,107.93
Net financial assets / (liabilities)	2,026.13	1,501.14	(8.86)	(465.71)	(3,378.78)	(336.43)	2,675.89	3,117.88	(762.24)	18,350.71	22,719.74

46.2.2. The table below shows the expected maturity of the Company's loan commitments

Undrawn loan commitments	-	611.30	43.35	41.19	63.28	34.92	65.60	12.27	-	-	871.91
Total	-	611.30	43.35	41.19	63.28	34.92	65.60	12.27	-	-	871.91

(Currency : Indian rupees in millions)

46.2. Liquidity Risk

46.2.3. Financial assets available to support future funding

Following table sets out the availability of Company's financial assets to support funding

As at March 31, 2023	**Encumbered**		**Unencumbered**		**Total carrying amount**
	Pledge as collateral	**Contractually/ legally restricted assets [1]**	**Available as collateral**	**others [2]**	
Cash and cash equivalent including bank balance	**1,763.43**	**1,233.21**	-	-	**2,996.64**
Securities held for trading	-	-	-	-	-
Trade receivables	**39.89**	-	-	-	**39.89**
Loans	**18,242.83**	**9,276.51**	**2,751.09**	-	**30,270.43**
Investments	**502.37**	**127.47**	**2,174.18**	-	**2,804.02**
Property, Plant and Equipment	**1.21**	-	-	-	**1.21**
Other financial assets	**247.90**	**754.71**	**205.88**	-	**1,208.49**
Total assets	**20,797.63**	**11,391.90**	**5,131.15**	-	**37,320.68**

As at March 31, 2022	Encumbered		Unencumbered		Total carrying amount
	Pledge as collateral	Contractually/ legally restricted assets [1]	Available as collateral	others [2]	
Cash and cash equivalent including bank balance	2,929.10	2,073.25	-	-	5,002.35
Securities held for trading	-	-	-	-	-
Trade receivables	56.78	-	-	-	56.78
Loans	22,361.06	7,366.54	1,236.81	-	30,964.41
Investments	-	-	2,618.06	-	2,618.06
Property, Plant and Equipment	1.21	-	-	-	1.21
Other financial assets	276.84	294.98	-	-	571.82
Total assets	25,624.99	9,734.77	3,854.87	-	39,214.63

1 Represents assets which are not pledged and the Company believes it is restricted from using to secure funding for legal or other reasons

2 Represents assets which are not restricted for use as collateral, but that the Company would not consider readily available to secure funding in the normal course of business

(Currency : Indian rupees in millions)

46.3. Market Risk

Market risk is the risk associated with the effect of changes in market factors such as interest rates, equity prices, credit spreads or implied volatilities, on the value of assets and liabilities held resulting in loss of future earnings. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters. The Company separates its exposure to market risks between trading and non-trading portfolios.

Exposure to market risk – Non trading portfolios

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.

46.3.1 Market risk exposure

The fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates. The Company classifies its exposures to market risk into non–trading portfolios.

Particulars	As at March 31, 2023			As at March 31, 2022			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
Financial Assets							
Cash and cash equivalent and other bank balances	**2,996.64**	-	**2,996.64**	5,002.35	-	5,002.35	Interest rate
Securities held for trading	-	-	-	-	-	-	Interest rate / Price risk
Loans	**30,270.43**	-	**30,270.43**	30,964.41	-	30,964.41	Interest rate
Investments	**2,804.02**	-	**2,804.02**	2,618.06	-	2,618.06	Interest rate
Trade receivables	**39.89**	-	**39.89**	56.78	-	56.78	
Other financial assets	**1,208.49**	-	**1,208.49**	571.82	-	571.82	
Total	**37,319.48**	-	**37,319.48**	39,213.42	-	39,213.42	
Financial Liabilities							
Debt securities	**7,998.79**	-	**7,998.79**	7,935.92	-	7,935.92	Interest rate
Borrowings (other than Debt Securities)	**9,966.96**	-	**9,966.96**	14,485.73	-	14,485.73	Interest rate
Subordinated liabilities	**508.63**	-	**508.63**	508.63	-	508.63	Interest rate
Trade payables	**106.43**	-	**106.43**	146.51	-	146.51	
Other liabilities	**11,182.87**	-	**11,182.87**	8,549.48	-	8,549.48	Interest rate
Total	**29,763.68**	-	**29,763.68**	31,626.27	-	31,626.27	

(Currency : Indian rupees in millions)

46.3. Market Risk

46.3.2 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows of financial instruments. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non–trading financial assets and financial liabilities held as at year end.

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

INR Loans

For the year ended	Increase/ (Decrease) in basis points	Increase in profit after tax	Decrease in profit after tax	Increase in Equity	(Decrease) in Equity
INR Loans					
March 31, 2023	25/(25)	30.71	(30.71)	30.71	(30.71)
March 31, 2022	25/(25)	30.92	(30.92)	30.92	(30.92)
INR Borrowings					
March 31, 2023	25/(25)	(33.15)	33.15	(33.15)	33.15
March 31, 2022	25/(25)	(39.02)	39.02	(39.02)	39.02

(Currency : Indian rupees in millions)

47.1. 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 3.11 for more details on fair value hierarchy

B. Valuation governance framework

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				
Other financial assets				
Security receipts	-	-	2,174.31	2,174.31
Loans			425.88	425.88
Mutual Funds			127.34	127.34
Total financial instruments measured at fair value - C	**-**	**-**	**2,727.53**	**2,727.53**

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Other financial assets				
Security receipts	-	-	2,618.06	2,618.06
Total financial instruments measured at fair value - C	-	-	2,618.06	2,618.06

D. Valuation techniques:

Security receipts

The market for these Security receipts 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

(Currency : Indian rupees in millions)

47.1. Fair Value measurement:

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 2023	Security receipts	Loans	Mutual Funds	Total
Investments/Loans - at April 1, 2022	**2,618.06**	**-**	**-**	**2,618.06**
Purchase	110.33	426.27	127.43	664.03
Sale/Redemption proceeds	(543.56)	-	-	(543.56)
Profit/Loss for the year recognised in profit or loss	(10.52)	(0.39)	(0.09)	(11.00)
Investments/Loans - at March 31, 2023	**2,174.31**	**425.88**	**127.34**	**2,727.53**
Unrealised gain/(Loss) related to balances held at the end of the year	(10.52)	(0.39)	(0.09)	(11.00)

Financial year ended March 2022	Security receipts	Loans	Mutual Funds	Total
Investments - at April 1, 2021	**1,600.86**	-	-	**1,600.86**
Purchase	1,636.93	-	-	1,636.93
Sale/Redemption proceeds	(639.50)	-	-	(639.50)
Profit for the year recognised in profit or loss	19.77	-	-	19.77
Investments - at March 31, 2022	2,618.06	-	-	2,618.06
Unrealised gain/(Loss) related to balances held at the end of the year	19.77	-	-	19.77

(Currency : Indian rupees in millions)

47.1. 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. 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 31 March 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	2,174.31	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	2,922.72	5% increase in Expected future Cash flow	122.71	5% Decrease in Expected future Cash flow	(122.71)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(9.66)	0.5% Decrease in Risk-adjusted discount rate	9.75

Type of Financial Instruments	Fair value of asset as on 31 March 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	2,618.06	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	3,465.33	5% increase in Expected future Cash flow	144.95	5% Decrease in Expected future Cash flow	(144.95)
			Risk-adjusted discount rate	12.00%	0.5% increase in Risk-adjusted discount rate	(11.64)	0.5% Decrease in Risk-adjusted discount rate	11.74

(Currency : Indian rupees in millions)

47.2. Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analysing them by the level in the fair value hierarchy into which each fair value measurement is categorised.

As on March 31, 2023	**Total Carrying Amount**	**Total fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets:					
Loans	**29,848.82**	**30,523.12**	**-**	**-**	**30,523.12**
Total	**29,848.82**	**30,523.12**	**-**	**-**	**30,523.12**
Financial liabilities					
Debt securities	**7,998.79**	**8,950.47**	**-**	**8,950.47**	**-**
Borrowing (other than debt securities)	**917.05**	**744.66**	**-**	**744.66**	**-**
Subordinated liabilities	**508.63**	**508.52**	**-**	**508.52**	**-**
Total	**9,424.47**	**10,203.65**	**-**	**10,203.65**	**-**
Off-balance sheet items					
Loan commitments	**1,399.90**	**699.95**	**-**	**-**	**699.95**
Total	**1,399.90**	**699.95**	**-**	**-**	**699.95**
As on March 31, 2022					
Financial assets:					
Loans	30,964.41	32,083.90	-	-	32,083.90
Total	30,964.41	32,083.90	-	-	32,083.90
Financial liabilities					
Debt securities	7,935.92	8,097.44	-	8,097.44	-
Borrowing (other than debt securities)	1,324.40	1,320.75	-	1,320.75	-
Subordinated liabilities	508.63	508.48	-	508.48	-
Total	9,768.95	9,926.67	-	9,926.67	-
Off-balance sheet items					-
Loan commitments	871.91	435.96	-	-	435.96
Total	871.91	435.96	-	-	435.96

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.

Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: Trade receivables, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Financial assets at amortised cost

The fair values of 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. In case of floating interest rate linked loans, since such loans are subject to repricing periodically (less than twelve months), with the interest rate reflecting current market price. Hence carrying value of such loans is deemed to be equivalent of fair value.

Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk.

Financial liabilities at amortised cost

The fair values of financial liabilities 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. In case of floating interest rate linked borrowings, since such borrowings are subject to repricing periodically (less than twelve months), with the interest rate reflecting current market price. Hence carrying value of such borrowings is deemed to be equivalent of fair value.

(Currency : Indian rupees in millions)

48. Trade receivables

Provision matrix for Trade receivables

Particulars	**Trade receivables days past due**	**1-90days**	**91-180 days**	**181-365 days**	**more than 365 days**	**Total**
ECL rate		1.38%	11.58%	0.00%	100.00%	
As at March 31, 2023	Estimated total gross carrying amount at default	**40.45**	**0.00**	**0.00**	**6.52**	**46.97**
	ECL - Simplified approach	**(0.56)**	**(0.00)**	**(0.00)**	**(6.52)**	**(7.08)**
	Net carrying amount	**39.89**	**0.00**	**0.00**	**-**	**39.89**
As at March 31, 2022	Estimated total gross carrying amount at default	46.70	12.47	0.00	3.80	62.97
	ECL - Simplified approach	(0.88)	(1.51)	-	(3.80)	(6.19)
	Net carrying amount	45.82	10.96	-	-	56.78

(Currency : Indian rupees in millions)

49 Details of the loan taken from Banks and other parties

Nature of security and terms of repayment for secured borrowings (other than debentures):
All secured long term borrowings are secured by way of hypothecation of receivables i.e. loans and advances and corporate guarantee from the ultimate holding company and/or holding company.

(a) From Banks
As at March 31, 2023

Month of Maturity / Repayment	Rate of Interest		Total
	<= 9%	> 9%	
December-2027	-	125.00	125.00
September-2027	31.25	132.43	163.68
June-2027	31.25	147.22	178.47
March-2027	31.25	147.22	178.47
December-2026	31.25	147.22	178.47
September-2026	31.25	147.22	178.47
June-2026	31.25	147.22	178.47
March-2026	31.25	147.22	178.47
December-2025	31.25	147.22	178.47
September-2025	31.25	147.22	178.47
June-2025	31.25	147.22	178.47
March-2025	31.25	147.22	178.47
December-2024	132.70	870.49	1,003.19
September-2024	104.15	147.22	251.37
June-2024	154.15	772.22	926.37
March-2024	292.56	389.52	682.08
December-2023	258.35	1,159.52	1,417.87
September-2023	227.10	820.61	1,047.71
June-2023	227.10	1,551.02	1,778.12
Total	**1,739.86**	**7,440.24**	**9,180.10**

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements for the year ended March 31, 2023 (Continued)
(Currency : Indian rupees in millions)

49 Details of the loan taken from Banks and other parties

(a) From Banks
As at March 31, 2022

Month of Maturity / Repayment	Rate of Interest		Total
	<= 9%	> 9%	
March-2025	14.18	-	14.18
December-2024	739.63	-	739.63
September-2024	72.90	-	72.90
June-2024	712.08	-	762.08
March-2024	211.31	-	503.61
December-2023	816.28	-	1,253.58
September-2023	177.10	62.79	900.49
June-2023	816.28	63.00	1,645.08
March-2023	177.10	63.00	1,005.90
December-2022	1,050.27	63.00	1,879.07
September-2022	436.53	63.00	1,265.33
June-2022	1,090.63	63.00	1,919.43
Total	6,314.31	377.77	11,961.28

(Currency : Indian rupees in millions)

49 **Details of the loan taken from Banks and other parties**

(b) **From The National Housing Bank**
As at March 31, 2023

Month of Maturity / Repayment	Rate of Interest			Total
	<6.5%	6.5% to <=8.50%	8.51% to 9.5%	
July-2028	-	7.10	-	7.10
April-2028	-	19.80	-	19.80
January-2028	-	19.80	-	19.80
October-2027	-	20.33	-	20.33
July-2027	-	20.66	-	20.66
April-2027	-	21.45	-	21.45
January-2027	-	31.26	-	31.26
October-2026	-	31.26	-	31.26
July-2026	-	31.26	-	31.26
April-2026	-	31.26	-	31.26
January-2026	-	31.26	-	31.26
October-2025	-	31.26	-	31.26
July-2025	27.30	31.26	-	58.56
April-2025	30.50	31.26	-	61.76
January-2025	31.45	32.65	-	64.10
October-2024	31.95	33.20	-	65.15
July-2024	39.97	33.20	-	73.17
April-2024	41.21	33.20	-	74.41
January-2024	41.21	33.20	-	74.41
October-2023	41.21	33.20	-	74.41
July-2023	41.21	33.20	-	74.41
Total	**326.01**	**591.04**	**-**	**917.05**

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements for the year ended March 31, 2023 (Continued)
(Currency : Indian rupees in millions)

49 Details of the loan taken from Banks and other parties

(b) From The National Housing Bank
As at March 31, 2022

Month of Maturity / Repayment	Rate of Interest			Total
	<6.5%	6.5% to <=8.50%	8.51% to 9.5%	
January-2029	-	4.63	-	4.63
October-2028	-	19.80	-	19.80
July-2028	-	19.80	-	19.80
April-2028	-	19.81	-	19.81
January-2028	-	20.66	-	20.66
October-2027	-	23.89	-	23.89
July-2027	-	32.36	-	32.36
April-2027	-	33.20	-	33.20
January-2027	-	33.20	-	33.20
October-2026	-	33.20	-	33.20
July-2026	-	33.20	-	33.20
April-2026	-	33.20	-	33.20
January-2026	-	33.20	-	33.20
October-2025	-	33.20	-	33.20
July-2025	27.30	33.20	-	60.50
April-2025	30.50	33.20	-	63.70
January-2025	31.45	33.20	-	64.65
October-2024	31.95	33.20	-	65.15
July-2024	39.97	33.20	-	73.17
April-2024	41.21	33.20	-	74.41
January-2024	41.21	33.20	-	74.41
October-2023	41.21	33.20	-	74.41
July-2023	41.21	33.20	-	74.41
April-2023	41.21	33.20	5.99	80.40
January-2023	41.21	33.20	7.24	81.64
October-2022	41.21	33.20	7.24	81.64
July-2022	42.19	33.20	7.24	82.62
Total	491.83	804.87	27.70	1,324.40

(Currency : Indian rupees in millions)

50 Repayment terms of Secured Non-convertible Debentures are as follow.

As at March 31, 2023

Description of Secured Redeemable Non Convertible Debentures (NCD)	Rate	Issue Date	Redemption Date	No. of NCDs	Amount
Project Nest Series IX	**9.30%**	**29-Apr-2022**	**29-Apr-2032**	**1,45,764**	**145.76**
Project Nest Series X	**9.70%**	**29-Apr-2022**	**29-Apr-2032**	**78,539**	**78.54**
EHFL 10.28%, Monthly**	**10.28%**	**18-Mar-2019**	**18-Mar-2029**	**1,500**	**1,500.00**
Project Nest Series VI	**9.15%**	**29-Apr-2022**	**29-Apr-2027**	**4,35,340**	**435.34**
Project Nest Series VII	**9.55%**	**29-Apr-2022**	**29-Apr-2027**	**2,40,138**	**240.14**
Project Nest Series VIII	**9.55%**	**29-Apr-2022**	**29-Apr-2027**	**97,722**	**97.72**
EHFL/Public NCD/Series VII	**10.00%**	**19-Jul-2016**	**19-Jul-2026**	**59,841**	**59.84**
EHFL/Public NCD/Series VI	**10.00%**	**19-Jul-2016**	**19-Jul-2026**	**34,90,250**	**3,490.25**
EHFL/Public NCD/Series V	**9.57%**	**19-Jul-2016**	**19-Jul-2026**	**2,48,424**	**248.42**
EHFL/NCD/29Apr26	**9.62%**	**29-Apr-2016**	**29-Apr-2026**	**250**	**250.00**
Project Nest Series III	**8.70%**	**29-Apr-2022**	**29-Apr-2025**	**4,07,968**	**407.97**
Project Nest Series IV	**9.05%**	**29-Apr-2022**	**29-Apr-2025**	**4,45,582**	**445.58**
Project Nest Series V	**9.05%**	**29-Apr-2022**	**29-Apr-2025**	**1,60,588**	**160.59**
Project Nest Series I	**8.50%**	**29-Apr-2022**	**29-Apr-2024**	**2,80,127**	**280.13**
Project Nest Series II	**8.50%**	**29-Apr-2022**	**29-Apr-2024**	**1,27,025**	**127.03**
Total					**7,967.31**

**All Secured NCDs are fully secured by way of mortgage of identified immovable property as stated in the respective debenture trust deed(s) and/ or by way of charge/ hypothecation of book debts/ receivables/ loan receivables, on first / pari-passu basis, to the extent stated in the respective information memorandum read with the underlying debenture trust deed.

As at March 31, 2022

Description of Secured Redeemable Non Convertible Debentures (NCD)	Rate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL 10.28%, Monthly**	10.28%	18-Mar-2019	18-Mar-2029	1,500	1,500.00
EHFL/Public NCD/Series VII	0.00%	19-Jul-2016	16-Jan-1900	59,841	59.84
EHFL/Public NCD/Series VI	10.00%	19-Jul-2016	19-Jul-2026	31,97,061	3,197.06
EHFL/Public NCD/Series V	9.57%	19-Jul-2016	19-Jul-2026	2,48,424	248.42
EHFL/NCD/29Apr26	9.62%	29-Apr-2016	29-Apr-2026	250	250.00
EHFL/NCD/30Jun22	8.55%	30-Jun-2017	30-Jun-2022	100	100.00
EHFL_Reisssuance	8.55%	12-Jul-2017	30-Jun-2022	200	200.00
EHFL/NCD/21Jun22	8.55%	21-Jun-2017	21-Jun-2022	500	500.00
EHFL/NCD/19May22	8.55%	19-May-2017	19-May-2022	500	500.00
EHFL/NCD/18May22	9.25%	18-Nov-2020	18-May-2022	1,000	1,000.00
Total					7,555.33

**All Secured NCDs are fully secured by way of mortgage of identified immovable property as stated in the respective debenture trust deed(s) and/ or by way of charge/ hypothecation of book debts/ receivables/ loan receivables, on first / pari-passu basis, to the extent stated in the respective information memorandum read with the underlying debenture trust deed.

(Currency : Indian rupees in millions)

51 Details of Unsecured Subordinated Debentures

As at March 31, 2023

Description of Unsecured Redeemable Non Convertible Debentures (NCD)	CouponRate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL/NCD/3May2025	**11.25%**	**04-Feb-2015**	**03-May-2025**	**500**	**500.00**
					500.00

As at March 31, 2022

Description of Unsecured Redeemable Non Convertible Debentures (NCD)	CouponRate	Issue Date	Redemption Date	No. of NCDs	Amount
EHFL/NCD/3May2025	11.25%	04-Feb-2015	03-May-2025	500	500.00
					500.00

(Currency : Indian rupees in millions)

52. 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.

(a) 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 minimize liquidity risk.

b) Maintain investment grade ratings for all its liabilities issuances domestically and internationally by ensuring that the financial strength of their balance sheets are 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

(b) Regulatory Capital

The below regulatory capital is computed in accordance with the relevant regulatory guidelines.

Particulars	**As at March 31, 2023**	As at March 31, 2022
Capital Funds		
Common Equity Tier1 (CET1) capital	**6,147.44**	6,086.73
Other Tier 2 capital instruments (CET2)	**-**	-
Total capital	**6,147.44**	6,086.73
Risk weighted assets	**19,174.56**	21,526.01
CET1 Capital ratio	**32.06%**	28.28%
CET2 Capital ratio	**0.00%**	0.00%
Total Capital ratio	**32.06%**	28.28%

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements for the year ended March 31, 2023 (Continued)
(Currency : Indian rupees in millions)

53. Other disclosures

(i) Disclosure under Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Related Party transactions

Particulars	As at March 31, 2023	As at March 31, 2022
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested	**624.93**	16.64
Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan	-	-

(ii) Disclosure Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2021/613 dated August 10, 2021.

Initial Disclosure to be made by an entity identified as a Large Corporate

Sr. No.	Particulars	Details
1	Name of the Company	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited
2	CIN	U65922MH2008PLC182906
3	Outstanding borrowing of Company as on March 31, 2023	18,474.38
4	Highest Credit Rating during the previous FY along with name of the Credit Rating Agency	As per Table 1 below
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE LIMITED

Table 1

Product	Credit Rating	Name of Rating Agency
Bank Borrowings	A+	ICRA Limited
Bank Borrowings	AA-	CRISIL
Bank Borrowings	A+	CARE Limited
Commercial Papers	A1+	CARE Limited
Commercial Papers	A1+	CRISIL
Long Term Sub-Debt	A+	CARE Limited
Long Term Sub-Debt	A+	ICRA Limited
Long Term-NCD	AA-	Brickwork Ratings
Long Term-NCD	A+	ICRA Limited
Long Term-NCD	AA-	CRISIL
Long Term-NCD	A+	CARE Limited
Perpetual - Debt	A+	Brickwork Ratings
Long Term-NCD	AA	ACUITE

6. Details of incremental borrowings during the year ended March 31, 2023

S No.	Particulars	Details
i.	3-year block period (Specify financial years)	FY 2021-22, FY 2022-23 and FY 2023-24
ii.	Incremental borrowing done in FY23 (a)	6,159.06
iii.	Mandatory borrowing to be done through issuance of debt securities in FY23 (b) = (25% of a)	1,539.76
iv.	Actual borrowings done through debt securities in FY23 (c)	2,759.06
v.	Shortfall in the mandatory borrowing through debt securities, if any, for FY (T-1) carried forward to FY (T).	-
vi.	Quantum of (d), which has been met from (c)- (e)	NA
vii.	Shortfall, if any, in the mandatory borrowing through debt securities for FY (T) {after adjusting for any shortfall in borrowing for FY (T-1) which was carried forward to FY (T)} (f)= (b)-[(c)-(e)] {If the calculated value is zero or negative, write "nil"}	NA

7 Details of penalty to be paid, if any, in respect to previous block :

S No.	Particulars	Details
i.	3-year Block period (Specify financial years)	FY 2021-22, FY 2022-23 and FY 2023-24
ii.	Amount of fine to be paid for the block, if applicableFine = 0.2% of {(d)-(e)}#	NA

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements for the year ended March 31, 2023 (Continued)
(Currency : Indian rupees in millions)

53. Other disclosures

(iii) Disclosure of ratios

Sr No	Particulars	Mar-23	Mar-22
1	Debt-equity Ratio (refer note 1)	**3.68**	3.95
2	Debt service coverage ratio (DSCR) (refer note 2)	**0.31**	0.24
3	Interest service coverage ratio (ISCR) (refer note 3)	**1.07**	1.06
4	Outstanding redeemable preference shares (quantity and value)	**Nil**	Nil
5	Debenture redemption reserve (Rupees in Millions)	**256.25**	256.25
6	Net worth (refer note 4) (Rupees in Millions)	**7,944.68**	7,776.32
7	Net profit after tax (Rupees in Millions)	**160.63**	138.07
8	Earnings per share (not annualised)		
8.a	Basic (Rupees)	**2.32**	1.99
8.b	Diluted (Rupees)	**2.32**	1.99
9	Total debts to total assets (refer note 5)	**0.77**	0.78
10	Net profit margin (%) (refer note 6)	**3.64%**	2.69%
11	Sector specific equivalent ratios as on March 31, 2023		
	(a) Capital to risk-weighted assets ratio (CRAR) (%)	**32.06%**	28.28%
	(b) Tier I CRAR (%)	**32.06%**	28.28%
	(c) Tier II CRAR (%)	**0.00%**	0.00%
	(d) Stage 3 ratio (gross) (%) (refer note 7)	**1.91%**	1.99%
	(e) Stage 3 ratio (net) (%) (refer note 8)	**1.46%**	1.46%

(a) The Company, being a Housing Finance Company ('HFC'), disclosure of Current ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Current liability ratio, Debtors turnover , Inventory turnover and Operating margin ratio are not applicable

(b) As per RBI guidelines on Liquidity Risk Management Framework, all non-deposit taking HFCs with asset size of Rs. 5,000 crore shall maintain the required level of Liquidity coverage ratio (LCR) starting December 1, 2021 in phased manner from 30% to 100% by December 1, 2025. As at March 31, 2023, the Company's asset size is less than Rs. 5,000 crores and hence minimum LCR maintenance is not mandatory for the Company.

Notes:-

1 Debt-equity Ratio = Total Debt (Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities + Securitisation Liabilities) / Net worth

2 DSCR = Profit before interest and tax / (Interest expense + Principal repayment of borrowing and securitisation Liability in next twelve months)

3 ISCR = Profit before interest and tax / Interest expense

4 Net worth = Share capital + Share application money pending allotment + Reserves & Surplus – Deferred Tax Assets

5 Total debts to total assets = Total Debt (Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities + Securitisation Liabilities) / Total assets

6 Net profit margin (%) = Net profit after tax / Revenue from Operations

7 Stage 3 ratio (gross) = Gross Stage 3 loans / Gross Loans

8 Stage 3 ratio (net) = (Gross stage 3 loans - impairment loss allowance for Stage 3) / Gross Loans

(Currency : Indian rupees in millions)

53. Other disclosures

(iv) Relationship with Struck off Companies

Below are the transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

Name of the struck off company	**Nature of transactions with struck-off Company**	**Relationship with the Struck off company, if any, to be disclosed**	**As on March 31, 2023**	As on March 31, 2022
Glossy Creations Private Limited	Receivables	None	0.59	0.66
	Investments in securities	NA	-	-
	Payables	NA	-	-
	Shares held by stuck off Company	NA	-	-

(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) Utilisation of Borrowed funds and share premium

(a) During the year, the company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(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

(viii) Details of Benami Property held

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.

(ix) Undisclosed income

The Company will not have any transaction which was 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.

(Currency : Indian rupees in millions)

54. Regulatory disclosures

The following minimum disclosures have been given in accordance with RBI Circular No. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17,2021 (Amended as on December 27,2022) of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, Circular on Scale Based Regulation (SBR): DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021, Circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022, and others relevant regulatory circulars /guidelines issued by RBI/NHB.

(i) Statutory reserve

As per Section 29C of the The National Housing Bank Act, 1987 (the "NHB Act"), the company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the company under Section 36(1)(viii) of the Income- tax Act, is considered to be an eligible transfer. The company has transferred an amount of Rs. 22.49 million (Previous Year Rs. 9.30 million) to Special Reserve No. II in terms of Section 36(1)(viii) of the Income-tax Act, 1961 and an amount of Rs.9.64 million (Previous Year Rs. 18.32 million) to "Statutory Reserve (As per Section 29C of The NHB Act)".

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

Particulars		**As at March 31, 2023**	**As at March 31, 2022**
Balance at the beginning of the year		**Amount**	Amount
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	**173.98**	155.66
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act, 1987	**401.44**	392.14
c)	**Total**	**575.42**	547.80
Addition/Appropriation/Withdrawal during the year			
Add : a)	Amount transferred u/s 29C of the NHB Act, 1987	**9.64**	18.32
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act, 1987	**22.49**	9.30
Less : a)	Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b)	Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/ s 29C of the NHB Act, 1987	-	-
Balance at the end of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	**183.62**	173.98
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	**423.93**	401.44
c)	**Total**	**607.55**	575.42

(Currency : Indian rupees in millions)

54. Regulatory disclosures

(ii) ***Fraud Reporting***

There were NIL fraud cases (Previous year Rs. 29.75 millions) identified and reported to NHB during the financial year ended on March 31, 2023.

(iii) ***Foreign Exchange Transaction and Un-hedged Foreign Currency Risk***

The Company has not undertaken any foreign currency transaction during the year ended March 31, 2023 (Previous year: Rs Nil). Also the company does not have any un-hedged foreign curreny exposure as at March 31, 2023 (Previous year Rs. Nil).

(iv) ***Details of dues to micro enterprise and small enterprise***

Trade Payables include Rs.8.17 (Previous year: Rs. 5.19) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. Rs 0.08 interest has been paid 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.

(v) ***Capital to risk assets ratio (CRAR)***

	Particulars	**As at March 31, 2023**	As at March 31, 2022
(i)	CRAR (%)	**32.06%**	28.28%
(ii)	CRAR - Tier I capital (%)	**32.06%**	28.28%
(iii)	CRAR - Tier II Capital (%)	**0.00%**	0.00%
(iv)	Amount of subordinated debt raised as Tier-II capital	**-**	-
(v)	Amount raised by issue of perpetual debt instruments	**-**	-

(vi) ***Investments***

	Value of Investments	**As at March 31, 2023**	As at March 31, 2022
(i)	Gross value of Investments		
	(a) In India	**2,794.86**	2,598.29
	(b) Outside India	**Nil**	Nil
(ii)	Provisions for Depreciation/appreciation*		
	(a) In India	**9.16**	19.77
	(b) Outside India	**Nil**	Nil
(iii)	Net value of Investments		
	(a) In India	**2,804.02**	2,618.06
	(b) Outside India	**Nil**	Nil
	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	**-**	-
(ii)	Add: Provisions/appriciation* made during the year	**9.16**	19.77
(iii)	Less: Write-off / Written-bank of excess provisions during the year	**-**	-
(iv)	Closing balance	**9.16**	19.77

*Repersents unrealised gain due to fair values change

(vii) ***Derivatives and Long Term Contracts***

The Company has a process whereby periodically all long term 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 has been made in the books of account. The Company has not entered into any derivative contracts during the year. (Previous year Rs. Nil) and hence detailed disclosure is not required.

(Currency : Indian rupees in millions)

54. Regulatory disclosures

(viii) *Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)*

		As at March 31, 2023	As at March 31, 2022
(i)	The notional principal of swap agreements	**Nil**	Nil
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	**Nil**	Nil
(iii)	Collateral required by the HFC upon entering into swaps	**Nil**	Nil
(iv)	Concentration of credit risk arising from the swaps	**Nil**	Nil
(v)	The fair value of the swap book	**Nil**	Nil

(ix) *Exchange Traded Interest Rate (IR) Derivative*

		As at March 31, 2023	As at March 31, 2022
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrumentwise)	**Nil**	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2023 and March 31, 2022 (instrument-wise)	**Nil**	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	**Nil**	Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	**Nil**	Nil

(x) *Disclosures on Risk Exposure in Derivatives*

A. Qualitative Disclosure

The Company has not entered into any derivative contracts during the year. (Previous year Rs. Nil)

B. Quantitative Disclosure

		As at March 31, 2023	As at March 31, 2022
(i)	Derivatives (Notional Principal Amount)	**Nil**	Nil
(ii)	Marked to Market Positions [1]		
	(a) Assets (+)	**Nil**	Nil
	(b) Liability (-)	**Nil**	Nil
(iii)	Credit Exposure [2]	**Nil**	Nil
(iv)	Unhedged Exposures	**Nil**	Nil

(Currency : Indian rupees in millions)

54. Regulatory disclosures

(xi) ***Securitisation/ Direct Assignment:***

(a) Disclosures in the notes to the accounts in respect of securitisation transactions as required under revised guidelines on securitization transactions issued by Reserve bank of India vide Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021 (Amended as on December 05, 2022).

		Particulars	**As at March 31, 2023**	As at March 31, 2022
1		No. of SPVs* sponsored by the HFC for securitisation transactions	**16**	5
2		Total amount of securitised assets as per books of the SPVs sponsored by the HFC**	**8,966.68**	4,259.23
3		Total amount of exposures retained by the HFC to comply with MRR as on the date of balance sheet	**1,731.16**	589.72
	(i)	Off-balance sheet exposures towards Credit Enhancements		
		a) First Loss	-	-
		b) Others	-	-
	(ii)	On-balance sheet exposures towards Credit Enhancements		
		a) First Loss (Cash Collateral term deposits with Banks)	**1,094.04**	444.46
		b) Series A PTCs/ABS	**637.12**	145.26
		C) Others		
4		Amount of exposures to securitisation transactions other than MRR	-	-
	(i)	Off-balance sheet exposures towards Credit Enhancements		
		a) Exposure to own securitisations		
		i.) First Loss	-	-
		ii.) Others	-	-
		b) Exposure to third party securitisations		
		i.) First Loss	-	-
		ii.) Others	-	-
	(ii)	On-balance sheet exposures towards Credit Enhancements		
		a) Exposure to own securitisations		
		i.) First Loss	-	-
		ii.) Second Loss	-	-
		ii.) Others		
		b) Exposure to third party securitisations		
		i.) First Loss	-	-
		ii.) Others	-	-
5		Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation.		
	A)	Sale consideration	**7,476.44**	4,541.71
	b)	Gain/loss	**-**	-
6		Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		
	A)	FixedDeposit	**1,094.04**	444.46
	b)	Series A	**637.12**	145.26
7		Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
		Opening balace	**444.46**	
	a)	Amount paid	**649.58**	444.46
	b)	Repayment received	**-**	-
	c)	Outstanding amount	**1,094.04**	444.46
8		Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e RMBS, Vehicle Loans etc.	**1.66%**	2.24%
9		Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separatel each asset class i.e. RMBS, Vehicle Loans etc.	**NIL**	Nil
10		Investor complaints		
	a)	Directly/Indirectly received	**NIL**	Nil
	b)	Complaints outstanding	**NIL**	Nil

* Only the SPVs relating to outstanding securitisation transactions may be reported here.
** An amount of Rs 159.52 Million has been received by the Trust on 29th March 2023 from Nido Home Finance Limited
(Formerly known as Edelweiss Housing Finance Limited)

(Currency : Indian rupees in millions)

54. Regulatory disclosures

(b)(i) Details of Financial Assets sold to Reconstruction Company for Asset Reconstruction

	Particulars	As at March 31, 2023	As at March 31, 2022
i)	No. of accounts	**68**	1309
ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	**134.62**	2,172.40
iii)	Aggregate consideration	**129.80**	1,925.80
iv)	Additional consideration realized in respect of accounts transferred in earlier years	**-**	-
v)	Aggregate gain / loss over net book value	**(4.82)**	(246.60)

(b)(ii) Details of Financial Assets sold to Securitastion Company

	Particulars	As at March 31, 2023	As at March 31, 2022
i)	No. of accounts	**3742**	3114
ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	**7,476.44**	4,541.71
iii)	Aggregate consideration	**7,476.44**	4,541.71
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Aggregate gain / loss over net book value	**-**	-
vi)	Rating-wise distribution of rated loans	**AAA (SO),AA,AA-(SO),A(SO),BBB+**	AAA (SO),AA,BBB+

(Currency : Indian rupees in millions)

54. Regulatory disclosures

(c) Disclosures in the notes to the accounts in respect of assignment transactions as required by RBI vide Master Direction - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24 2021 (Updated as on December 05, 2022).

	Particulars	**As at March 31, 2023**	As at March 31, 2022
1	No. of transactions assigned by the HFC	**65**	34
2	Total amount outstanding	**11,002.97**	13,558.08
3	Total amount of exposures retained by the HFC to comply with MRR as on the date of balance sheet	**1,109.86**	1,236.55
	(I) Off-balance sheet exposures		
	a) First Loss	**-**	-
	b) Others	**-**	-
	(II) On-balance sheet exposures		
	a) First Loss	**-**	-
	b) Others	**1,109.86**	1,236.55
4	Amount of exposures to assignment transactions other than MRR	**756.56**	756.56
	(I) Off-balance sheet exposures		
	a) Exposure to own assignments		
	i.) First Loss	**-**	-
	ii.) Others	**-**	-
	b) Exposure to third party assignments		
	i.) First Loss	**-**	-
	ii.) Others	**-**	-
	(II) On-balance sheet exposures		
	a) Exposure to own assignments	**756.56**	756.56
	i.) First Loss	**-**	-
	ii.) Others	**-**	-
	b) Exposure to third party assignments		
	i.) First Loss	**-**	-
	ii.) Others	**-**	-

(d) Details of Assignment transactions and Co-lending undertaken by HFCs

		For the year ended March 31, 2023	For the year ended March 31, 2022
i)	No. of accounts	**654**	2504
ii)	Aggregate value (net of provisions) of accounts sold	**1,687.91**	3,004.31
iii)	Aggregate consideration	**1,687.91**	3,004.31
iv)	Additional consideration realized in respect of accounts transferred in earlier years	**-**	-
v)	Aggregate gain / loss over net book value	**-**	-

(e) ***Details of non-performing financials assets purchased / sold***

During the year the Company has not purchases non-performing financials assets. (Previous year : Nil)

A. Details of non-performing financial assets purchased :

			As at March 31, 2023	As at March 31, 2022
1	(a)	No. of accounts purchased during the year	**Nil**	Nil
	(b)	Aggregate exposure	**Nil**	Nil
2	(a)	Of these, number of accounts restructured during the year	**Nil**	Nil
	(b)	Aggregate exposure	**Nil**	Nil

B. Details of Non-performing Financial Assets sold:

		As at March 31, 2023	As at March 31, 2022
1	No. of accounts sold	**68**	1309
2	Aggregate exposure of loans transferred	**134.62**	2,172.40
3	Aggregate consideration received	**129.80**	1,925.80

54. Regulatory disclosures

(xii) ***Disclosure of Restructured Accounts - Micro, Small and Medium Enterprises (MSME) sector as at March 31, 2023***

The company has restructured the accounts as per by RBI Circular Circulars DBR.No.BP.BC.100/21.04.048/2017-18 dated February 07, 2018,DBR.No.BP.BC.108/21.04.048/2017-18 dated June 6, 2018, DBR.No.BP.BC.18/21.04.048/2018-19 RBI/2018-19/100 dated January 1, 2019, DOR.No.BP.BC.34/21.04.048/2019-20 RBI/2019-20/160 dated February 11, 2020, DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020

Particulars	**For the year ended**	
	March 31, 2023	March 31, 2022
No of accounts restructured	**28**	38
Amount (Indian rupees in millions)	**124.20**	187.90

** Excludes account closed/written off during period.*

(xiii) Exposure to real estate sector

In accordance with RBI Circular Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021, Circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022,

a) Exposure to real estate sector, both direct and indirect

	Category	**As at March 31, 2023**	As at March 31, 2022
a)	**Direct exposure**		
(i)	**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 lakh, Rs. 4,359.12 million (Previous Year Rs. 4518.93 million)]. Exposure would also include non-fund based (NBF) limits.	**26,415.30**	27,733.32
(ii)	**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 would also include non-fund based (NFB) limits.	**3,115.69**	2,573.22
(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised**		
	a) Residential	**Nil**	Nil
	b) Commercial real estate	**Nil**	Nil
	c) Investment In PTC	**Nil**	Nil
b)	**Indirect exposure**		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	**Nil**	Nil
	Total	**29,530.99**	**30,306.54**

b) Exposure to capital market

	Particulars	**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	**Nil**	Nil
(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	**Nil**	Nil
(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	**1562.14**	1513.76
(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	**Nil**	Nil
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	**Nil**	Nil
(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	**Nil**	Nil
(vii)	bridge loans to companies against expected equity flows / issues	**Nil**	Nil
(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.	**Nil**	Nil
(ix)	Financing to stockbrokers for margin trading		
(x)	All exposures to Alternative Investment Funds:		
	(i) Category I	**Nil**	**Nil**
	(ii) Category II	**Nil**	**Nil**
	(iii) Category III	**Nil**	**Nil**
	Total Exposure to Capital Market	**1562.14**	1513.76

(Currency : Indian rupees in millions)

54. Regulatory disclosures

(xiv) ***Details of financing of parent Company products - Nil (Previous year - Nil)***

(xv) ***Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the HFC***

During the year ended March 31, 2023 and March 31, 2022, the Company's credit exposure (whether in terms of sanctioned amount or entire amount outstanding, whichever is higher) to single borrowers and group borrowers were within the limits prescribed by the RBI.

(xvi) ***Unsecured Advances***

The Company has not taken any charge over the rights, licenses, authorisations, etc., against unsecured loans given to borrowers in the current year and previous year.

(xvii) ***Remuneration of Directors***

The Company has not entered into any transactions with non-executive directors during the year (Previous Year Rs.Nil), except for those disclosed in note 54 (xxxv)

(xviii) ***Net Profit or Loss for the period, prior period items and changes in accounting policies***

There are no prior period items during the year (Previous Year Rs.Nil) and no change in any accounting policy from last year.

(xix) ***Accounting Standard 21 - Consolidated Financial Statemeents (CFS)***

The company does not have any subsidiary, associate, or joint venture in the current year and previous year and hence consolidation of accounts is not required.

(xx) ***Details of 'provisions and contingencies'***

	Break up of 'provisions and Contingencies' shown under the head expenditure in statement of profit and loss.	**For the year ended March 31, 2023**	For the year ended March 31, 2022
(i)	Provisions for depreciation on investment	**Nil**	Nil
(ii)	Provision towards NPA - (Stage III loans)	**(29.16)**	36.03
(iii)	Provision made towards income tax	**77.59**	1.15
(iv)	Provision for standard assets* (with details like teaser loan, CRE, CRE-RH etc.) - Stage I & II loans	**(33.54)**	(46.71)
(v)	Other provision and contingencies	**Nil**	Nil

* Provision for Stage I & II loans include CRE - RH of Rs (12.06) million (Previous Year Rs 3.76 million), CRE - Non-RH of Rs (1.3) million (Previous Year Rs 1.68 million), Non CRE of Rs (20.18) million (Previous Year Rs (52.14) million)

(xxi)

	Break up of Loan & Advances and Provisions thereon	**Housing**		**Non-Housing**	
		As at March 31, 2023	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022
	Standard Assets				
(a)	Total Outstanding Amount #	**20,593.98**	19,667.53	**9,510.53**	11,153.93
(b)	Provisions made	**163.22**	172.58	**120.15**	143.96
	Sub-Standard Assets**				
(a)	Total Outstanding Amount	**342.08**	257.93	**53.20**	200.76
(b)	Provisions made	**60.51**	38.64	**10.34**	36.28
	Doubtful Assets – Category-I**				
(a)	Total Outstanding Amount	**104.79**	45.80	**13.75**	75.31
(b)	Provisions made	**24.31**	26.10	**5.13**	19.31
	Doubtful Assets – Category-II**				
(a)	Total Outstanding Amount	**3.59**	11.53	**43.42**	-
(b)	Provisions made	**0.85**	11.53	**10.79**	-
	Doubtful Assets – Category-III**				
(a)	Total Outstanding Amount	-	2.87	-	5.53
(b)	Provisions made	-	2.87	-	5.53
	Loss Assets**				
(a)	Total Outstanding Amount	**8.60**	9.19	**18.10**	18.33
(b)	Provisions made	**8.71**	9.19	**17.99**	18.33
	TOTAL				
(a)	**Total Outstanding Amount**	**21,053.04**	19,994.85	**9,639.01**	11,453.87
(b)	**Provisions made**	**257.59**	260.91	**164.40**	223.40

** Represent Stage III loans

Note:

\#

Standard Assets	**Housing**		**Non-Housing**	
	As at March 31, 2023	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022
Principal outstanding	**20,971.31**	19,463.15	**8,431.27**	10,498.69
Interest accrued	**229.54**	194.48	**160.49**	181.41
EIR and other Ind AS adjustment	**(606.87)**	9.90	**918.40**	473.79

2. The Category of Doubtful Assets will be as under:

Period for which the assets has been considered as doubtful	**Category**
Up to one year	Category-I
One to three years	Category-II
More than three years	Category-III

(Currency : Indian rupees in millions)

54. Regulatory disclosures

(xxii) ***Draw Down from Reserves***

The Company has drawn NIL (Previous Year Rs. 85.07 milion) from the debenture redemption reserve and transferred to retained earnings on redemption of debentures till March 31, 2023. Further, pursuant to the amendments in the Companies Act, 2013, debenture redemption reserve is not required to be created for debentures issued by Non-Banking Finance Companies (including Housing Finance Companies) regulated by Reserve Bank of India.

(xxiii) ***Concentration of Public Deposits, Advances, Exposures and NPAs***

Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

Particular	**As at March 31, 2023**	As at March 31, 2022
Total Deposit of twenty largest depositors	**NA**	NA
% of deposits to twenty largest depositors to total Deposits of the HFC	**NA**	NA

Concentration of Loans & Advances

Particular	**As at March 31, 2023**	As at March 31, 2022
Total Loans & Advances to twenty largest borrowers	**6,149.04**	3,706.74
% of Loans & Advances to twenty largest borrowers to total advances of the HFC	**20.03%**	11.79%

Concentration of all exposure (including off-balance sheet exposure)

Particular	**As at March 31, 2023**	As at March 31, 2022
Total exposures to twenty largest borrowers / customers	**6,353.63**	3,976.29
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	**19.99%**	12.49%

Concentration of NPAs (Stage III loans)

Particular	**As at March 31, 2023**	As at March 31, 2022
Total exposures to top ten NPAs	**158.29**	134.22

Sector-wise NPAs (Stage III loans)

SL No.	**Sector**	**% of NPAs to total advances in that sector**	
		As at March 31, 2023	As at March 31, 2022
A.	**Housing Loans:**		
1	Individual	**2.66%**	1.80%
2	Builders / Project Loans	**0.00%**	0.00%
3	Corporates	**0.00%**	0.00%
4	Other (specify)	**0.00%**	0.00%
B.	**Non-Housing Loans:**		
1	Individual	**2.03%**	3.65%
2	Builders / Project Loans	**0.00%**	0.00%
3	Corporates	**0.24%**	0.00%
4	Other (HUF & Partnership Firm)	**0.00%**	0.88%

* NPAs represents Stage III loans.

(xxiv) ***Movements of NPAs (Stage III loans)***

The following table sets forth, for the periods indicated, the details of movement of gross Non-performing assets (NPAs), net NPAs and provision

	Particular	**As at March 31, 2023**	As at March 31, 2022
i)	**Net NPAs to net advances (%)**	**1.47%**	1.47%
ii)	**Movement of Gross NPAs**		
	a) Opening balance	**627.30**	1,275.78
	b) Additions during the year	**994.93**	1,839.97
	c) Reductions during the year	**(1,034.70)**	(2,488.45)
	d) Closing balance	**587.53**	627.30
iii)	**Movement of net NPAs**		
	a) Opening balance	**459.44**	1,144.05
	b) Additions during the year	**789.72**	1,377.74
	c) Reductions during the year	**(800.33)**	(2,062.27)
	d) Closing balance	**448.83**	459.52
iv)	**Movement of provisions for NPAs**		
	a) Opening balance	**167.78**	131.73
	b) Provisions made during the year	**205.22**	462.23
	c) Write-off/write-back of excess provisions	**(234.37)**	(426.18)
	d) Closing balance	**138.63**	167.78

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

54. Regulatory disclosures

(xxv) ***Asset liability management***

Maturity pattern of certain items of assets and liabilities
As at March 31, 2023

Particulars	**1 day to 7 days**	**8 days to 14 days**	**15 days to 30/31 days**	**Over 1 month upto 2 months**	**Over 2 months upto 3 months**	**Over 3 months upto 6 months**	**Over 6 months upto 1 year**	**Over 1 year upto 3 years**	**Over 3 years upto 5 years**	**Over 5 years**	**Total**
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	-	-	7.41	7.41	1,745.51	1,122.12	2,248.77	3,420.55	1,388.31	26.88	9,966.96
Market Borrowing	13.03	-	114.87	-	-	223.36	8.63	1,931.13	4,492.10	1,724.30	8,507.42
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Gross Advances	328.73	79.24	454.92	498.76	1,249.40	1,366.46	2,556.75	10,169.98	2,338.56	11,649.25	30,692.05
Investments*	-	-	14.98	14.58	89.22	115.56	222.44	601.08	109.52	1,636.64	2,804.02
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

*Includes Securities held for trading

In computing the above information, certain estimates assumptions and adjustments have been made by the management which are consistent with the guidelines provided by the regulator.

As at March 31, 2022

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	-	-	2.40	-	3,079.84	1,347.95	3,109.76	6,448.26	323.37	174.15	14,485.73
Market Borrowing	-	-	28.14	1,575.75	852.62	223.36	8.63	-	4,256.47	1,499.58	8,444.55
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Gross Advances	0.51	212.68	454.97	458.00	666.15	1,452.00	4,890.89	8,744.61	1,753.87	12,815.04	31,448.72
Investments*	-	-	319.70	-	-	-	-	400.00	400.00	1,498.36	2,618.06
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

*Includes Securities held for trading

In computing the above information, certain estimates assumptions and adjustments have been made by the management which are consistent with the guidelines provided by the regulator.

(Currency : Indian rupees in millions)

54. Regulatory disclosures

(xxvi) ***Details of ratings assigned by credit rating agencies and migration of ratings during the year***

As at March 31, 2023

Instrument Category	**ICRA**	**CARE**	**Brickworks**	**CRISIL**	**ACUITE**
i) Long Term Instruments :	**(Stable)**	**(Negative)**	**(Negative)**	**(Negative)**	**(Negative)**
Rating	**ICRA A+/Stable**	**CARE A+/Negative**	**BWR AA- and A+/Negative**	**CRISIL AA-/Negative**	**ACUITE AA-/Negative**
Amount	**54,169.70**	**29,200.00**	**6,500.00**	**28,350.00**	**5,000.00**
ii) Short Term Instruments :					
Rating	**NA**	**CARE A1+**	**NA**	**CRISIL A1+**	
Amount	**NA**	**10,000.00**	**NA**	**2,500.00**	

Note:- There were no change in any of above ratings or outlook during the year.

As at March 31, 2022

Instrument Category	ICRA	CARE	Brickworks	CRISIL	ACUITE
i) Long Term Instruments :	(Negative)	(Stable)	(Stable)	(Negative)	(Negative)
Rating	ICRA A+ / Negative	CARE A+/Stable	BWR AA-/Stable and BWR A+/Stable	CRISIL AA-/Negative	ACUITE AA/Negative
Amount	57,550.50	30,200.00	6,500.00	36,150.00	5,000.00
ii) Short Term Instruments :					
Rating	NA	CARE A1+	NA	CRISIL A1+	NA
Amount	NA	10,000.00	NA	2,500.00	NA

Note:- There were no change in any of above ratings or outlook during the year.

(Currency :Indian rupees in millions)

54 Regulatory Disclosures

(xxvii) ***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 read with RBI circular RBI/2019-20/160 DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 & RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020).

Sl No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring					Others					Total				
	Asset Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtfu	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) (refer note 1)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	430	34	0	0	464	430	34	0	0	464
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	1,426.34	67.14	0.00	0.00	1,493.48	1,426.34	67.14	-	-	1,493.48
		Provision thereon	-	-	-	-	-	-	-	-	-	-	133.59	10.67	0.00	0.00	144.26	133.59	10.67	-	-	144.26
2	Fresh restructuring during the year (refer note 2)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	-	-	-	-	-
3	Upgradations of restructured accounts to Standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-10.00	10.00	-	-	-	(10.00)	10.00	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-21.62	21.62	-	-	-	(21.62)	21.62	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-2.16	2.16	-	-	-	(2.16)	2.16	-	-	-
		5% new provision on standard assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	72.00	34.00	-	-	106.00	72.00	34.00	-	-	106.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(208.53)	(160.82)	-	-	(369.35)	(208.53)	(160.82)	-	-	(369.35)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(16.73)	(10.77)	-	-	(27.50)	(16.73)	(10.77)	-	-	(27.50)
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(24.00)	24.00	(7.00)	-	(7.00)	(24.00)	24.00	(7.00)	-	(7.00)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(170.67)	170.67	(40.98)	-	(40.98)	(170.67)	170.67	(40.98)	-	(40.98)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(17.55)	17.55	(8.69)	-	(8.69)	(17.55)	17.55	(8.69)	-	(8.69)
6	Write-offs of restructured accounts during the FY 22-23	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(9.00)	-	-	-	(9.00)	(9.00)	-	-	-	(9.00)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(59.46)	-	-	-	(59.46)	(59.46)	-	-	-	(59.46)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(5.64)	-	-	-	(5.64)	(5.64)	-	-	-	(5.64)
7	Restructured accounts as on 31st Mar, 2023 (Closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	325	24	7.00	-	356.00	325.00	24.00	7.00	-	356.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	966.06	98.61	40.98	-	1,105.65	966.06	98.61	40.98	-	1,105.65
		Provision thereon	-	-	-	-	-	-	-	-	-	-	91.51	19.61	8.69	-	119.81	91.51	19.61	8.69	-	119.81

Note :
Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements *(Continued)*
(Currency :Indian rupees in millions)

54 Regulatory Disclosures

(xxvii) ***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 read with RBI circular RBI/2019-20/160 DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 & RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020).

Sl No	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-standar	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts as on 1st April, 2021 (Opening figures) (refer note)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	61.00	5.00	0.00	0.00	66.00	61.00	5.00	-	-	66.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	199.08	10.82	0.00	0.00	209.90	199.08	10.82	-	-	209.90
		Provision thereon	-	-	-	-	-	-	-	-	-	-	15.57	1.08	0.00	0.00	16.65	15.57	1.08	-	-	16.65
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	470.00	-	-	-	470.00	470.00	-	-	-	470.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	1,279.54	-	-	-	1,279.54	1,279.54	-	-	-	1,279.54
		Provision thereon	-	-	-	-	-	-	-	-	-	-	110.88	-	-	-	110.88	110.88	-	-	-	110.88
3	Upgradations of restructured accounts to Standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-
		5% new provision on standard assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	67.00	5.00	-	-	72.00	67.00	5.00	-	-	72.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	7.27	(3.23)	-	-	4.04	7.27	(3.23)	-	-	4.04
		Provision thereon	-	-	-	-	-	-	-	-	-	-	17.18	(0.44)	-	-	16.74	17.18	(0.44)	-	-	16.74
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(34.00)	34.00	-	-	-	(34.00)	34.00	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(59.55)	59.55	-	-	-	(59.55)	59.55	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(10.04)	10.04	-	-	-	(10.04)	10.04	-	-	-
6	Write-offs of restructured accounts during the FY 21-22	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured accounts as on 31st Mar, 2022 (Closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	430.00	34.00	-	-	464.00	430.00	34.00	-	-	464.00
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	1,426.34	67.14	-	-	1,493.47	1,426.34	67.14	-	-	1,493.48
		Provision thereon	-	-	-	-	-	-	-	-	-	-	133.59	10.67	-	-	144.27	133.59	10.67	-	-	144.26

Note :
Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

(Currency :Indian rupees in millions)

54. Regulatory Disclosures

(xxviii) Note to the balance sheet of a non-deposit taking Housing Finance Company

Liabilities side:				
Particulars	**Amount outstanding**		**Amount overdue**	
	As at March 31, 2023	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022
1) Loans and advances availed by HFC inclusive of interest accrued thereon but not paid				
a) Debentures:				
(other than those falling within the meaning of Public deposit)				
(i) Secured	**7,998.79**	7,935.92	-	-
(ii) Unsecured	**508.63**	508.63	-	-
b) Deferred credits	**-**	-	-	-
c) Term loans	**9,966.97**	14,421.88	-	-
d) Inter-corporate loans and borrowing	**-**	-	-	-
e) Commercial paper	**-**	-	-	-
f) Other loans	**-**	-	-	-
(i) Loan from related parties	**-**	2.41	-	-
(ii) Bank overdraft	**-**	61.44	-	-
(* Please see note 1 below)				
Assets side:				
2) Break up of loans and advances including bills receivables (other than those included in (3) below)				
a) Secured	**30,067.12**	31,432.08	-	163.94
b) Unsecured	**624.93**	16.64	-	-
3) Break up of leased assets and stock on hire and other assets counting towards AFC activities				
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 millions)

54. Regulatory Disclosures

(xxviii) Note to the balance sheet of a non-deposit taking Housing Finance Company

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
4) Break up of investments				
Current investments:				
a) **Quoted:**				
(i) Shares: Equity	-	-	-	-
Preference	-	-	-	-
(ii) Debentures and bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government securities	-	-	-	-
(v) Others	-	-	-	-
b) **Unquoted:**				
(i) Shares: Equity	-	-	-	-
Preference	-	-	-	-
(ii) Debentures and bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government securities	-	-	-	-
(v) Others (pass through certificates)	-	-	-	-
Long-term investments (net of provision)				
a) Quoted:				
(i) Shares: Equity	-	-	-	-
Preference	-	-	-	-
(ii) Debentures and bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government securities	-	-	-	-
(v) Others	-	-	-	-
b) Unquoted:				
(i) Shares: Equity	-	-	-	-
Preference	-	-	-	-
(ii) Debentures and bonds	-	-	-	-
(iii) Units of mutual funds	-	-	**127.34**	-
(iv) Government securities	-	-	-	-
(v) Others : Pass through certificates	-	-	**502.37**	-
Security receipts	-	-	**2,174.31**	2,618.06

5) Borrower group-wise classification of assets financed as in (2) and (3) above

Amount net of provisions

Particulars	Secured		Unsecured		Total	
	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
1. Related parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	**624.93**	16.63	**624.93**	16.63
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	**30,067.12**	30,947.78	-	-	**30,067.12**	30,947.78
TOTAL	**30,067.12**	30,947.78	**624.93**	16.63	**30,692.05**	30,964.41

6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

Particulars	Market value/break up or fair value or NAV		Book value (net of provisions)	
	As at March 31, 2023	As at March 31, 2022	**As at March 31, 2023**	As at March 31, 2022
1) Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	**1,513.78**	2,010.18	**1,513.78**	2,010.18
(c) Other related parties	-	-	-	-
2) Other than related parties	**1,290.24**	607.88	**1,290.24**	607.88
TOTAL	**2,804.02**	2,618.06	**2,804.02**	2,618.06

7) Other information		
Particulars	**As at March 31, 2023**	As at March 31, 2022
a) Gross non-performing assets		
1) Related parties	-	-
2) Other than related parties	**587.53**	627.30
b) Net non-performing assets		
1) Related parties	-	-
2) Other than related parties	**448.83**	459.52
c) Assets acquired in satisfaction of debt	-	-

Note :

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Compnay Acceptance of public deposits(Reserve bank) Direction,1998.

(Currency :Indian rupees in millions)

54. Regulatory Disclosures

(xxix) Disclosure on liquidity risk

Public Disclosure on Liquidity Risk for the year ended March 2023 as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 (Amended as on September 29, 2022).

a) **Funding Concentration based on significant counterparty (both deposits and borrowings)**	**As at March 31, 2023**	**As at March 31, 2022**
Number of significant counterparties*	**10**	8
Amount of borrowings from significant counterparties	**12,338.05**	18,326.97
% of Total deposits	**NA**	NA
% of Total liabilities**	**41.24%**	57.65%

** "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the HFC's total liabilities.*

*** "Total liabilities " refers to total external liabilities (i.e. excluding total equity).*

b) **Top 20 large deposits**

The Company being a Systemically Important Non-Deposit taking Housing Finance Company registered with National Housing Bank, does not accept public deposits.

c) **Top 10 Borrowings**	**As at March 31, 2023**	**As at March 31, 2022**
Amount of Borrowings from top 10 lenders	**12,338.05**	18,526.97
% of Total Borrowings	**42.20%**	80.80%

d) **Funding Concentration based on significant instrument/product***	**As at March 31, 2023**		As at March 31, 2022	
	Amount	**% of Total Liabilities****	Amount	% of Total Liabilities**
Market Borrowings				
Non Convertible Debentures	**7,998.79**	**26.74%**	7,935.92	24.96%
Sub-ordinated Debentures	**508.63**	**1.70%**	508.63	1.60%
Other Borrowings				
Term Loans	**9,966.96**	**33.31%**	13,221.88	41.59%
Working Capital Demand Loan	**-**	**0.00%**	1261.44	3.97%
Securitisation Liability	**10,764.29**	**35.98%**	-	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 HFC's total liabilities.*

*** "Total liabilities " refers to total external liabilities (i.e. excluding total equity).*

(Currency :Indian rupees in millions)

54. Regulatory Disclosures

e) **Stock Ratios**

	As at March 31, 2023	As at March 31, 2022
Commercial papers as a % of total public funds*	**0.00%**	0.00%
Commercial papers as a % of total liabilities	**0.00%**	0.00%
Commercial papers as a % of total assets	**0.00%**	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	**0.00%**	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	**0.00%**	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total assets	**0.00%**	0.00%
Other short-term liabilities**, if any as a % of total public funds	**0.00%**	5.78%
Other short-term liabilities**, if any as a % of total liabilities	**0.00%**	4.17%
Other short-term liabilities**, if any as a % of total assets	**0.00%**	3.35%

** "Total public funds" refers to the aggregate of Debt securities, Borrowing other than debt securities and Subordinated liabilities.*

*** "Other short-term liabilities" refers to the borrowing in short term in nature..*

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/ Risk Management Committee, inter alia –

Implement and administer guidelines on Asset-Liability Management approved by the Board and its revision if any;

Monitor the asset liability gap and overcome the asset-liability mismatches, interest risk exposure, etc.; Strategize action to mitigate risk associated with the asset liability gap;

Guides in developing risk management policies and procedures and monitor adherence to various risk parameters and prudential limits; review the risk monitoring system and ensure effective risk management; and

The Company has a Liquidity Contingency plan 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

The Company has ensured maintenance of a Liquidity Cushion in the form of cash balance, Liquid debt mutual Fund schemes, bank fixed deposits and undrawn cash credit limits etc. These assets carry minimal credit risk and can be liquidated in a very short period. A comfortable liquidity cushion is maintained of the borrowings. 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.

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements *(Continued)*
(Currency :Indian rupees in millions)

54. Regulatory Disclosures

(xxx) Prudential Floor for ECL
As at March 31, 2023
Housing Finance Companies (NBFC-HFC) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109. The impairment allowances under Ind AS 109 made by the Company higher than the total provision required under IRACP (including standard asset provisioning), as at March 31, 2023 and accordingly, no amount is required to be transferred to impairment reserve.

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
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6
Performing Assets						
Standard	Stage 1	26,824.76	91.75	26,733.01	120.05	(28.29)
	Stage 2	3,280.14	191.24	3,088.90	103.53	87.71
Subtotal		**30,104.90**	**282.99**	**29,821.91**	**223.58**	**59.41**
Non-Performing Assets (NPA)						
Substandard	Stage 3	395.28	70.85	324.43	88.75	(17.90)
Doubtful - up to 1 year	Stage 3	118.54	29.44	89.10	44.77	(15.33)
1 to 3 years	Stage 3	47.01	11.64	35.37	23.43	(11.79)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**165.55**	**41.08**	**124.47**	**68.20**	**(27.12)**
Loss	Stage 3	26.70	26.70	0.00	26.70	-
Subtotal for NPA		**587.53**	**138.63**	**448.90**	**183.65**	**(45.02)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,364.56	-	1,364.56	-	-
	Stage 2	32.25	-	32.25	-	-
	Stage 3	3.11	-	3.11	-	-
Subtotal		**1,399.92**	**-**	**1,399.92**	**-**	**-**
Total	Stage 1	**26,824.38**	**91.75**	**26,732.63**	**120.05**	**(28.29)**
	Stage 2	**3,280.14**	**191.24**	**3,088.90**	**103.53**	**87.71**
	Stage 3	**587.53**	**138.63**	**448.90**	**183.65**	**(45.02)**
	Total	**30,692.05**	**421.62**	**30,270.43**	**407.23**	**14.40**

(Currency :Indian rupees in millions)

54. Regulatory Disclosures

(xxx) Prudential Floor for ECL
As at March 31, 2022
Housing Finance Companies (NBFC-HFC) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109. The impairment allowances under Ind AS 109 made by the Company higher than the total provision required under IRACP (including standard asset provisioning), as at March 31, 2022 and accordingly, no amount is required to be transferred to impairment reserve.

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
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6
Performing Assets						
Standard	Stage 1	27,937.60	89.93	27,847.67	120.72	(30.80)
	Stage 2	2,883.82	226.60	2,657.22	139.37	87.23
Subtotal		**30,821.42**	**316.53**	**30,504.89**	**260.10**	**56.43**
Non-Performing Assets (NPA)						
Substandard	Stage 3	458.71	74.91	383.80	94.53	(19.62)
Doubtful - up to 1 year	Stage 3	121.13	45.41	75.72	44.66	0.75
1 to 3 years	Stage 3	11.53	11.53	0.00	11.53	-
More than 3 years	Stage 3	8.40	8.40	0.00	8.40	-
Subtotal for doubtful		**141.06**	**65.34**	**75.72**	**64.59**	**0.75**
Loss	Stage 3	27.54	27.53	0.00	27.53	-
Subtotal for NPA		**627.30**	**167.78**	**459.52**	**186.65**	**(18.87)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	859.47	-	859.48	-	-
	Stage 2	8.50	-	8.50	-	-
	Stage 3	3.94	-	3.94	-	-
Subtotal		**871.91**	**-**	**871.91**	**-**	**-**
Total	Stage 1	**27,937.60**	**89.93**	**27,847.67**	**120.72**	**(30.80)**
	Stage 2	**2,883.82**	**226.60**	**2,657.22**	**139.37**	**87.23**
	Stage 3	**627.30**	**167.78**	**459.52**	**186.65**	**(18.87)**
	Total	**31,448.72**	**484.31**	**30,964.41**	**446.74**	**37.56**

(Currency : Indian rupees in millions)

54. Regulatory disclosures

(xxxi) ***Overseas Assets***

The Company do not hold any Overseas Assets; (Previous Year Nil).

(xxxii) ***Off-balance Sheet SPVs sponsored - None*** *(Previous Year: None)*

(xxxiii) **Disclosure of complaints**

a) Customer complaints

	Particular		**As at March 31, 2023**	**As at March 31, 2022**
1	No. of complaints pending at the beginning of the year		**2**	5
2	No. of complaints received during the year		**254**	312
3	No. of complaints disposed during the year		**255**	315
	3.1	Of which,number of complaints rejected by NBFC/HFC		
4	No. of complaints pending at the end of the year		- 1	2
	Maintanable complaints received by the NBFC/HFC from Office of NHB			
5.*	Number of maintanable complaints received by the HFC from Office of NHB		NA	NA
	5.1	Of 5, number of complaints resolved in favour of the HFC by Office of NHB	NA	NA
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of NHB	NA	NA
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of NHB against the NBF	NA	NA
6.*	Number of Awards unimplemented within the stipulated time (other than those appealed)		NA	NA

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman (NHB) Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.
* It shall only be applicable to NBFCS which are included under The Reserve Bank - Integrated Ombudsman (NHB) Scheme, 2021

b) Top five grounds 2* of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	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**
			March 31, 2023		
Ground - 10					
Ground - 10) A)**	0	15	21.76	0	0
Ground - 10) B)**	0	7	-17.59	0	0
Ground - 10) C)**	0	2	-4.17	0	0
Total					
			March 31, 2022		
Ground - 10					
Ground - 10 (A)**	0	11		0	0
Ground - 10 (B)**	0	9		0	0
Ground - 10 (C)**	2	20		0	0
Total					

The list of grounds of complaints given below are.			
	1. Credit Cards	*2. Difficulty in operation of accounts*	*3. Mis-selling*
	5. Loans and advances	*6. Levy of charges without prior notice/ excessive charges/ foreclosure charges*	*7. Non-observance of fair practices code*
	8. Staff behaviour	*9. Facilities for customers visiting the office/ adherence to prescribed working hours, etc.*	*10. Others * **

Note:- The above prescribed grounds are not applicable for Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)

** Ground 10 (A) - Collections & Legal Related
Ground 10 (B) - Government Scheme-PMAY Subsidy
Ground 10 (C) - Government Scheme-Covid Moratorium

(Currency : Indian rupees in millions)

(xxxiv) ***Company Information***

The Company has its operations in India and it does not have any joint venture partners with regard to Joint ventures and overseas subsidiaries as at and for the year ended March 31, 2023 and March 31, 2022.

(xxxv) ***Details of transaction with non executive directors***

Name of the Director	Nature of Transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
Gautam Chatterjee	Sitting fees	**0.46**	0.08
Biswamohan Mahapatra	Sitting fees	**0.55**	0.32
Sunil Phatarphekar	Sitting fees	**0.42**	0.28
Mr. P N Venkatachalam (Cessation June 17, 2021)	Sitting fees	**NA**	0.14

(xxxvi) **Registration/License obtained from other financial sector regulators - Nil** (Previous year Nil).

(xxxvii) **The Company has not postponed revenue recognition on any item during the current year** (Previous year Nil)**.**

(xxxviii) **Disclosure of penalties imposed by NHB and other regulators - Nil** (Previous year Nil).

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

54. In accordance with the instructions in the RBI circular dated April 7, 2021, all lending institutions shall refund / adjust 'interest on interest' to all borrowers including those who had availed working capital facilities

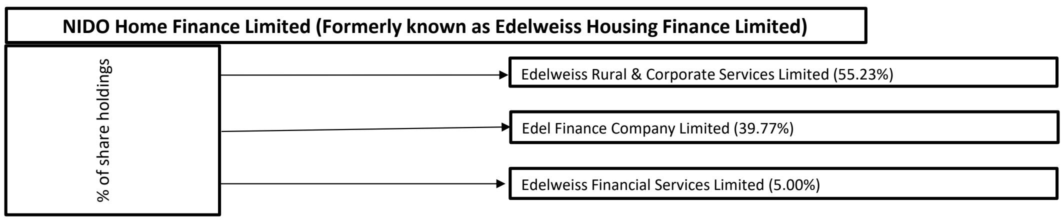
(xxxix) **Details of Resolution plan implemented under the Resolution Framework for COVID-19 related stress as per circular dated August 6, 2020.**

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	85.90	11.71	0.61	**1.25**	72.33
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**85.90**	**11.71**	**0.61**	**1.25**	**72.33**

**As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016*

(xxxxx) There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2023 (Previous Year Nil)

(xxxxxi) Diagrammatic representation of group structure given below:



Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

(xxxxxii) (a) Composition of the Board

As at March 2023

SL No.	Name of Directors	Director Since	Capacity (i.e. Executive/Non-Executive/Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Director Ships	Remuneration			No.of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other Compensation	Sitting fee	Commission	
1	Mr. Rajat Avasthi	23-09-2020	MD&CEO	07969623	6	5	Nil	26.07	-	-	-
2	Mr. Sunil Phatarphekar	13-04-2020	Independent Director	00005164	6	5	4		0.42	-	-
3	Mr. Biswamohan Mahapatra	29-10-2020	Independent Director	06990345	6	6	6		0.55	-	-
4	Mr. Gautam Chatterjee	16-09-2021	Independent Director	02464197	6	6	2		0.46	-	-
5	Mr. Deepak Mittal	14-10-2019	Non Executive Director	00010337	6	6	3	0	-	-	-
6	Ms. Shama Asnani	25-01-2023	Non Executive Director	09774021	1	1	Nil	0	-	-	-
7	Ms. Shilpa Gattani	23-09-2020	Non Executive Director	05124763	4	3	-	0	-	-	-
8	Mr. Phanindranath Kakarla	02-03-2021	Non Executive Director	02076676	4	4	-	0	-	-	-

Details of change in composition of the Board during the current and previous financial

As at March 2022

SL No.	Name of Directors	Director Since	Capacity (i.e. Executive/Non-Executive/Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Director Ships	Remuneration			No.of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other Compensation	Sitting fee	Commission	
1	Mr. Rajat Avasthi	23-09-2020	MD&CEO	07969623	6	6	Nil	21.66	-	-	-
2	Mr. Sunil Phatarphekar	13-04-2020	Independent Director	00005164	6	6	4	-	0.24	-	-
3	Mr. Biswamohan Mahapatra	29-10-2020	Independent Director	06990345	6	5	6	-	0.32	-	-
4	Mr. Gautam Chatterjee	16-09-2021	Independent Director	02464197	3	3	2	-	0.06	-	-
5	Mr. Deepak Mittal	14-10-2019	Non Executive Director	00010337	6	6	3	-	-	-	1 as nominee of EFSL
6	Ms. Shilpa Gattani	23-09-2020	Non Executive Director	05124763	6	6	1	-	-	-	-
7	Mr. Phanindranath Kakarla	02-03-2021	Non Executive Director	02076676	6	6	1	-	-	-	-
8	Mr. P N Venkatachalam	15-02-2015	Independent Director	00499442	1	1	-	-	0.14	-	-
9	Mr. Deepak Mundra	02-03-2021	Non Executive Director	06733120	3	2	-	-	-	-	-

(a) i **Change in composition of the Board.**

As at March ,2023					As at March ,2022				
SL No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective Date	SL No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective Date
1	Ms. Shilpa Gattani	Non Executive Director	Resignation	01-11-2022	1	Mr. Deepak Mundra	Non Executive Director	Resignation	13-10-2021
2	Mr. Phanindranath Kakarla	Non Executive Director	Resignation	01-11-2022	2	Mr. P N Venkatachalan	Independent Director	Cessation	17-06-2021
3	Ms. Shama Asnani	Non Executive Director	Appointment	25-01-2023					

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

b) **Committees of the Board and their composition**

1. Audit Committee

SL No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee #		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Biswamohan Mahapatra	12-02-2021	Chairman and Independent Director	5	5	NIL
2	Mr. Sunil Phatarphekar	13-04-2020	Independent Director	5	4	NIL
3	Mr. Gautam Chatterjee	28-01-2022	Independent Director	5	5	NIL
4	Mr. Deepak Mittal*	13-02-2020	Non-Executive Director	2	2	NIL
5	Ms. Shilpa Gattani^	12-02-2021	Non-Executive Director	3	2	NIL

No of meetings held during the tenure of the Member in the Committee in FY 2022-23.
* Mr. Deepak Mittal was appointed as Member of the Audit Committee effective November 1, 2022.
^ Ms. Shilpa Gattani resigned as Director of the Company effective close of business hours on November 1, 2022.

2. Corporate Social Responsibility (CSR) Committee

SL No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee #		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Sunil Phatarphekar	02-06-2020	Independent Director	2	2	NIL
2	Mr. Gautam Chatterjee	27-10-2021	Independent Director	2	2	NIL
3	Mr. Rajat Avasthi	04-08-2021	Managing Director & CEO	2	2	NIL
4	Mr. Deepak Mittal	03-01-2020	Non-Executive Director	2	1	NIL

No of meetings held during the tenure of the Member in the Committee in FY 2022-23.

3. Nomination and Remuneration Committee

SL No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee #		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Sunil Phatarphekar	13-04-2020	Chairman and Independent Director	3	2	NIL
2	Mr. Biswamohan Mahapatra	12-02-2021	Independent Director	3	3	NIL
3	Mr. Deepak Mittal	13-02-2020	Non-Executive Director	3	3	NIL

No of meetings held during the tenure of the Member in the Committee in FY 2022-23.

4. Risk Management Committee

SL No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee #		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Deepak Mittal	11-11-2019	Chairman and Non-Executive Director	5	5	NIL
2	Mr. Biswamohan Mahapatra	12-02-2021	Independent Director	5	4	NIL
3	Mr. Rajat Avasthi	13-08-2019	Managing Director & CEO	5	5	NIL
4	Mr. Tushar Kotecha	31-01-2019	Executive	5	5	NIL
5	Mr. Umesh Wadhwa	31-01-2019	Executive	5	4	
6	Mr. Nilesh Kumar Jain	25-10-2018	Executive	5	5	NIL

No of meetings held during the tenure of the Member in the Committee in FY 2022-23.

5. Stakeholders Relationship Committee

SL No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee #		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Sunil Phatarphekar	04-08-2021	Chairman and Independent Director	1	1	NIL
2	Mr. Gautam Chatterjee ^	27-10-2021	Independent Director	1	1	NIL
3	Mr. Deepak Mittal	03-01-2020	Non-Executive Director	1	1	NIL
4	Mr. Rajat Avasthi	04-06-2021	Executive	1	1	NIL
5	Ms. Shilpa Gattani^^	29-10-2020	Non-Executive Director	1	1	NIL

No of meetings held during the tenure of the Member in the Committee in FY 2022-23.
^ Appointed as Member of Stakeholders Relationship Committee effective October 27, 2021
^^ Ms. Shilpa Gattani ceased to be a member of the Committee effective November 1, 2022.

(Currency : Indian rupees in millions)

6. IT Strategy Committee

SL No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee #		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Biswamohan Mahapatra	04-08-2021	Independent Director	2	2	NIL
2	Mr. Gautam Chatterjee	27-10-2021	Independent Director	2	2	NIL
3	Mr. Deepak Mittal	11-11-2019	Non-Executive Director	2	1	NIL
4	Mr. Rajat Avasthi	02-06-2020	Managing Director & CEO	2	2	NIL
5	Mr. Phanindranath Kakarla *	04-08-2021	Non-Executive Director	0	0	NIL
6	Mr. Tushar Kotecha^	06-05-2022	Chief Financial Officer	2	1	NIL
7	Mr. Pankaj Maduskar	23-01-2019	Executive	2	2	NIL
8	Mr. Krishanu Ray	12-02-2021	Executive	1	1	NIL
9	Mr. Ajeet Lodha	02-06-2020	Executive	2	1	NIL
10	Mr. Vivek Agarwal^	06-05-2022	Executive	2	2	NIL

No of meetings held during the tenure of the Member in the Committee in FY 2022-23.

^ Mr. Tushar Kotecha and Mr. Vivek Aggarwal were appointed as Members of the Committee effective May 6, 2022.

* Mr. Phanindranath Kakarla ceased to be a Member of the Committee effective May 6, 2022

7. Asset Liability Management Committee

SL No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee #		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Rajat Avasthi	25-10-2018	Chairman and Managing Director & CEO	7	7	NIL
2	Mr. Deepak Mittal	11-11-2019	Non-Executive Director	7	3	NIL
3	Ms. Shilpa Gattani*	29-10-2020	Non-Executive Director	4	3	NIL
4	Mr. Ajeet Lodha	29-10-2020	Executive	7	7	NIL
5	Mr. Tushar Kotecha	28-01-2022	Executive	7	5	NIL

No of meetings held during the tenure of the Member in the Committee in FY 2022-23.

* Ms. Shilpa Gattani ceased to be Members of the Committee effective November 1, 2022.

8. Lending Committee

SL No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee #		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Gautam Chatterjee	19-01-2023	Independent Director	0	0	NIL
2	Mr. Rajat Avasthi	19-01-2023	Managing Director & CEO	0	0	NIL
3	Ms. Shama Asnani	25-01-2023	Non-Executive Director	0	0	NIL

No of meetings held during the tenure of the Member in the Committee in FY 2022-23.

c) **General Body Meetings**

Details of the date, place and special resolutions passed at the General Body Meetings.

SL No.	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special resolutions passed
1	Annual General Meeting	30th May 2022 / Mumbai	Yes
2	Extra-Ordinary General Meeting	29th March 2023 / Mumbai	Yes

(xxxxxiii) The HFC has NIL cases non-compliance with requirements of Companies Act, 2013 including with respect to compliance with accounting and secretarial standards.

(xxxxxiv) **Breach of covenant**

HFCs has not breached of covenant of loan availed or debt securities issued during the Year

(Currency : Indian rupees in millions)

(xxxxxv) Divergence in Asset Classification and Provisioning

There are no additional provisioning requirements assessed by RBI or NHB which exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments and also the there is no additional Gross NPAs identified by RBI/NHB which exceeds 5 per cent of the reported Gross NPAs for FY 2022-23.

(xxxxxvi) Sectoral exposure

Sectors	Current Year			Previous Year		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities						
2. Industry						
i….	-	-	-	-	-	-
ii….	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total of Industry (i+ii+…+Others)	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
i…	-	-	-	-	-	-
ii…	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total of Services (i+ii+…+Others)	-	-	-	-	-	-
4. Personal Loans						
Housing Loan	21,053.04	459.06	2.18%	19,994.85	327.32	1.64%
Non Housing Loan	9,639.01	128.47	1.33%	11,453.87	299.94	2.62%
Other	-	-	-	-	-	-
Total of Services (i+ii+…+Others)	30,692.05	587.53	1.91%	-	-	-
5. Others, if any (please specify)	-	-	-	-	-	-

(xxxxxvii) Intra-group exposures

Particular	As on March, 2023	As on March, 2022
i) Total amount of intra-group exposures	**624.93**	16.60
ii) Total amount of top 20 intra-group exposures	**624.93**	16.60
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	**1.97%**	0.05%

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)
Notes to the financial statements (Continued)
(Currency : Indian rupees in millions)

(xxxxxviii) Realted Party Disclosure

Related party	**Parent (as per ownership or control)**		**Subsidiaries**		**Associates/Joint Ventures**		**Key Management Personnel**		**Relatives of Key Management Personnel**		**Others**		**Total**	
Items	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Transaction During the year													-	-
													-	-
Loans and Advances (Note:1)		-									600.00	-1,000.00	600.00	- 1,000.00
Loans and Advances (Maximum during the year)	1,300.00	-									5,450.00	2,250.00	6,750.00	2,250.00
Non Funded Commitment issued	950.00	950.00									-	-	950.00	950.00
Non Funded Commitment issued (Maximum during the year)	950.00	950.00									-	-	950.00	950.00
Loan Portfolio under Direct assignment	-	-									1,998.46	1,288.60	1,998.46	1,288.60
Interest Income on loan to	122.70	93.46									148.58	90.94	271.28	184.40
Others	51.63	169.72					40.85	32.38			581.73	5,670.06	674.21	5,872.16
													-	-
Balances with related party													-	-
Non convertible debentures held by (Face value)	-	-									85.44	41.76	85.44	41.76
Short term loan given to	-	-									600.00	-	600.00	-
Interest Income accrued on loan to	-	9.26									24.93	7.38	24.93	16.64
Security Deposit Placed (Rental)	-	-									28.39	-	28.39	-
Investment in Security Receipts issued by (Book Value)	-	-									1,522.62	2,012.98	1,522.62	2,012.98
Corporate Guarantee taken from	1,353.24	1,612.82									1,329.69	1,604.62	2,682.93	3,217.44
Corporate Guarantee Given to	-	950.00									-	-	-	950.00
Others	11.00	31.40									1,868.08	2,283.61	1,879.08	2,315.02

Disclosures - NBFCs shall, in addition to the existing regulatory disclosures, disclose the following in their Annual Financial Statements, with effect from March 31, 2023**:**
i) Corporate Governance report containing composition and category of directors, shareholding of non-executive directors, etc.
ii) Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualifications.
iii) Items of income and expenditure of exceptional nature.
iv) Breaches in terms of covenants in respect of loans availed by the NBFC or debt securities issued by the NBFC including incidence/s of default.
v) Divergence in asset classification and provisioning above a certain threshold to be decided by the Reserve Bank

(Currency : Indian rupees in millions)

(xxxxxix) Principal Business Criteria for the Company to be classified as “Housing Finance Company” as per the Paragraph 4.1.17 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, 17 February, 2021(Amended as on 27 Dec 2022) is given below.

	31 March 2023*	**31 March 2022**
Percentage of total assets towards housing finance	**55.74%**	50.59%
Percentage of total assets towards housing finance for individuals	**45.43%**	45.41%

***Minimum regulatory percentage to be complied from 31 March, 2023 onwards for housing to individual 40% and towards housing finanace 50%

(a) It is an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted of by intangible asstes).

(b) Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing financing for individual.

(xxxxxx) Company does not have any exposure to group companies engaged in real estate business during the current and previous year.