

EW/Sec/2024-25/189

September 4, 2024

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

**Sub: Annual Report for the financial year ended March 31, 2024**

In accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year ended March 31, 2024 including the Notice (Annual Report) convening the 29<sup>th</sup> Annual General Meeting of the Members of the Company to be held on Friday, September 27, 2024 at 4.00 P.M. through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”).

The Annual Report is also available on the website of the Company at [www.edelweissfin.com](http://www.edelweissfin.com).

Kindly take the same on record.

Thanking you,

**Yours faithfully,**  
**For Edelweiss Financial Services Limited**

**Tarun Khurana**  
**Company Secretary**

Encl.: as above

# Shades of success

Crafting excellence on time's canvas



ANNUAL REPORT 2023-24

 **Edelweiss**  
Ideas create, values protect

# Shades of success

Crafting excellence on time's canvas

## Index

Theme Note	02	EdelGive Foundation	89
FY24 Highlights	03	Board of Directors	103
Our Board	09	Awards	107
Our Guiding Principles	11	Company Information	110
Our Diversified Business Model	15	Board's Report	111
Our Governance	27	Management Discussion & Analysis	119
Our Customer Experience	31	Corporate Governance Report	163
Our People	35	Consolidated Financial Statements	212
Our Technology	41	Standalone Financial Statements	396
Chairman's Letter	45	Notice	501
Sustainability Overview	57		

At the core of Edelweiss' organisational ethos lies a dedication for value creation. As we integrate a wide array of resources, extensive expertise, and innovative approaches to nurture our business ventures over time, we inch a step closer to achieving excellence.

Like an artist who blends a spectrum of colours, we believe in using a mix of strategies, where every stroke and choice of colour is critical to pave the path towards the desired excellence. While working away from the public gaze, we aspire for a harmony of strategy, creativity, and discipline. One's perception

of colours can be different, but the success of a masterpiece is always resounding.

The theme, based on the concept of colour and its varied practical applications, asserts that success is not instantaneous but a meticulous and gradual process, unfolding over time. It advocates the importance of patience and long-term vision while unlocking value through careful planning, innovation, and strategic execution, thus conveying the message that 'Excellence is a sustained journey'.

# FY24 Highlights



## Financial Performance



**₹9,602 Cr**  
Consolidated Revenue



**₹421 Cr**  
Consolidated PAT  
22% Increase YoY



**₹661 Cr**  
Ex-Insurance PAT

## Robust Balance Sheet & Liquidity



**₹6,216 Cr**  
Strong Net Worth



**₹13,090 Cr**  
Net Debt Declined  
by 20% YoY



**16% of Debt**  
Comfortable Liquidity

## Value Unlocking in Nuvama



Successful listing of Nuvama Wealth Management in September 2023

## Well-capitalised Businesses

### Capital Adequacy



CAPAD of 39%+  
(Credit and ARC businesses)



Solvency ratio of more than  
170% in Insurance businesses

## Robust Customer Franchise

### Growing Customer Assets



Customer assets at ₹2.1 trillion,  
grew 13% YoY demonstrating  
the continued trust reposed  
by customers

### Growing Customer Reach



Customer reach continues to  
expand to 7.6 million,  
growing 35% YoY

# Alternative Asset Management



AUM ₹547 billion, ~3X growth in last 5 years

Fee-Paying AUM ₹322 billion, up 39% YoY



Deployed ₹66 billion during the year

Realised ₹92 billion during the year



Robust response received in ISAF III; fund raised ₹110 billion



Number of unique LPs grew ~2X to 3,400+, with 750+ repeat LPs



Conferred with the "Market Award - India" category at the AsianInvestor Asset Management Award

# Mutual Fund



AUM up 21% YoY to ₹1,270 billion (market share of 2.37%)



Equity AUM grew 61% YoY to ₹437 billion; Equity AUM 34% of total AUM



Inflows of ₹48 billion into equity schemes, up 41% YoY



PAT more than doubled YoY to ₹0.38 billion



Strong uptick in SIP book by 56% YoY to ₹2.34 billion



Total folios grew by 32% YoY to ~1.55 million

# Asset Reconstruction



AUM of ₹316 billion



Acquired Debt Assets of ₹132 billion, up 98% YoY



Robust Recoveries of ₹94 billion; 13% from retail portfolio



Share of retail assets in capital employed stood at 15%

# NBFC



Disbursed ₹10.50 billion in the year; 80% via co-lending model



Wholesale book reduced by 42% YoY to ₹41.50 billion; expect momentum to continue

## Nido Home Finance



Disbursed ₹13.25 billion in the year; 32% via co-lending model



GNPA at 1.69%; improved from 1.91% YoY

## Zuno General Insurance



Fastest growing in the industry; 56% YoY growth in GDPI



Motor segment grew by 32% YoY against industry growth of 13%



Issued 4.3 lakh policies in the year; up 11% YoY

## Life Insurance



Gross Premium increased by 15% YoY to ₹19.26 billion



13-month Persistency improved to 78%; Claim Settlement Ratio of 99.23%



Embedded Value at ₹19.51 billion

# Board of Directors



**Rashesh Shah**  
Chairman & Managing Director

**Venkatchalam Ramaswamy**  
Vice Chairman & Executive Director

**Vidya Shah**  
Non-Executive, Non-Independent Director  
& Chairperson, Edelweiss ESG Council

**Ashok Kini**  
Independent Director

**Dr. Ashima Goyal**  
Independent Director

**Shiva Kumar**  
Independent Director

**C. Balagopal**  
Independent Director

Standing: L to R: C. Balagopal, Venkatchalam Ramaswamy, Ashok Kini | Sitting: L to R: Dr. Ashima Goyal, Shiva Kumar, Rashesh Shah, Vidya Shah

# Our Guiding Principles

Pastels, cherished for their delicate yet vibrant hues, have a rich history dating back to the Renaissance. This medium, perfected in the 16<sup>th</sup> century, quickly became a favourite among artists for its ability to capture nuanced tones and subtle transitions in colour. Pioneers like Rosalba Carriera, Edgar Degas, and Jean-François Millet harnessed the unique qualities of pastels to create expressive and detailed works of art. The term "pastel" itself is derived from the Italian word "pastello," meaning "paste," which aptly describes its adaptable nature, while maintaining a consistent core of precision, distinction, and versatility. The medium's capacity to deliver definitiveness in lines and shades made it invaluable in the creation of detailed and impactful compositions.

In our corporate context, we draw inspiration from the inherent balance and adaptability of pastels. Much like the diverse pigments in a pastel set, our guiding principles provide a flexible yet cohesive framework. This framework allows us to adapt to changing times while maintaining a consistent core of precision, distinction, and versatility. Our 13 Guiding Principles blend our ideals, culture, and business ethics, ensuring that we consistently take the right path for the right reasons without compromising our long-term vision. These principles are a harmonious blend of our foundational ideals, helping us create a cohesive corporate culture. They showcase our direction and resilience, standing the test of time as we continue to create value for all our stakeholders.

Pastel  
Shaping ideals,  
cultures and values



# Our Guiding Principles



## Our Palette of Values

At Edelweiss, our guiding principles are like a palette of soft pastels, creating a harmonious canvas that keeps us centred and focussed. These principles are the foundation of our business, seamlessly blending into our corporate culture. They mix our ideals, culture, and values into a beautiful picture that brings purpose to our business and our lives. With hues of ethics, transparency, and customer centricity, we colour all our dealings with care, always prioritising our stakeholders' interests. These guiding principles, painted with inspirational values, provide a strong foundation and continue to drive us toward success.


- We are a Thinking Organisation.** We constantly bring thought to everything we do. Our clients' and our own success depends on our ability to use greater ideation and more imagination in our approach.
- We are Fair** to our clients, our employees, and all stakeholders.
- We operate as a Partnership, internally and externally.** Though individuals are often brilliant, we believe teamwork and collaboration always ensure a better and more balanced organisation. We also treat our clients as partners and extend them the same respect and consideration as our internal team members.
- We focus on the Long Term.** As the world is poised on the threshold of change and may not hold up our assumptions for the future in the coming years, we reflect on the long-term implications of our actions. Even short-term decisions are made with an awareness of long-term implications.

- We focus on Growth** for our clients, employees, and shareholders.
- We Obey and Comply with the rules of the land.** We maintain the highest standard of integrity and honesty. When we are unclear, we seek clarifications from experts.
- We Respect Risk.** Our business presents a constant challenge of balancing risk and reward. Our ability to continually keep an eye on risk guides us through this fine balance.
- Our Customer Experience defines us.** We strive to make it outstanding every time.
- We satisfy the needs of all stakeholders.** Shareholders who entrust us with their capital, employees who create the organisation, customers who are the reason we exist, and society which gives us the resources and opportunity to create value.
- Our Reputation and Image is more important than any financial reward.** Reputation is hard to build and even harder to rebuild. It is impacted by our ability to think for our clients, maintain confidentiality and by adherence to our ethical value system.
- We take care of our People.** Our policies—in letter and in spirit—ensure transparency and equal opportunity for all. We go beyond the normal goals of attracting, recruiting, retaining, and rewarding fine talent. We ensure that every individual in Edelweiss has an opportunity to achieve their fullest potential.
- Our Financial Capital is a critical resource for growth.** We endeavour to grow, protect, and use our financial capital wisely.
- We Listen and Fulfil the customer's needs.** Listening is the start of the relationship with our customers wherein we understand their needs and fulfil these with the most appropriate products and solutions.

# Our Diversified Business Model

Crayons have a rich history, originating in Europe in the early 19<sup>th</sup> century as colouring tools made from a mixture of charcoal and oil. By the early 20<sup>th</sup> century, crayons evolved into the wax-based versions we recognise today with the addition of paraffin wax (a by-product of petroleum refining) to enhance durability and ease of use. First popularised by brands like Crayola, the first set of Crayola crayons was released as a box of eight in 1903, retailing for just five cents and making them accessible to a wide audience. This in turn helped in cementing their place in classrooms and homes around the world.

Our business model mirrors the flexibility and ingenuity of crayons. Much like how crayons can be used to meet diverse needs - from art sessions to serious therapeutic applications - our business model embraces flexibility across various sectors. This diversified approach enables us to innovate and grow, ensuring each business segment not only thrives but also contributes positively to society, just like crayons that continuously evolve to inspire and aid in development across all ages.



Crayon  
Many hues, many possibilities








# Our Diversified Business Model



## A Canvas of Diverse Ventures

Edelweiss is dedicated to painting a vibrant future for our shareholders, blending legacy and innovation. We aim to transform traditional businesses into modern masterpieces while nurturing new-age ventures. Our focus is on crafting strong foundations and quality, ensuring businesses can flourish and expand. By doing so, Edelweiss seeks to reshape the business landscape and make a positive societal impact.

Our portfolio of seven businesses is a well-curated palette—well-capitalised, operationally independent, and ready for growth. Economic tailwinds offer ample opportunities for expansion, and we will continue to invest in and support these ventures as they create value. With robust equity, ample liquidity, and agile operating platforms, we have a solid canvas and look forward to painting a bright FY25 with confidence and optimism.

	Alternative Asset Management	Mutual Fund	Asset Reconstruction	NBFC	Housing Finance	General Insurance	Life Insurance
							
<b>Strengths</b>	Largest Alternative Assets platform	One of the fastest growing AMCs	Largest Asset Reconstruction Company in the country	Capital-light model focussed on co-lending	Capital-light model focussed on co-lending	Fastest growing Digital Insurer	Among the fastest growing Life Insurers
<b>Key Entities</b>	Edelweiss Alternative Asset Advisors Ltd	Edelweiss Asset Management Ltd	Edelweiss Asset Reconstruction Company Ltd	ECL Finance Ltd Edelweiss Retail Finance Ltd	Nido Home Finance Ltd	Zuno General Insurance Ltd	Edelweiss Life Insurance Company Ltd
<b>Equity</b>	₹7.63 billion	₹2.40 billion	₹31.50 billion	₹34.87 billion	₹8.15 billion	₹2.49 billion	₹7.19 billion
<b>EFSL Stake</b>	100%	100%	60%	100%	100%	100%	75%

# Alternative Asset Management

The business has had a robust year both in terms of scale and profitability. Our AUM increased 18% YoY to ₹547 billion and FPAUM grew by 39% YoY to ₹322 billion. We raised ₹95 billion, deployed nearly ₹66 billion and realised ₹92 billion during the year. There has been a rise in demand for Alternative products. ISAF III, our 3<sup>rd</sup> generation Special Situations Fund, witnessed a robust response, the fund raised ₹110 billion and marked its final close. IYP II, our 2<sup>nd</sup> generation Infrastructure Yield Strategy, has raised ₹80 billion till March 2024. During the year, we launched Rental Yield Plus (first-of-its-kind pre-REIT offering for Indian investors, the fund invests in pre-leased commercial buildings), C SIP (investments in performing credit opportunities across sectors) and Energy Transition Fund (opportunity to participate in India's sustainable energy transition). The business completed the acquisition of L&T Infrastructure Development Projects (L&T IDPL), which owns various road assets and a power transmission line, further scaling up our Real Assets platform.



Net Worth  
**₹7.63 billion**



Net Revenue  
**₹5.99 billion**



Profit After Tax  
**₹2.10 billion**

## Validating Investor/Customer Trust

- ▶ 3,400+ Unique LPs | 750+ repeat LPs across multiple products
- ▶ 57% of AUM from global institutional investors
- ▶ Geographically diversified client base with 46% of fund commitments coming from India, 28% from EMEA/APAC and 26% from clients based in North America
- ▶ Witnessing growing interest in India from LPs based in Australia, Korea, Japan, and Middle East
- ▶ Conferred with the "Market Award - India" category at the AsianInvestor Asset Management Award 2024 & the "Best Overall Performance of the Year" by IVCA at the Alternate Capital Excellence Awards

# Mutual Fund

We are the 13<sup>th</sup> largest and among the fast growing AMCs in the industry with ₹1,270 billion in assets, growth of 21% YoY. We witnessed robust performance in our Equity AUM with ₹437 billion in assets, growth of 61% YoY with a market share of 1.34% as on March 2024. During the year, ₹81 billion of net inflows were recorded. We catered to 15.5 lakh active folios compared to 11.7 lakh at the end of FY23.



Net Worth  
**₹2.40 billion**



Gross Revenue  
**₹2.55 billion**



Profit After Tax  
**₹0.38 billion**

## Expanding Customer Assets

- ▶ The business manages an AUM of ₹1,270 billion under 61 schemes across categories
- ▶ Total net inflows stood at ₹81 billion
- ▶ During the year, we launched 5 new products
- ▶ Equity AUM grew 61% YoY to ₹437 billion of equity assets with a market share of 1.34%
- ▶ Total net equity inflows of ₹48 billion, a growth of 41% YoY

## Earned Investor Trust

- ▶ SIP book grew by 56% YoY to ₹2.34 billion
- ▶ Total folios increased by 32% YoY to 1.55 million vs industry growth at 22%
- ▶ Our systematic transactions increased by 51% YoY to 6,10,000 in FY24

## Asset Reconstruction

As India's largest asset reconstruction platform, Edelweiss ARC plays an important role in the reconstruction and redeployment of productive assets into the economy. Our AUM stood at ₹316 billion as of March 2024. With a focus on optimal resolution and turnaround of portfolio assets, we have recovered ₹94 billion and deployed ₹16 billion. With a key focus on recoveries, we have recovered ~₹475 billion over the last six years despite the pandemic. Our share of retail assets in capital employed stood at 15%.



Net Worth

**₹31.50 billion**



Gross Revenue

**₹10.69 billion**



Profit After Tax (pre-MI)

**₹3.55 billion**

### Robust Recoveries

- Specialist team focussed on facilitating turnaround of portfolio assets
- Robust recoveries of ₹94 billion during the year, up 25% YoY; 13% from retail portfolio
- Debt assets acquisition nearly doubled during the year to ₹132 billion

### Strong Balance Sheet, Steady Income & Profitability

- Strong, well-capitalised balance sheet with well-matched ALM across all durations
- Steady fee income anchoring profitability; PAT 5.0% of the AUM since FY18
- 7.6% Return on Assets (RoA)  
12.0% Return on Equity (RoE)

## NBFC (SME & Business Loans)

Our NBFC business is focussed on an asset-light model through partnerships with banks. Historically, we concentrated on wholesale lending, but over the past few years, we have committed to scaling down the wholesale book and building a digital-led, asset-light, retail credit portfolio through bank collaborations. Our strategic pivot towards retail has shown significant results this year, with disbursements reaching ₹10.50 billion, a 2.5x YoY increase. Additionally, our conservative approach and consistently provisioning above IRAC norms for our credit assets have resulted in a strong balance sheet and adequately capitalised businesses, providing a solid foundation for future growth.



Net Worth

**₹34.87 billion**



AUM

**₹69.24 billion**



Capital Adequacy

**42.4%**

### Asset-light Business Model

- Disbursed ₹10.50 billion in the year; 80% via CLM
- Forged new CLM partnership with Godrej Capital
- Partnership with Central Bank of India, IDFC First Bank and Standard Chartered Bank continues to deepen

### Wholesale Book Reduction on Track

- Wholesale book reduction of 42% in the year to ₹41.50 billion; expect momentum to continue

## Housing Finance (Nido)

Our Housing Finance business continues to focus on facilitating homeownership and wealth building for individuals within the low-income, new to credit, women borrowers and informal-income customer segments. 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. Further, more than 50% of the housing loans financed during the year were in the affordable housing segment, with an average ticket size of ₹1.6-1.7 million. To achieve our vision of enabling home ownership to our target segment, we have established a future-ready, asset-light business model that is built on strategic collaborations, including co-lending tie-ups with marquee banks. During the year, the business disbursed ₹13.25 billion, an increase of 40% YoY.



Net Worth

**₹8.15 billion**



AUM

**₹39.62 billion**





Capital Adequacy

**39.1%**

### Asset-light Business Model

-  Disbursed ₹13.25 billion in the year; 32% via CLM
-  Partnerships with State Bank of India, Standard Chartered Bank, Bank of Baroda, and UCO Bank have been established for co-lending across HL and LAP products

### Improved Asset Quality and Collection Efficiency

-  GNPA improved to 1.69% as on 31<sup>st</sup> March, 2024 compared to 1.91% on 31<sup>st</sup> March, 2023
-  Collection efficiency remained robust at 99%

## General Insurance (Zuno)

Zuno GI is a digital native Insurer that started with the purpose of reimagining Insurance to make it easy, friendly, and transparent through the pillars of customer experience, innovation, and an efficient digital delivery platform. In FY24, Zuno GI emerged as the fastest growing player with a growth rate of 56%. Zuno GI's Gross Written Premium (GWP) for the year was ₹8.51 billion, growing 5.4 times over FY20. Motor & Health segments expanded by 32% & 100%, respectively, versus industry averages of 13% & 19%. During the year, 'Zuno Driving Quotient' a first-of-its-kind driving score using telematics, accessible through the Zuno app was launched. Further, various customer-centric features in Health and Motor Insurance were launched like Pay As You Drive (PAYD), Pay How You Drive (PHYD), Health Product add-ons (241), etc. We continue to record higher than industry NPS, closing the year FY24 at 53.



Gross Written Premium

**₹8.51 billion**



Solvency Ratio

**172%**






No. of Policies Issued

**4,30,000**

### Technological Edge

-  Digital payments - 93%
-  Digital issuance - 100%
-  APIs (Application Programming Interface) offered - 350+
-  Unassisted transactions - 85%
-  AI-based claims intimation - 43%

### Strategic Partnerships

-  Onboarded & activated marquee names such as Maruti Suzuki, Volkswagen, Skoda
-  Made payments simple, easy through Bharat Bill Pay integration for renewal journeys across payment gateways like Razorpay & Bill desk
-  15 new brokers were onboarded for Corporate Sales

# Life Insurance

The past financial year was marked by a relentless pursuit of delivering customer delight, underpinned by a growth mindset. The company reported a 15% YoY growth in Total Premium, reaching ₹19.26 billion. Since inception, the company has achieved an impressive 40% CAGR in individual APE. We have maintained a well-balanced distribution mix and an optimal product mix, with approximately 80% of traditional policies and a higher ratio of longer-duration policies. Two biggest product launches during the year were Bharat Savings STAR and Legacy Plus. We have a remarkable track record of consistently providing bonus payouts for the past 12 consecutive years. Our focus will continue to be on enhancing distribution strength, providing agile support to sales teams for customer engagement, driving innovation and personalisation, and optimising processes.



Customers  
~3,84,000



Agents  
75,000+



No. of Policies Issued  
~58,400

## Long-term Value Creation

Gross Premium grew 15% YoY to ₹19.26 billion

Individual APE stood at ₹5.14 billion

AUM increased 20% YoY to ₹79.90 billion

## High Quality Franchise

13-month persistency at 78%; improved 300 bps YoY

Recorded highest ever Claim Settlement Ratio of 99.23% and full year Customer NPS score of 56

Embedded Value as on March 31, 2024, at ₹19.51 billion

Solvency ratio at 179%

# Edelweiss Financial Services Ltd

Alternative Asset Mgt.

→ Edelweiss Alternative Asset Advisors Ltd

Mutual Fund

→ Edelweiss Asset Management Ltd

Asset Reconstruction

→ Edelweiss Asset Reconstruction Company Ltd

NBFC

→ ECL Finance Ltd  
Edelweiss Retail Finance Ltd

Housing Finance

→ Nido Home Finance Ltd

General Insurance

→ Zuno General Insurance Ltd

Life Insurance

→ Edelweiss Life Insurance Company Ltd

# Our Governance

Ink has been a vital aspect of governance since its development around the 23<sup>rd</sup> century BC in ancient China. The first formulation of ink was made from plant extracts and soot for writing on silk and bamboo. As civilisations evolved, so did the preparation methods, from the indelible inks of ancient Egypt and the enduring iron gall inks of medieval Europe to the complex formulation we see today, ink has played an instrumental role in documenting significant legal and historical texts through the passage of time.

The act of signing with ink symbolises commitment and enforceability in governance, illustrating its role in

shaping societal norms through documented laws and agreements.

We draw inspiration from the vitality of ink in governance. Just as ink formalises laws and agreements, we prioritise integrity, transparency, and accountability, ensuring our decisions are as impactful as ink on paper. Through our governance approach, inspired by the enduring significance of ink, we foster a culture that delivers consistent value and upholds the principles of good corporate citizenship.

Ink  
A governing stroke



# Our Governance



## An Inked Commitment to Integrity

At Edelweiss, our commitment to integrity, transparency, and discipline is indelibly inked into our corporate governance. We have crafted a culture where governance is not just a guideline but a vital aspect of our ethos. This approach allows us to inscribe a robust foundation for business growth and purpose while supporting all stakeholders. With policies and procedures meticulously aligned with national and global laws, Edelweiss provides a clear manuscript that outlines the expected standards of professionalism and behaviour for all employees. Our focus on governance is to enable independent functioning within our businesses while ensuring seamless interdependence. Through our Boards, Councils, and various operating review mechanisms, we remain steadfast in our pursuit of good governance.

The tenets of our Corporate Governance Philosophy are more than just a series of policies and practices. They are deeply engraved elements of the Edelweiss culture, guiding our efforts to conduct business ethically, responsibly, and transparently.

## Tenets of Our Corporate Governance Philosophy



**Trust**  
No compromise on ethics and integrity



**Legitimacy**  
Transparency, authenticity and fairness



**Accountability**  
Responsible decision-making and responsiveness















**Competence**  
Simplification for enhanced effectiveness



**Respect**  
Uphold the laws of the land in letter and spirit

## Key Highlights

-  6-member Board of Directors comprising 2 women directors, collectively representing over ~230 years of rich and diverse experience.
-  Regulatory compliance is automated through technology-based applications.
-  Edelweiss Code of Conduct is designed to sensitise all employees about our philosophy, values, culture, and practices. The Code sets out an ethical roadmap for the conduct of business.
-  Anti-bribery and Corruption, Gifts and Entertainment policy safeguards and promotes legitimate business.
-  Senior management and directors are governed by conflict-of-interest policy, in addition to the code of conduct.
-  The Environmental, Social and Governance (ESG) strategy overseen by the ESG Council, is spearheaded by women leaders and aims to embed sustainability across Edelweiss.
-  We preserve the confidentiality of unpublished price sensitive information to prevent any misuse of such information.
-  Our subsidiaries follow a strong culture of compliance, regulatory standards and remediation of escalations.
-  'Eleven-risk Framework' is institutionalised to assess, avoid, manage, and mitigate risks across businesses in a continual manner, along with Board-level oversight.
-  EFSL is ISO 27701:2019 certified and has implemented cloud security framework and state-of-the art security solutions for data classification, data protection, data loss prevention, advanced threat protection, zero-day protection, etc.
-  Major subsidiaries have independent directors who ensure keen external oversight and transparency.
-  Regular policy refresher workshops and e-learning modules are conducted for employees to ensure awareness, assimilation, and adherence.

To know more about our Corporate Governance initiatives, please refer to our Sustainability Report.

# Our Customer Experience

Pencils have evolved significantly since their inception, beginning as crude tools made of clay and wax and advancing to the modern graphite versions of today. The discovery of graphite in the 16<sup>th</sup> century near Borrowdale, England, marked a pivotal improvement in pencil technology, leading to the creation of more durable and reliable writing instruments. The first mass-produced pencils were made in Nuremberg, Germany, in the 17<sup>th</sup> century, which set the standard for pencil manufacturing globally. Additionally, the invention of the wood-clad pencil in 1662 by Kaspar Faber further developed the pencil as a user-friendly tool.

Pencils empower users with the ability to erase mistakes and refine their work, embodying the concept of customisation and iterative improvement.

At Edelweiss, we prioritise our customers and strive to tailor their experiences. Like the versatile strokes of a pencil that adapts to the user's intentions, we strive to provide a canvas where our customers can express their preferences freely. Our commitment to empowering each customer interaction mirrors the pencil's role in facilitating personalised and meaningful creations, ensuring every engagement leaves a distinctive, lasting impression.

Pencil  
Power to customise

# Our Customer Experience



## Sketching Meaningful Relationships

At Edelweiss, we focus on painting exceptional customer experiences with vibrant hues of intuition and insight. We strive to understand and empathise with our clients' wants and objectives, creating a masterpiece that captures their vision. By providing excellent customer experiences, we aim to colour deep, meaningful relationships that will endure and thrive over time. With an uncompromising dedication to assisting our clients in achieving their goals, we blend winning technologies with personalised touches, creating a vivid tapestry that resonates with our 7.6 million customers.

### Our Promise: ASSURED Customer Experience



We will be **Accessible** to our customers



We will be on the **Same Side** and listen to our customers with empathy



We will be **Upfront** and transparent in our dealings



We will **Remove Limitations** for our customers



We will be uncomplicated and **Easy to Deal** with



We will be **Dependable** and take ownership

## Key Highlights in Our Businesses

- Mutual Fund business implemented new features on its website (Edelweissmf) and mobile app (Einvest) for seamless customer experience, including features to invest in multiple schemes in one click, chatbots for WhatsApp and website and options for SIP renewal and modification.
- Nido's in-house tools optimise the digital journey, ensuring that offerings meet market demands seamlessly, thereby enhancing the quality of the customer experience.
- Significant progress has been achieved in our digitisation efforts through the development of Digital Lending Platform (DLP) for MSME customers. The goal is to digitalise the entire business loan process, eliminating the need for manual intervention or paperwork.
- Zuno Driving Quotient (ZDQ): First-of-its-kind driving score tailored for today's mobile savvy customer. ZDQ initiative provides users with an opportunity to assess their driving skills and get an objective score. This score not only offers valuable insights into one's driving habits but also encourages safer driving practices.
- Zuno's AI-based voice bot lets garages register claims quickly and 24/7; the fastest claims were settled in 16 minutes.
- Zuno integrated with NHCX (National Health Claim Exchange) and enabled creation of ABHA ID.
- Zuno's "h'app'ening" app was updated with enhanced features and performance. 90% of motor service journey is now enabled on the app and processing capacity increased to 5,000 transactions per second.
- Life Insurance business upgraded Pragati (customer onboarding journey) to allow digital workflows, WhatsApp channel for servicing and renewal payments, etc.
- Digital claims processing for our Life Insurance customers, ensuring a smooth, hassle-free experience, enabling a claim settlement ratio of 99.23%.

# Our People

Watercolours, celebrated for their subtle and translucent qualities, have deep historical roots, dating back to ancient Egyptian and Chinese civilisations where they were initially used for manuscript illumination and decorative scrolls. In Europe, the Renaissance marked a pivotal period of advancement for watercolour techniques. The medium gained significant popularity in 18<sup>th</sup> century England with artists like William Turner, who explored atmospheric effects and landscape scenes, further demonstrating watercolour's ability to capture light and mood.

These techniques, such as wet-on-wet or wet-on-dry, allow artists to express deep emotions and diverse perspectives, making watercolours a household staple and a tool for adding depth and texture to the artwork. At Edelweiss, our team embodies the spirit of watercolour painting - where diverse skills and personalities blend seamlessly, creating a rich tapestry of talent and expression. We recognise the essential role each member plays and are committed to fostering an environment that supports their growth and wellbeing. Just as watercolour artists explore the nuanced interplay of colours and techniques to convey deep emotions and perspectives, we encourage our employees to develop their unique capabilities, ensuring their contributions are both valued and impactful.



Watercolour  
Textures of emotions and expressions

# Our People



## Painting Our Future Together

At Edelweiss, we celebrate the diverse hues and expertise of our workforce across all departments. Our policies are designed to uphold fairness and eliminate discrimination, ensuring equal opportunities for all employees and candidates. We are dedicated to nurturing an inclusive culture, rooted in the principles of diversity, equality, and inclusion. Our goal is to create an environment where every individual can thrive, feel respected, and be appreciated for their unique perspectives and contributions, allowing them to reach their highest potential. Our open-door policy promotes an atmosphere of mutual support and transparent communication, enabling employees to freely connect with others across all levels of the organisation.

### Key Highlights in Our Businesses

#### Inclusion & Workplace Diversity

- Our performance management, succession planning, and career development practices prioritise inclusivity, offering equal opportunities to all. We promote respectful communication, active listening, and appreciation for diverse perspectives, encouraging interaction among employees.
- As of 31<sup>st</sup> March, 2024, women comprised 25% of our workforce.
- We have implemented focussed initiatives such as Manthan, Writing Her Story, mentoring programmes, recruitment sensitisation, etc. to promote inclusivity.

- We have adopted a zero-tolerance policy against sexual harassment. Training sessions under the Prevention of Sexual Harassment (POSH) Act are conducted to educate employees on appropriate behaviours.

- Various platforms and committees address sensitive employee matters in a respectful and unbiased manner.

#### Learning and Development

- We prioritise continuous learning by offering tailored training programmes designed to meet specific needs. Our comprehensive approach includes both functional and behavioural training initiatives across our businesses.

- Our learning journeys aimed at mid-level managers are centred around enhancing managerial effectiveness, focussing on three key outcomes: self management, team management, and upward management.

- We partnered with Udemy to start building a digital learning and self-learning culture. It catered to employees and functions looking for deep skill functional learnings. LinkedIn Learning was also added to our digital learning services this year to add byte-sized learnings.

- Our learning programmes such as “Wings to Fly” and “Athithi Devo Bhava” are tailored to equip employees with essential knowledge and skills.

#### Leadership Development

- We have steadfastly focussed on building a robust leadership pipeline that empowers us to navigate and thrive in an ever-evolving landscape.

- We prioritise interlinkages between leadership groups across all levels. This approach enables senior leaders to tap into the fresh perspectives of young leaders and refine their expertise through specialised forums.

- “Young Leaders” programme is tailored for Front-Line Supervisors, Branch Operations Executives, and Associates, targeting the development of a strong first-line managerial cadre.

- “Emerging Leaders” programme is designed for Managers and Chief Managers, concentrating on enhancing functional capability and competence.

- “Business Leaders” programme is centred on nurturing functional leaders who possess the capability to guide the organisation towards its vision.

## Employee Engagement

- “Edelweiss Marvels”- annual R&R programme based on core values of the Company where we celebrate and appreciate individual and team excellence.
- “WoW Café” - leadership connect forum wherein employees are nominated monthly for one-on-one interaction with the MD & CEO. “WoW Champions”, a platform for recognising top performers PAN India monthly was newly launched in FY24.
- “Jump-Start Friday” is an initiative providing employees 2 free hours on the first Friday of the month to pursue their non-work passions. The idea is to promote holistic wellbeing and work-life balance.
- Hosted “Family Day” wherein members of our esteemed senior management engaged in meaningful one-on-one interactions with the families of our employees.
- We have introduced new HR policies and practices which have been well-received, with highlights including quarterly team lunch sponsored by company and Happiness Leave which provides 1 additional paid leave that can be opted for birthday or anniversary.
- Business and functional offsites are planned and undertaken to foster team bonding, encouraging employees to come together and plan the departmental strategy for the year ahead.

## Employee Wellbeing and Safety

- We place a high priority on the health and safety of our employees by ensuring a secure working environment and implementing safety training programmes. We also extend our focus on the health and wellbeing of employees' families by providing support through our central incident room, which is available 24/7 to handle emergency situations and provide accurate information on emergency protocols.
- We offer comprehensive health coverage, which extends not only to our employees but also to their immediate family members.
- Initiatives such as Wellness Wednesdays, Stepathon, What The Health, etc. aim to raise awareness about overall health, fitness, and wellbeing.
- “Mental Health Day” was celebrated at work and employees were made aware of why focussing on mental health is important.
- As part of the Stress Management Programme, we have set up an exclusive helpline to connect employees with qualified practitioners who quell myths and provide counselling services.
- Employees and their spouses are provided with the opportunity to undergo a thorough annual health assessment at any of our network hospitals or diagnostic centres.

To read more about workplace diversity, learning and development initiatives, employee safety & welfare, employee engagement, please refer to our Sustainability Report.




# Our Technology

UV paint, featuring fluorescent pigments that glow under ultraviolet light, revolutionised security printing by enabling the creation of hidden markings on sensitive materials like documents and currency to combat counterfeiting. First developed in the mid-20<sup>th</sup> century, these paints leverage properties of certain materials that react to UV light, remaining invisible under normal light conditions but glowing brightly when exposed to UV rays. This dual nature makes UV paint ideal for applications where discretion and security are paramount.

Beyond security, UV paint's vibrant effects are utilised in art installations and entertainment, bringing dynamic visual experiences to life in the dark.

Mirroring the innovative spirit of UV Paint at Edelweiss, our technology drives our operations, enhancing efficiency and ensuring business continuity. Just the way UV paint transforms under UV light to reveal its vibrant colours, similarly our strategic technologies operate seamlessly behind the scenes, preparing us for future challenges. Our approach is dynamic and innovative, akin to the transformative and hidden strokes of UV paint, enabling us to lead and shape the ever-evolving business landscape.



# UV Paint

The leap of innovation

# Our Technology



## Radiating the Spirit of Innovation

At Edelweiss, we are dedicated to painting a vibrant future by harnessing the transformative power of technology. By blending cutting-edge cloud and digital tools with the personal touch of human interaction, we create a seamless and engaging palette of experiences for our stakeholders. This fusion of innovation and connection enhances customer experiences, boosts operational efficiency, and ensures business continuity, driving our progress towards becoming a high-tech organisation that maintains a rich, colourful bond with our stakeholders.

### Key Highlights

**AI Adoption:** Successfully integrated Gen AI into our operations to enhance user productivity. Our team has been leveraging Co-pilot, an AI-powered tool, to streamline workflows and improve efficiency.

**ISO Certification Upgrade:** In our pursuit of excellence, we have upgraded our ISO certificate from 27001:2013 to 27001:2022. This upgrade underscores our commitment to implementing the best practices in information security management.

**Cybersecurity Maturity:** Our commitment to securing our digital assets and protecting our business from cyber threats has yielded results as we have witnessed improvement in our Cybersecurity Maturity Score.

**Increased Information Security Awareness:** Our commitment to security extends to our entire workforce, including our outsourced staff and consultants. We achieved a 90% adoption rate on our Information Security training, demonstrating our team's dedication to maintaining a secure and reliable digital environment.

**Data Leak Protection Solutions:** To further strengthen our security posture, we have deployed Data Leak Protection solutions. These solutions will help us prevent unauthorised access to sensitive data and mitigate the risk of data breaches.

## Key Business Initiatives

**Evault:** Enhanced Mutual Fund business's management information system with an advanced tool providing deep business insights, including CRM analytics and sales dashboards, making information access easier than ever.

**Bolt (insta-issuance):** The AI and ML-powered Bolt has helped in enabling quick life insurance policy issuances. In FY24, insta-issuance rate went up to 20%.

**BALM:** Implemented BALM (Banking and Accounting Log Manager) to meet regulatory reporting obligations in MSME. This solution simplifies the process of generating and submitting regulatory reports, ensuring compliance with regulatory requirements.

**Mfund Plus:** Upgradation of the order management system of the Mutual Fund business to effortlessly handle a wide range of asset classes. It also incorporates new regulatory requirements, ensuring liquidity with an advanced tech stack and top-notch security.

**My Zindagi App** (unified app for Distribution teams): Life Insurance business successfully conducted pilot launches for select channels and zones. It will enable ease of business for distributors by offering a holistic view from prospecting to sales to servicing.

**FinnOne Neo:** Upgraded from FinnOne to FinnOne Neo, a more advanced and comprehensive loan origination and management system. This transition has enabled our MSME business to enhance the efficiency of lending processes and improve customer experience.

**U2 (need analysis tool):** U2 has empowered Life Insurance distributors to bring a personalised approach to customer engagement, enhancing customer trust and reducing grievances.

**CashTrea:** Implemented CashTrea to enhance treasury operations of MSME business by optimising cash management, improving liquidity forecasting and mitigating financial risks.

**Oracle Fusion:** MSME business' enterprise resource planning (ERP) system was upgraded from Oracle EBS to Oracle Fusion. The platform provides modern tools and technology for more efficient financial management, procurement, and supply chain operations.

**Zuno Driving Quotient (ZDQ):** First-of-its-kind driving score tailored for today's mobile savvy customer. ZDQ initiative provides users with an opportunity to assess their driving skills and get an objective score. This score not only offers valuable insights into one's driving habits but also encourages safer driving practices.



# Chairman's Letter



## The Year Gone By

*Brushstrokes of Adversity, Recovery and Resilience*

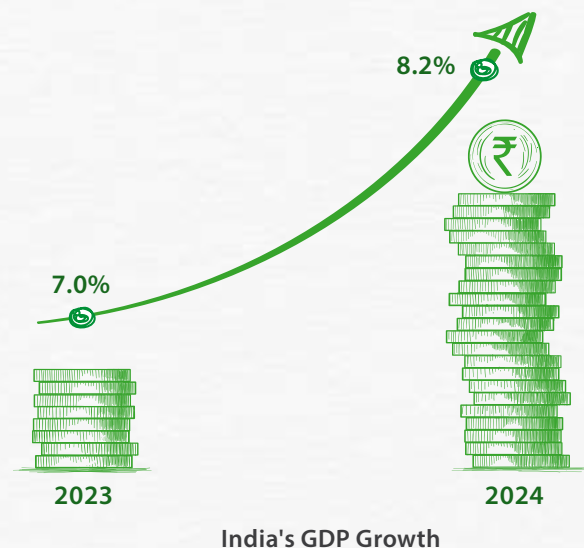
### 🌐 The Global Context

FY24 was marked by significant global challenges. We saw the year begin with central banks worldwide adopting tight monetary policies to curb persistently high inflation, stoking fears of a recession. The financial sectors in both the US and Europe encountered significant turbulence, with several bank collapses adding to the uncertainty. Moreover, geopolitical tensions impaired supply chains, contributing to inflationary pressures. However, as the year unfolded, thanks to robust consumption and a strong focus on infrastructure by governments globally, normalcy began to return as inflation started to stabilise, and the world economy managed to grow by 3.2%, surpassing initial expectations.

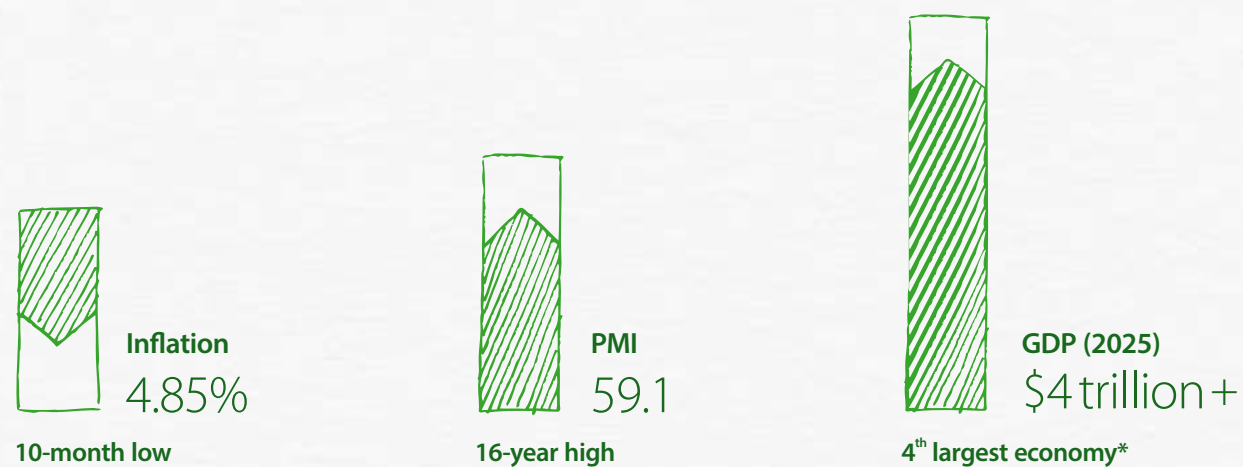
### 🇮🇳 India – Continuing to be The Bright Spot

“ It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change. ”  
 – Charles Darwin

India's economic journey in FY24 was nothing short of remarkable. India's real GDP grew by 8.2%, up from 7.0% in the previous fiscal year, propelled by a robust performance in both the manufacturing and services sectors. Despite global trade headwinds, India managed to shrink its merchandise trade deficit, while services exports surged. The fiscal deficit narrowed to 5.6% of GDP, better than initially projected, reflecting improved fiscal management and higher-than-expected revenue collections. Capital inflows hit record highs with net investments by Foreign Portfolio Investors (FPI) reaching ₹3.4 lakh crore. Moreover, the inclusion of Indian bonds in prominent global indexes like J P Morgan and Bloomberg, aimed to further integrate India into the global financial system, brought in substantial inflows.



The Reserve Bank of India's effective monetary policy helped ease retail inflation to a 10-month low of 4.85%. Notably, the Manufacturing PMI reached a 16-year high of 59.1 in March, underscoring the strength of India's industrial sector. **It is very heartening and encouraging to witness that India is on track to become the world's fourth-largest economy, with over \$4 trillion GDP by FY25.**



\*Projected GDP

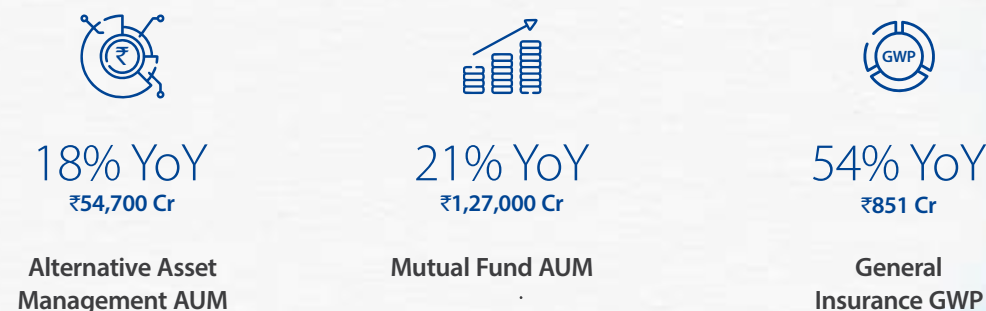
### Edelweiss - FY24 Paves The Path to The Future

This year has been pivotal for Edelweiss, marked by strategic achievements that have positioned us for future growth. **The successful listing of Nuvama** was a cornerstone of our value creation and value unlock strategy, reflecting **our commitment to unlocking shareholder value and creating a win-win for all stakeholders.**

**We also reduced our net debt by 20% year-on-year**, and we remain committed to this priority and to strengthen our balance sheet further.



**Growth and value creation in the underlying businesses was on track** as our Alternative Asset Management and Mutual Fund businesses saw impressive scale-up, with Alternative Asset Management AUM increasing by 18% YoY to ₹54,700 crore and Mutual Fund AUM growing by 21% YoY to ₹1,27,000 crore. The profitability of these segments also improved significantly, with Alternative Asset Management PAT rising by 32% YoY to ₹210 crore, and Mutual Fund PAT more than doubling to ₹38 crore. Our General Insurance business emerged as the fastest-growing player in the industry, with Gross Written Premium (GWP) increasing by 54% YoY to ₹851 crore. The Life insurance business achieved EV break-even last year, this year LI PAT improved by 21% YoY, from ₹(199) crore to ₹(157) crore. Both the insurance businesses are poised to break-even in 2027. For the last few years, growth in retail credit has been slower than expected and the focus in FY24 was to strengthen our existing relationship with partner banks and build tech capabilities. The efforts have yielded results - MSME disbursements via CLM tripled YoY whereas the same doubled for HFC.



Structurally, this year witnessed more strides on the path to unbundling, as we strengthen the Boards of all the businesses. We have seven businesses with robust operating platforms, dedicated management teams and strong independent boards. As we look back through time's canvas, FY24 will certainly be an important year in our journey.

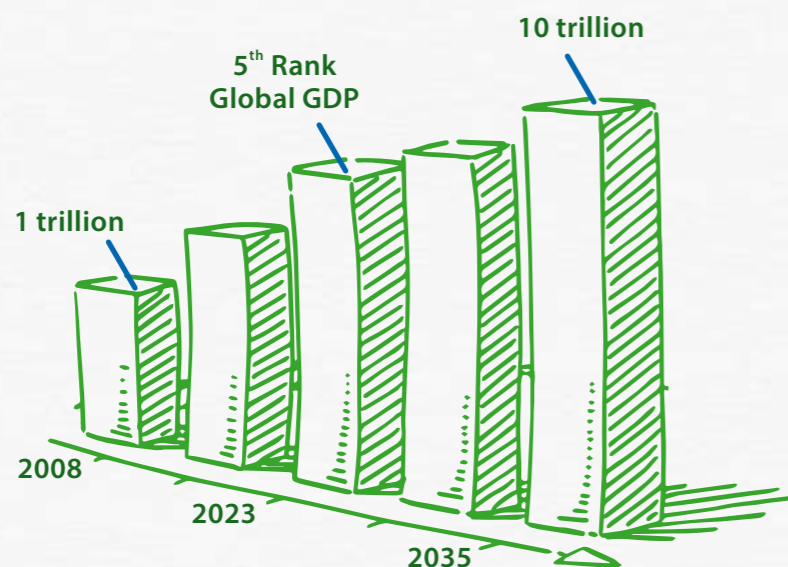
# Power of Time's Canvas

## The Wide-angle View

### India - A Story of Patience, Time, and Compounding at Scale

*No great thing is created suddenly. If you tell me that you desire a fig, I answer you that there must be time. Let it first blossom, then bear fruit, then ripen.*  
 - Epictetus

India's growth story is a testament to the power of **patience, time, and compounding at scale**. It took India **over 75 years to become a \$4 trillion economy**, a journey marked by steady, disciplined growth. In 2008, India became a \$1 trillion economy, and since then, GDP has doubled every 7-8 years. By 2023, India had risen to the 5<sup>th</sup> position in global GDP rankings, and in the next decade, we expect to reach \$10 trillion, securing our spot as the world's third-largest economy. The Indian capital markets have mirrored this growth, with the Sensex taking 12 years to climb from 20,000 to 40,000 but doubling to 80,000 in just five years - a clear illustration of compounding in action!



India - The Great Compounding

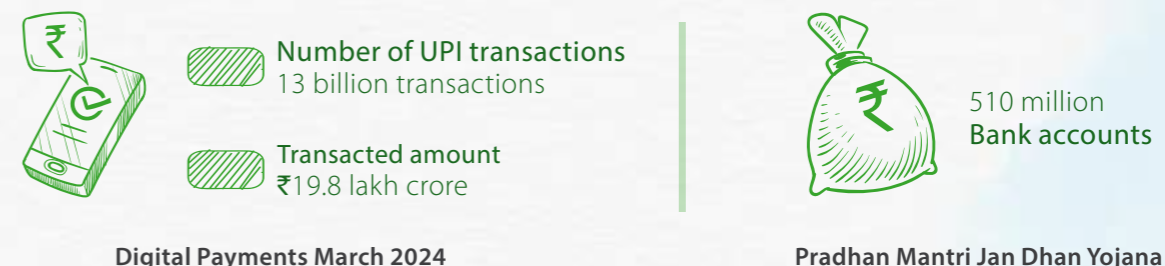
GDP in \$

India's progress extends beyond financial markets. India became an IT powerhouse, growing from a modest \$150 million industry in the early 1990s to a \$245 billion powerhouse by 2023, employing over 5.4 million people and contributing significantly to the country's GDP. The pharmaceutical sector has also expanded significantly, evolving from a \$6 billion industry in 2000 to around \$50 billion by 2023, establishing India as a major global supplier of generic medicines. The automotive sector has seen substantial growth as well, growing from producing just 40,000 vehicles annually in 1950 to over 5 million units by 2023, making India a global automotive hub. Furthermore, even the telecommunications sector has evolved dramatically, with mobile subscribers increasing from just 5 million in 2001 to over 1.2 billion by March 2024, bolstered by the launch of 5G services in 2022.

#### India: The IT Powerhouse



There has also been an incredible shift in how Indians engage with their finances. Today, Indians are not just saving; they are investing and actively participating in the economy. In 2012, there were 20 million demat accounts, a number that doubled to 40 million by 2020. Today, there are over 160 million accounts - quadrupling in just four years! Similarly, the Mutual Fund industry has seen exponential growth, growing sixfold from ₹10 trillion in 2014 to ₹60 trillion today. Digital payments have surged as well, with UPI recording 13 billion transactions worth ₹19.8 lakh crore in March 2024 alone. Financial inclusion has made significant strides, with over 510 million bank accounts opened under the Pradhan Mantri Jan Dhan Yojana (PMJDY) by November 2023, facilitating direct subsidy transfers and improving economic efficiency.



These achievements underscore the importance of **strategic patience and long-term planning**. India's journey reflects this philosophy, as does our journey at Edelweiss.

“ Nature does not hurry, yet everything is accomplished.   
 - Lao Tzu ”

## Edelweiss - A Journey of Creating and Unlocking Value

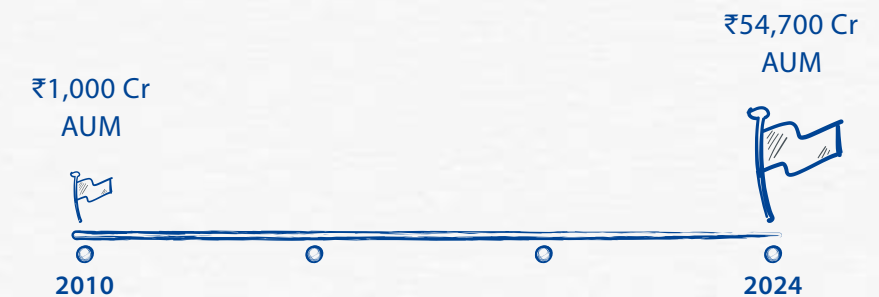
Growth and Value Creation are the cornerstones of our journey.

The steady structural shifts that were initiated in 2016 as decentralisation of the complex conglomerate, were catalysed by the challenging circumstances following the IL&FS crisis in 2018 and then by COVID-19. True to our spirit, we used these events to transition from an integrated diversified conglomerate into an unbundled, structurally simple, well-governed HoldCo with eight underlying independent businesses. This structural transition ensured that each business had its own strategic plan, Udaan, appropriately named as the birds took the first flight out of the nest. The primacy of the business imperatives with robust management teams, operating platforms, and strong independent boards have enabled focussed value creation.

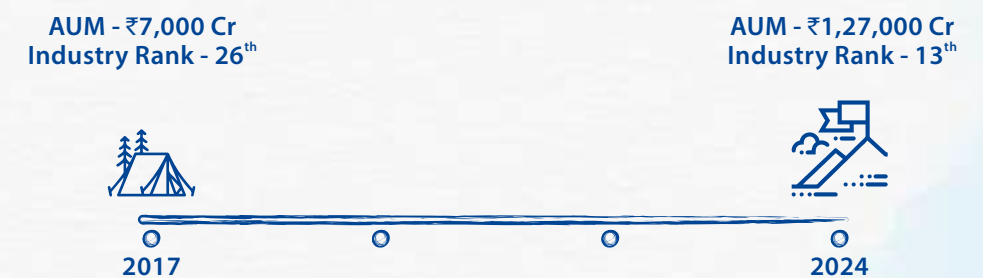
**This architectural shift has also set the stage** for unlocking value in the businesses and the **Nuvama Unlock journey embodies our ideology of an unlock.** Not many of you know that we started our wealth management business in 2005, and what seems like an overnight success as always, took nearly a decade and a half to build. By 2020, it had become one of the top two independent wealth management players, recognised as the market leader in the affluent segment with an AUM of ₹1 lakh crore.

Last September, Nuvama successfully debuted on the stock exchanges, creating a win-win situation for all stakeholders. **For Nuvama,** the deal led to primary capital infusion and paved the way for listing. **Edelweiss shareholders** received 30% of Nuvama shares, providing a direct opportunity to participate in Nuvama's growth journey. **For Edelweiss,** the listing provided capital to reduce debt and further invest in and scale up our other businesses. This truly underscores our ideology for a value unlock in our businesses – we are committed to finding the right time and method to create value for all stakeholders.

**Value creation at Edelweiss has always been a pioneering journey.** We believe that creating value consistently as an organisation is a sustained journey, where patience and adapting to a changing environment are key. This philosophy has guided us in observing and anticipating market shifts and embracing new opportunities. **In 2008, recognising the potential in private credit, we became pioneers in the Alternative Asset Management industry.** We launched our first performing credit fund, and over time, introduced other innovative products like the industry-first Special Situations Fund and Infra Yield Strategy. **In 2023, we were early movers in sustainable energy with the launch of our Climate Fund.** The Alternative Asset Management business, which had an AUM of ₹1,000 crore in 2010, has grown 50 times over 14 years, reaching ₹54,700 crore in FY24.



Recognising the **growing opportunity in the retail market,** we launched our Mutual Fund business in 2008 with a vision to provide investment solutions that deliver enduring value for customers. During this journey, we focussed on building the foundation for a strong retail franchise, making strategic choices like innovative product launches - particularly in the Fixed Income category - becoming a leader in Passive Debt, and establishing a distinct investment platform driven by a process-oriented approach. **In 2017, our AUM stood at ₹7,000 crore, ranking us 26<sup>th</sup> in the industry. By 2024, our AUM has grown to ₹1,27,000 crore, making us the 13<sup>th</sup> largest AMC in the country.**



Another pivotal moment in our journey was our involvement in the Asset Reconstruction space. With a firm belief that not all Non-Performing Assets (NPAs) are bad assets, we have worked towards their revival and turnaround to the greatest possible extent. In this business, we have successfully achieved cumulative recoveries worth ₹52,000 crore over the last 8 years.

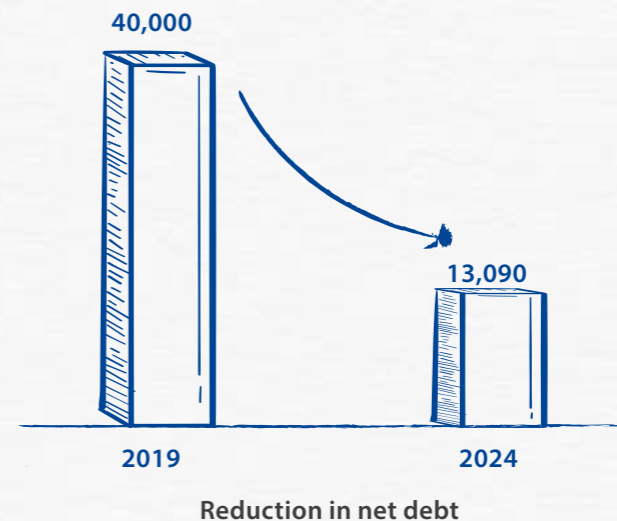
**We have witnessed growth across our businesses**

INR Cr

Business	Metrics	FY20	FY24	Growth
Alternative Asset Mgt.	AUM	21,700	54,700	2.5x
	FPAUM	11,000	32,200	2.9x
Mutual Fund	AUM	28,000	1,27,000	4.5x
	Equity AUM	6,500	43,700	6.7x
Asset Reconstruction	Cum. Recoveries*	22,600	51,900	-
General Insurance	GWP	160	851	5.3x
	AUM	310	1,122	3.6x
Life Insurance	Gross Premium	1,050	1,926	1.8x
	AUM	2,707	7,990	3.0x

\*Since FY16

At the same time, we have **focused on systematically reducing net debt** over the past five years. In March 2019, our net debt stood at ₹40,000 crore. By March 2024, we reduced this figure by ₹27,000 crore.



Our business model has shifted from being asset and balance sheet-heavy to an asset-light model, focussing on businesses that don't require heavy borrowings, positioning us well for future growth. As we move forward, Edelweiss will continue to evolve into an Investment Company (InvesCo), focussing on existing businesses with limited operational involvement and incubating new ventures.

“ I am a slow walker, but I never walk back.   
 - Abraham Lincoln ”

**The Path on the Canvas Ahead**  
Forging Hope and Possibilities

Global - Complexity With Emerging Hope

As we step into FY25, the global landscape remains complex. Countries continue to focus on keeping inflation in check, while geopolitical tensions and election cycles add layers of uncertainty. Yet, there is hope - leading indicators suggest an upturn in economic activity, driven by expansions in both manufacturing and service sectors.

## India - Towards a \$10 Trillion Economy

India is at an inflection point in its economic journey. The pace of financial inclusion has accelerated dramatically over the past decade, driven by key government initiatives and outreach programmes. Continued focus on education, infrastructure development, and innovative approaches will further strengthen India's financial inclusion efforts.

*This is an incredibly exciting time for India. We've reached a point of capital surplus, experiencing strong economic growth since 2020-21.*

Our journey, much like the Green Revolution that transformed India from a food-scarce nation to one with surplus production, is now focussed on achieving economic self-reliance. We have transitioned from being dependent on Foreign Institutional Investors (FIIs) for capital, to becoming self-reliant, or atmanirbhar. As India moves forward, the right policies and reforms, focussing on inclusive growth and sustainable development, will guide us towards becoming a \$10 trillion economy.

## Edelweiss - Poised to Participate in India's Growth

*“The green reed which bends in the wind is stronger than the mighty oak which breaks in a storm.”*  
— Confucius

Edelweiss is strategically positioned to leverage India's growth landscape, with a clear focus on resilience and quality as the cornerstones of our strategy. We will continue to focus on growth and value creation in our underlying businesses, viewing growth as a natural by-product of operational excellence and India's inherent

growth dynamics. Our strategy prioritises long-term success with a focus on creating a win-win opportunity for all shareholders through value unlocking in our businesses at opportune times. Furthermore, we remain committed on our stated path to reduce debt.

### We remain committed on our key priorities



As we advance in our journey of sustained value creation, positioned to engage in the retailisation, financialisation, and digitisation of the Indian economy, I sincerely thank our shareholders. Your unwavering support and trust have been the cornerstone of our success. As we navigate the dynamic landscape and seize new opportunities, we remain committed to delivering sustained value and growth through adaptability, effective change management, and patience. As we often say at Edelweiss,

*Patience is not only the ability to wait, but the ability to keep a positive attitude while waiting.*

Yours sincerely,

CHAIRMAN & MD

# Sustainability Overview



At Edelweiss, we have consistently led the way in promoting sustainable growth for our diverse stakeholders and society as a whole. Our governing philosophy is underpinned by 13 guiding principles, which are rigorously

upheld by our management and staff, shaping the values that drive our operations.

Regular training ensures that employees integrate these principles into their

daily activities. This report provides a detailed exploration of these values and our dedication to not only our own growth but also to tackling broader societal, environmental, and governance issues.



## Responsible Governance



## Contribution to Society




## Protecting the Environment



Aligning with the SDG framework as early adopters of SDGs, we have proactively committed to upholding these objectives across all our operations.


We currently align with 10 of the 17 SDGs and continue to monitor our progress, and the impact we create for our numerous stakeholders across varied areas of focus.

# Responsible Governance




Sustainable Development Goals	Stakeholders Impacted/ Operating Environment	Key Areas of Focus
 <p>Peace, Justice and Strong Institutions</p>	<ul style="list-style-type: none"> <li>Regulators</li> <li>Investors</li> <li>Customers</li> <li>Employees</li> </ul>	<ul style="list-style-type: none"> <li>Developing effective, accountable, and transparent institutions.</li> <li>Responsive, inclusive, participatory, and representative decision-making.</li> <li>Promote a culture of compliance with the highest standards of integrity.</li> </ul>

# Contribution to Society

Sustainable Development Goals	Stakeholders Impacted/ Operating Environment	Key Areas of Focus
 <p>Gender Equality</p>	<ul style="list-style-type: none"> <li>Society</li> </ul>	<ul style="list-style-type: none"> <li>Ending discrimination and violence against women.</li> <li>Promoting women's empowerment.</li> <li>Equal access to economic resources and equal opportunities for leadership.</li> </ul>
 <p>Decent Work and Economic Growth</p>	<ul style="list-style-type: none"> <li>Employees</li> <li>Society</li> <li>Economy</li> </ul>	<ul style="list-style-type: none"> <li>Creating a safe and healthy working environment and enhancing efficiency and productivity.</li> <li>Supporting job creation.</li> <li>Promoting entrepreneurship and encouraging growth of SMEs.</li> <li>Contribution to economy by financing real estate infrastructure and affordable housing.</li> </ul>

Sustainable Development Goals	Stakeholders Impacted/ Operating Environment	Key Areas of Focus
 Good Health and Wellbeing	<ul style="list-style-type: none"> <li>• Employees</li> </ul>	<ul style="list-style-type: none"> <li>• Providing healthcare facilities to employees.</li> <li>• Encouraging healthy lifestyles.</li> <li>• Supporting reproductive rights.</li> </ul>
 Quality Education	<ul style="list-style-type: none"> <li>• Society</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring access to quality early-childhood and primary education.</li> <li>• Supporting development of education infrastructure and teaching capabilities.</li> </ul>
 Reduced Inequalities	<ul style="list-style-type: none"> <li>• Society</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting women to get access to rights and entitlements.</li> <li>• Ensure equal opportunities and reduce inequalities.</li> </ul>
 Industry, Innovation, and Infrastructure	<ul style="list-style-type: none"> <li>• Society</li> <li>• Investors</li> </ul>	<ul style="list-style-type: none"> <li>• Improve access to financial services, including affordable credit for small-scale industrial and other MSMEs.</li> <li>• Facilitating investments in quality, reliable, sustainable, and resilient infrastructure to support economic growth and increase quality of life.</li> </ul>

# Protecting the Environment

Sustainable Development Goals	Stakeholders Impacted/ Operating Environment	Key Areas of Focus
 Climate Action	<ul style="list-style-type: none"> <li>• Environment</li> <li>• Society</li> </ul>	<ul style="list-style-type: none"> <li>• Aiding the development of resilience and adaptability to climate-related changes.</li> <li>• Enhancing awareness, education and capacity of climate change mitigation and adaptation.</li> </ul>
 Affordable and Clean Energy	<ul style="list-style-type: none"> <li>• Environment</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing the share of renewable energy in power consumption.</li> <li>• Improving energy efficiency.</li> </ul>
 Responsible Consumption and Production	<ul style="list-style-type: none"> <li>• Environment</li> </ul>	<ul style="list-style-type: none"> <li>• Using natural resources efficiently.</li> <li>• Environmentally sound management of waste and limiting waste generation.</li> <li>• Reducing release of emissions and GHGs.</li> </ul>

*Our values and dedication not only result in our own growth but also tackling broader societal, environmental, and governance issues.*





# Our Stakeholders and Operating Environment



At Edelweiss, we consider sustainability integral to our operational frameworks, ensuring that sustainable practices permeate all aspects of our business

operations. We actively collaborate with a wide range of stakeholders to grasp their primary needs and concerns. Our objective is to meet these requirements

by implementing effective systems, processes, and strategies throughout the organisation, thereby delivering significant value.

Key Stakeholder / Areas of Impact	Material Topics	Objective	SDG Mapping	Link to the Detailed Report*
 Regulators	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Compliance</li> <li>Ethical and transparent practices</li> </ul>	<p>Adhere to the highest standards of corporate governance practices and ethical behaviour;</p> <p>Create a safe and reliable financial services ecosystem through policy advocacy.</p>		<a href="#">Read More... Responsible Governance</a>
 Customers	<ul style="list-style-type: none"> <li>Satisfactory services</li> <li>Multiple channels</li> <li>Responsiveness</li> <li>Data privacy &amp; security</li> </ul>	Ensure consistent, high-quality customer experience by creating a customer-centric culture focussed on their needs.		<a href="#">Read More... Enhancing Customer Experience</a>

\*To read the report go to [www.edelweiss.com](http://www.edelweiss.com)

Key Stakeholder / Areas of Impact	Material Topics	Objective	SDG Mapping	Link to the Detailed Report
 Investors	<ul style="list-style-type: none"> <li>Shareholder value</li> <li>Financial performance</li> <li>Corporate governance</li> <li>Compliance</li> <li>Risk management</li> <li>Disclosures &amp; transparency</li> </ul>	Protect and increase shareholder value and focus on sustainable growth and profitability.		<a href="#">Read More... Catering to Our Shareholders</a>
 Employees	<ul style="list-style-type: none"> <li>Enriching career</li> <li>Learning, development &amp; training</li> <li>Health &amp; wellness benefits</li> </ul>	<p>Enable employees to thrive, be respected, and valued, and thereby achieve their full potential;</p> <p>Provide a safe and enabling environment with a focus on employee wellbeing.</p>	  	<a href="#">Read More... Our People</a>
 Society	<ul style="list-style-type: none"> <li>Women's empowerment</li> <li>Gender equality</li> <li>Education</li> <li>Livelihoods</li> <li>Rural development</li> </ul>	Enable sustainable and equitable development.	  	<a href="#">Read More... Contribution to Society</a>
 Economy	<ul style="list-style-type: none"> <li>Promotion of SMEs</li> <li>Civic infrastructure and housing</li> </ul>	Contribute to the national agenda by supporting small businesses, financially empower enterprises and individuals and develop housing infrastructure.	 	<a href="#">Read More... Contribution to Our Economy</a>
 Environment	<ul style="list-style-type: none"> <li>Responsible consumption</li> <li>Waste and emissions</li> <li>Efficient use of natural resources</li> </ul>	Minimise adverse environmental impacts.	  	<a href="#">Read More... Protecting the Environment</a>

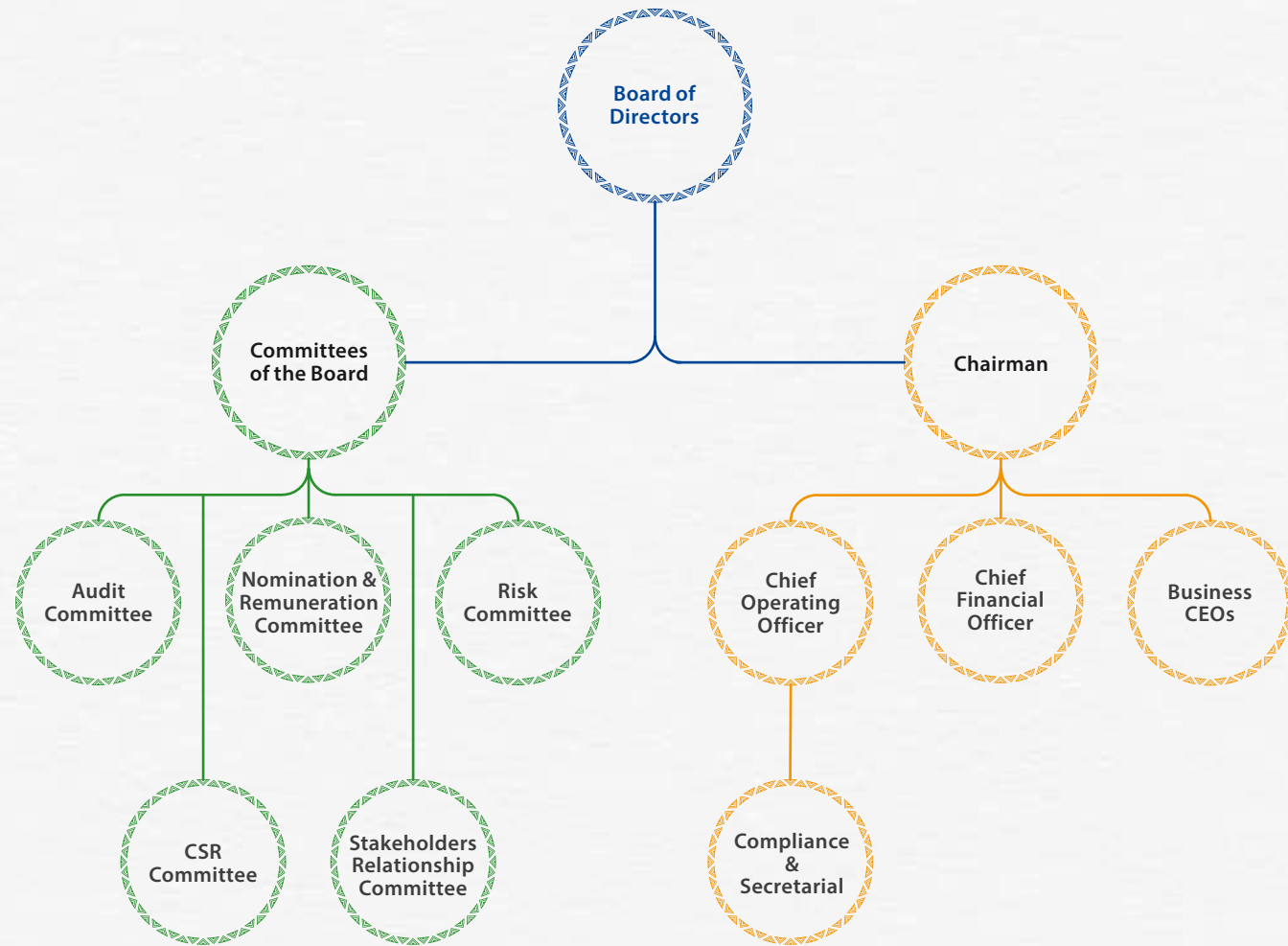
# Responsible Governance

At Edelweiss, Governance forms the cornerstone of our operations. It empowers us to serve our stakeholders effectively, establishing a robust

framework for business growth and fulfilment of our mission. Our policies and procedures adhere to relevant national and global laws and regulations,

offering transparent directives for expected standards of professionalism and conduct.

## Board Committees and Organisation



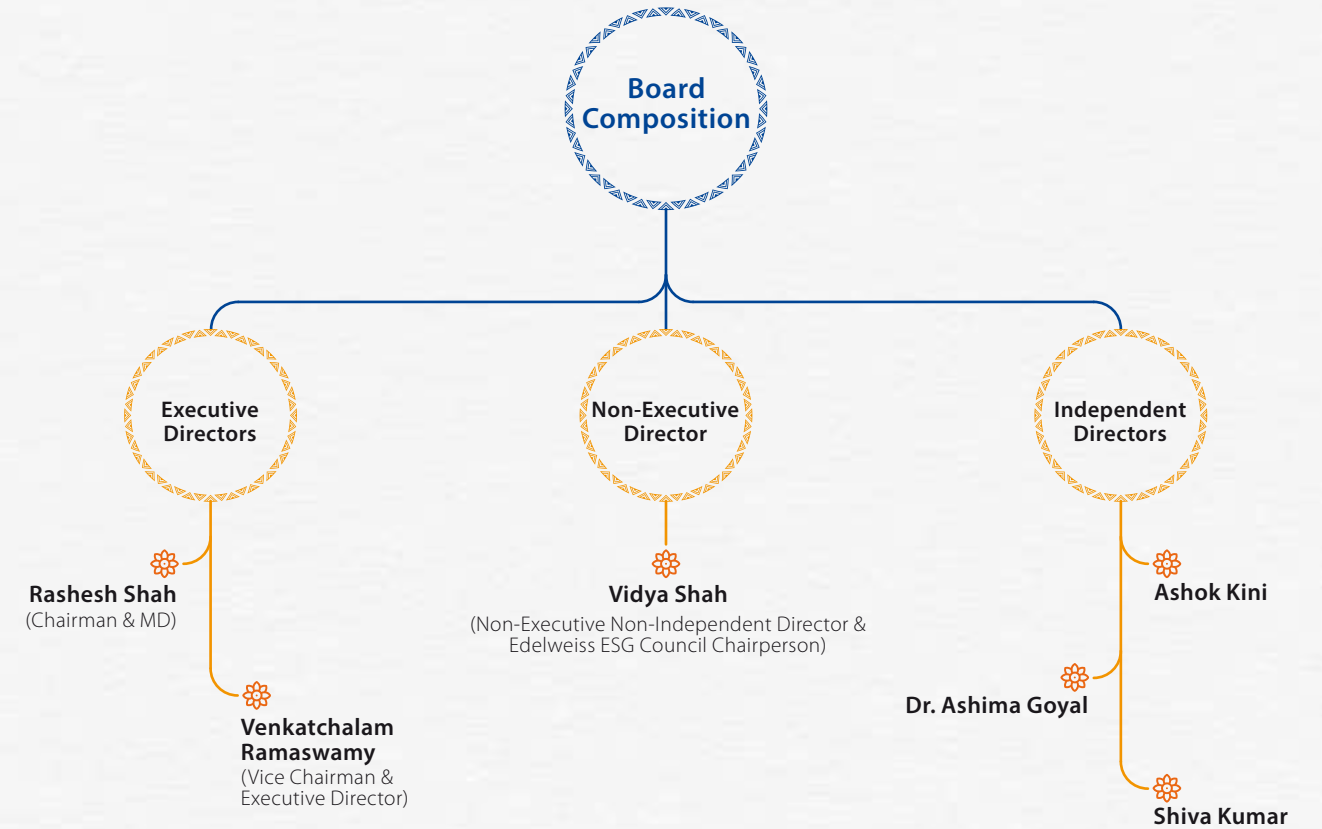
Governance forms the cornerstone of our operations. It empowers us to serve our stakeholders effectively, establishing a robust framework for business growth and fulfilment of our mission.

## Governance Structure

6-member Board with two Women directors as on March 31, 2024

✿ Balanced board composition with ~230 man-years of experience.

✿ Board members strive for 100% attendance and active participation in all Board and Committee meetings.



Two Board Members are below 60 years of age and two above 70 years.



6 Board Members

> 70 Years – 2

> 60 to 70 years – 2

< 60 years – 2

Detailed profile of our directors and details of the composition of the Board Committees and their terms of reference are available on our website.

## ESG Governance at Edelweiss

ESG Council is in place since FY20 to provide effective governance for addressing ESG parameters.



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



Brings together rich and varied experience of managing key stakeholder relationships

Edelweiss' ESG agenda is further augmented by a CSR Committee and EdelGive Foundation.

## Legal and Regulatory Compliance

All businesses at Edelweiss operate with a strong culture of compliance, regulatory standards, and remediation of escalations.

Business compliance officers and decentralisation of ownership

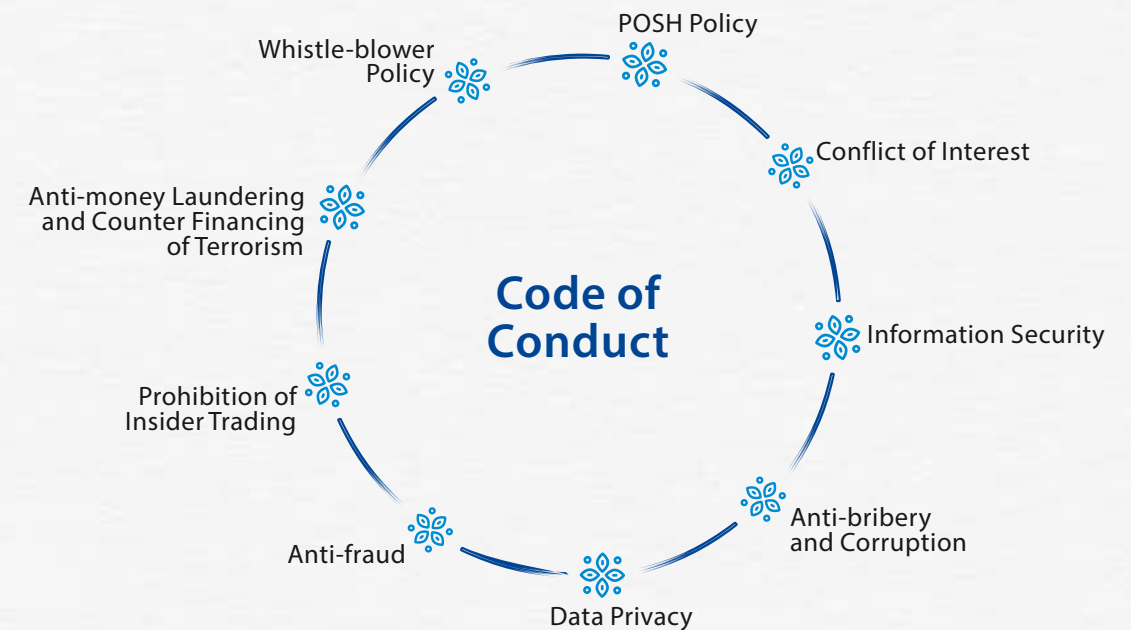
Automation of regulatory compliance through technology-based application

Periodic review of regulatory compliances, directives of sectoral regulators, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, by the Board and its Committees

E-learning modules and expert sessions by law firms and experienced relevant consultant firms to keep updated on governance practices

## Frameworks and Policies

The Edelweiss Code of Conduct adopted at an organisational level outlines our commitment and sets out a roadmap for employees, senior management, and Directors, covering critical areas such as professional integrity, honesty, and ethical conduct.



These policies are available for reference on our website, [www.edelweissfin.com](http://www.edelweissfin.com). Additionally, our detailed report on responsible governance summarises the key highlights and details on implementation of these policies.

Periodic communication on awareness and training on POSH provided for all relevant stakeholders:



Over 92 members of the Internal Complaints Committee (ICC) across businesses trained on Prevention of Sexual Harassment (POSH) policy investing over 289 training-hours









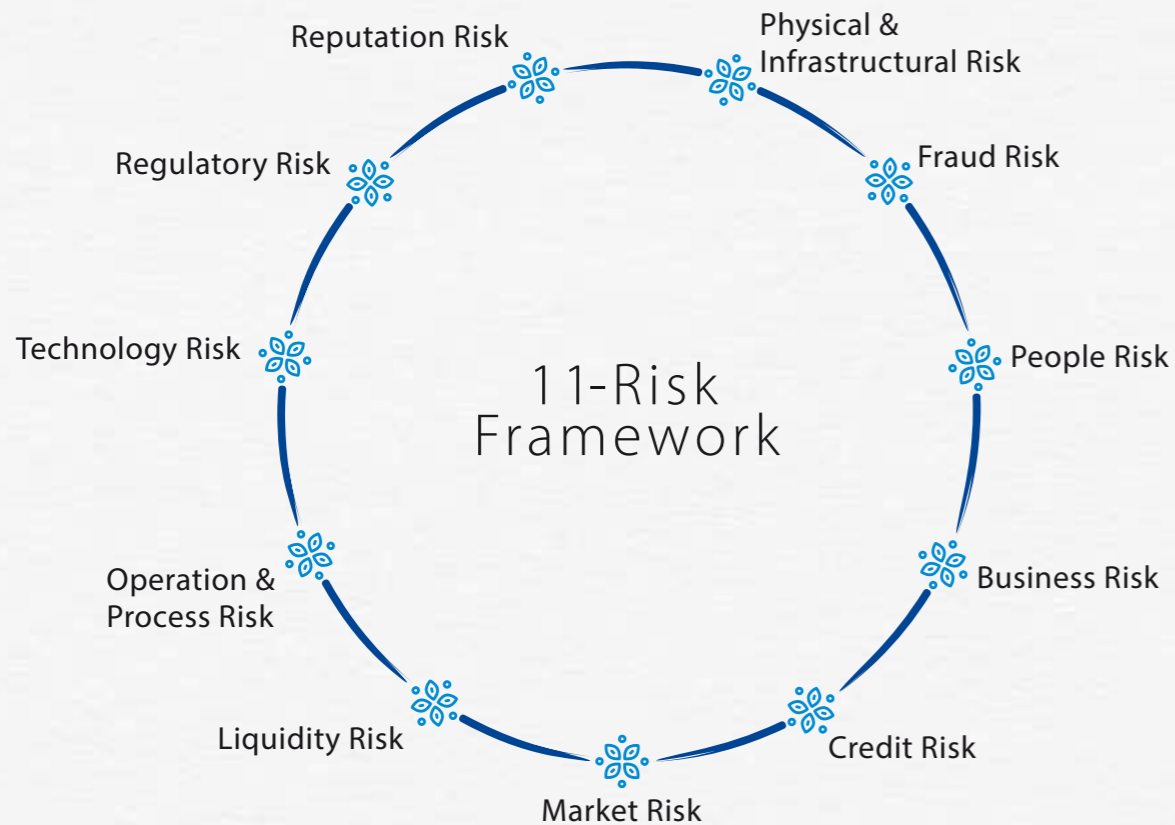
Employees at the time of joining Edelweiss and thereafter on an annual basis, complete trainings on anti-money laundering and counter-financing of terrorism (AML/CFT) POSH prohibition of insider training whistle-blower policy through the SHIELD module

No POSH cases in EFSL in FY24

4 POSH cases across businesses in FY24

## Risk Management

-  Risk Committee constituted to devise and adopt risk management frameworks and plans for identification, evaluation, and assessment of risks
-  Risk management training programme facilitated for employees
-  We have formulated a Risk Management Policy. It is included in our 13 guiding principles, and is a crucial element of our philosophy
-  Incident/Exception reporting mechanism adopted to ensure timely reporting on any deviation from policies and processes
-  Eleven-risk Framework adopted to identify, quantify, and monitor risk events in a comprehensive risk register across Edelweiss
-  Independent assurance on the effectiveness of the risk framework provided by Internal Audit






## Policy Advocacy

Active participation in industry bodies and associations, policy discussions to highlight, address concerns and to contribute views and experience to consultation papers and exposure drafts impacting public policy on subjects like women entrepreneurship, financial and economic growth, sustainable development, and climate change.


## Data Privacy

-  Data privacy policy and processes in place to ensure adequate safeguards for collection, storage, and processing of personal and sensitive information and data of customers and third parties
-  Enabling firewalls, intrusion detection systems, network monitoring encryption, and other tools to prevent and detect cyber-security attacks
-  Achieved ISO 27701:2019 certification across Edelweiss, which is the international standard in privacy information management systems
-  No reported cases of losses of customer data and breaches of customer privacy
-  Ongoing process to embed data privacy programme in the enterprise-wide risk-management framework

## Security & IT Governance

-  Implemented state-of-the-art security solutions for data classification, data protection, data loss prevention, advanced threat protection, zero-day protection, etc.
-  Enhanced cloud security framework and governance at Edelweiss
-  Strengthened IT governance and focus on process standardisation
-  Adopted zero-trust security model to optimise productivity and reduce risk. This shift in working model requires strict identity verification for every person and device trying to access resources on a private corporate network
-  Upgraded the Information Security Management system to ISO 27001:2022 standard. This certificate validates the firm's efforts for safeguarding the confidentiality, integrity, and availability of our clients' valuable data

## Suppliers and Vendor Relationship Management

-  Framed Comprehensive Enterprise Procurement Guidelines in accordance with the Edelweiss ESG policy
-  Mandatory vendor sign-off on a supplier code of conduct initiated, specifically enumerating vendor compliance with applicable environmental laws, regulations, and other ESG parameters
-  Know Your Vendor (KYV) norms adopted by Edelweiss, covering all stages of the vendor lifecycle
-  Rolled out and adopted the framework across business groups within Edelweiss

## Investor Relationship Management

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

-  Shareholder base of over 2,30,000 retail and institutional investors as of March 2024. Timely and accurate disclosure of regulatory compliance with material events, updates, and financial performance
-  Adoption of effective mechanisms and information systems to enable planning, execution, and tracking investor outreach initiatives
-  Proactively gathered investor feedback that was channelised to the Company management after analysis for potential actionable inputs
-  Proactive engagement with shareholders
-  Adoption of robust investor grievance redressal systems. 470 investor complaints received and disposed in FY24
-  User-friendly interface for contact through web query/request form on service and information requirements
-  Continued focus on enhancing the quality of disclosures to investors and analysts through benchmarking with peers
-  Multiple modes of communication with investors
  - Investor collaterals
  - Investor letters
  - Stock exchange filings
  - Website
  - Analyst calls
  - AGM
  - E-mails

## Customer Experience

At Edelweiss, customer centricity is the bedrock of all that we do. We serve a diversified client base that includes corporations, institutions, and individuals

-  Addressing customer concerns through physical, digital, ATL and BTL engagement, across customer journey, from pre-sales to servicing
-  Constitution of a customer council and retail forum comprises senior business leaders for improved synergies and collaboration
-  7.6 million customer base as of FY24
-  Sophisticated complaint management systems adopted
-  Customer experience officers forum initiated to share best practices and drive learning across customer representatives
-  Robust measurement of customer experience through a combination of metrics:
  - Digital net promoter score
  - Individual business-led performance measures
  - Robust measurement of customer experience through a combination of metrics
-  Robust customer-experience framework adopted, based on the CWOW assured guidelines

# Contribution to Society



At Edelweiss, our dedication lies in generating value for both our stakeholders and society as a whole. We firmly believe that an inclusive

society hinges on educated children, empowered women, and resilient communities. Through our business endeavours and philanthropic efforts,

we strive to foster an equitable and sustainable environment where communities can flourish and thrive.



Gender Equality



Decent Work and Economic Growth



Good Health and Wellbeing



Quality Education



Reduced Inequalities

*We firmly believe that an inclusive society hinges on educated children, empowered women, and resilient communities.*



## Gender Equality

### Women Empowerment and Gender Equality

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



Freedom from Violence and Discrimination



Access to Legal Justice



Grassroots Leadership



Access to Rights and Entitlements



Freedom from Economic Dependence

EdelGive has supported 12 projects with 12 NGO partners across 10 states in India in FY24. Over the years, through our NGO partners, we have been able to create a significant impact:

- 2.53 lakh (15,562 in FY24) women and girls supported in their fight for addressing gender equality-related issues
- Supported 39,557 (6,633 in FY24) survivors of domestic violence and/or sexual violence in the legal journey
- 26,545 (2,389 in FY24) women and girls supported under financial inclusion programmes
- 57,146 (4,432 in FY24) women supported to get access to rights and entitlements
- 25,605 (9,750 in FY24) grassroots leaders developed and supported
- Formed 6,082 (98 in FY24) SHGs/JLGs

## The Coalition for Women Empowerment

This was initiated by EdelGive in 2019, bringing together funding organisations and grassroots organisations as stakeholders united by a common mission of facilitating social and

economic empowerment of women and girls in India. It focusses on providing 360-degree support to grassroots organisations through enabling funding for critical rights-based

programmes. The coalition is currently supported by Ford Foundation, Chintu Gudiya Foundation, Forbes Marshall, and David and Lucile Packard Foundation.

## The UdyamStree Campaign

EdelGive Foundation has launched the #UdyamStree Campaign in 2020 to boost women's entrepreneurial spirit.

In April 2021, EdelGive Foundation launched the Landscape Study on Women Entrepreneurship. The study offered insights into the multifaceted challenges women

face during their entrepreneurial journeys and how policy implementation, advocacy and multi-stakeholder groups can overcome them.

## Stree-Leads: Women in Leadership

In 2023, UdyamStree's mandate pivoted from women entrepreneurship to women's participation in the workforce. The core objective of the campaign has been to set a conducive environment for the growth of women leaders, enhance private sector performance, reduce income inequality, and stimulate economic growth. To develop targeted solutions, "A Study on Pathways to

**Leadership for Women in the Finance and Economic Sectors"** was commissioned by EdelGive Foundation in 2023. The study highlighted the barriers women face in their professional journeys while offering recommendations for corporate and government to pave the way for women in leadership in the private sector.

In March 2024, the campaign was named as Stree-Leads to reach the right set of target groups. Stree-Leads envisions to inspire and motivate women professionals across career stages to challenge stereotypes and collaborate with seasoned women leaders to collectively align on solutions for their growth to leadership.

### Key Milestones of the Campaign

❁ **April 2023**  
Mandate provided to Women in Leadership

❁ **December 2023**  
Report Launch "A Study on Pathways to Leadership for Women in the Finance and Economic Sectors"

❁ **March 2024**  
To reach the right set of TG the campaign was named as Stree-Leads

## Workforce Distribution

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



**25% female employees** in total workforce as of March 31, 2024



**23% of the total** 567 contract staff is female

Proportion of female employees by Management level as against total employees, new hires, exits;

Female Employees as on March 2024



— **29%** Junior | **20%** Mid | **14%** Senior

New Hires



— **27%** Junior | **21%** Mid | **21%** Senior

Exits



— **27%** Junior | **22%** Mid | **17%** Senior

# Decent Work and Economic Growth

## Inclusion and Workplace Diversity

Inclusion and workplace diversity are integral components of our organisational ethos, enhancing decision-making and fostering a culture of belonging and respect. Embracing diversity not only promotes fairness and equality but also attracts and retains top talent. Our All In. diversity and inclusion themes underscore the importance of collective involvement in fostering an inclusive workplace community.



### Inclusive Policies

Our Equal Opportunity and Parental Leave policies ensure diversity and inclusion throughout the employee lifecycle.



### Flexibility

We offer flexible work arrangements to accommodate diverse employee needs, whether through hybrid work or in-office presence.



### Inclusive Behaviours

We promote respectful communication, active listening, and appreciation for diverse perspectives, encouraging interaction among employees irrespective of background.



### Employee Engagement

Employees are empowered to provide feedback and participate in decision-making through various channels like 1:1 meetings, focus groups, and townhall meetings.



### Inclusive People Practices

Our performance management, succession planning, and career development practices prioritise inclusivity, offering equal opportunities regardless of race, gender, or other characteristics.



### Cross-functional Teams

Cross-functional teams leverage diverse backgrounds, skills, and experiences to promote collaboration and creativity.



### Inclusive Leadership

Leaders actively combat unconscious bias and promote inclusivity in decision-making processes.



### Grievance Platforms and Committees

Various platforms and committees address sensitive employee matters in a respectful and unbiased manner.



### Sensitisation and Employee Awareness

Training sessions under the Prevention of Sexual Harassment (POSH) Act educate employees on appropriate behaviours.

## Talent Acquisition

Edelweiss has always been extremely focussed on attracting the right talent, who bring in diverse perspectives and add to our strength as an organisation.

It is a strategic approach with a differentiated model for junior, mid, and senior talent. In the new normal, our process of identification, interview, and

choice also evolved to adapt to remote and hybrid working, while keeping candidate experience and our brand at the core.

## Performance Management

At Edelweiss, our strong performance management system empowers employees to recognise their strengths, areas for improvement, and align individual goals with overarching

business objectives. Through this process, performance is enhanced via regular feedback from supervisors, facilitated by annual performance assessments. This fosters mutual

understanding between reporting authorities and employees, promoting alignment and support for each other's perspectives and needs.



## Learning & Development

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

**79,192**

hours of training undertaken in FY24

**5,655**

learners covered over FY24

**2%**

of employees belong to a leadership group at Edelweiss



Average hours of training/employee by gender (FY24)



13.9  
Male



14.2  
Female



14.0  
Overall

Average hours of training/employee by management level (FY24)



16.6  
Senior



18.6  
Mid



10.1  
Junior



14.0  
Overall

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

GOC

The Group Operating Council is composed of business CEOs and key executives within Edelweiss. Beyond their daily management responsibilities, they hold pivotal roles in shaping Edelweiss' overarching strategic direction.

MANCO

This group consists of senior leaders from different businesses within Edelweiss. While their focus is on managing their individual functions, this forum serves as a platform for them to interact and build connections with each other, promoting collaboration and synergies.

Besides MANCO, other leadership development initiatives include:

❁ Young Leaders

The Young Leaders programme is tailored for FLS (Front-Line Supervisors), Branch Operations Executives, and Associates, targeting the development of a strong first-line managerial cadre.

❁ Emerging Leaders

The Emerging Leaders programme is designed for Managers and Chief Managers, concentrating on enhancing functional capability and competence.

❁ Business Leaders

The Business Leaders programme is centred on nurturing functional leaders who possess the capability to guide the organisation towards its vision.

❁ CEO Circle

The launch of the 'CEO Circle' for MSME business and enterprise functions introduces an aspirational year-long programme. 22 mid-level employees, identified through a rigorous selection process based on performance and potential, will participate. The programme encompasses developmental touchpoints, exposure opportunities, leadership connections, and heightened organisational visibility for its members.

❁ Employee Welfare

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



Open-door Policy



Flexi Working Hours



Sabbatical Leave



Bereavement Policy



Parental Leave Policy Availed by 3% Employees in FY24

## Contribution to Economy

At Edelweiss, our objective is to maximise returns for stakeholders while positively impacting society and the economy. Our strength lies in our diverse business model, offering customers a range of financial products and services to help them achieve their economic goals.

### Employment by Edelweiss

6,117

diverse workforce as of March 31, 2024

23%

of the workforce is less than 30 years of age

### Responsible Investment

- Invested towards renewable energy assets, of which ~USD 120 million were invested till date, thereby contributing to India's clean energy transition
- Delivered electricity to households, thereby increasing the per capita consumption through transmission assets
- Claimed the "Impact Award" for Sustainability Initiatives at the Build India Infra Awards, 2024, recognising Dhola Infra Projects Limited's contributions to sustainable projects
- Supported ~26,500 mid-income and affordable housing development by providing completion finance to residential real estate projects
- 24.8 MMTCO<sub>2</sub> reduction in Carbon emissions over the life of our solar assets
- Asset Management platform (Sekura) – Four of our infrastructure assets (1 Transmission, 1 Solar, and 2 Road) have received the British Safety Council, International Safety Award and the "Gold Award" in the Power Category, the highest recognition at the OHSSAI 8<sup>th</sup> Annual HSE Excellence & ESG Global Awards
- One road asset (Dibang Infra Projects Limited) won the International Safety Award in Distinction Category. Our Solar Asset ESPL had won the International Safety Award in Distinction Category last year (2023) and this year (2024) as well. EAAA became signatory to the United Nations-supported Principles for Responsible Investment (PRI) in January 2023. We have been publishing comprehensive ESG Reports since FY20 which showcases our performance against adopted benchmarks and aligned with globally accepted reporting standards (GRI, SASB, UNGC & UN SDG)

## Supporting Small Enterprises



Forged 1 new co-lending partnership, furthering the objective of reduction in the overall exposure to risk while offering competitive pricing



Widened product coverage under the co-lending model



Scaled up on disbursements under co-lending model

### Affordable Housing

Over 50% of the housing loans financed in FY24 were in affordable housing segment, with an average ticket size of ₹1.6 to ₹1.7 million of the loans extended

- 29% of the retail customers are new to credit customers
- Over 63% of the retail disbursements are for self-employed customers
- Over 45% of the loan book accounts for homes in non-metro cities

### Asset Reconstruction

- In FY24, acquired distressed assets worth ₹13,200 crore for revival and restructuring
- Protected over 30,000 jobs through revival of sick companies since inception
- Revived 60 assets during the year with total recoveries of ₹9,400 crore

### Insurance

- Covered ~9,30,000 lives as on March 31, 2024
- Covered 16,39,331 individuals under our health insurance policies as on March 31, 2024



...our objective is to maximise returns for stakeholders while positively impacting society and the economy.



# Good Health and Wellbeing

## Employee Health & Safety

Edelweiss has always recognised that its greatest asset lies in its people, and ensuring their wellbeing and safety remains paramount within our culture of employee care. As we adapt to hybrid work environments, our commitment to the holistic wellness of our employees remains steadfast. Under the banner of #FitWithEdelweiss, we pledge to support our employees in mind, body, and soul.



19% of employees availed Mediclaim benefit for self and 7% availed for their family members.



Initiatives such as Wellness Wednesdays, Stepathon, What The Health, etc. aim to raise awareness about overall health, fitness, and wellbeing.



"Mental Health Day" was celebrated at work and employees were made aware of why focussing on mental health is important.



Employees and their spouses are provided with the opportunity to undergo a thorough annual health assessment at any of our network hospitals or diagnostics centres.



As part of the Stress Management programme, we have set up an exclusive helpline to connect employees with qualified practitioners who quell myths and provide counselling services.



We offer comprehensive health coverage, which extends not only to our employees but also to their immediate family members.



Fire safety site inspections executed at regular intervals.



Reduce employee risk against drugs and illegal substances by providing a Drug-free Workplace.



We place high priority on the health and safety of our employees by ensuring a secure working environment and implementing safety training programmes. We also extend our focus on the health and wellbeing of employees' families by providing support through our central incident room, which is available 24/7 to handle emergency situations and provide accurate information on emergency protocols.

# Quality Education

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



Enhancing Learning Outcomes and School Transformation



Early Childhood Education



Innovation & Experimentation



Research & Advocacy

In FY24, EdelGive worked with 8 NGO partners while supporting 10 projects across 4 states of India. Over the years, through our NGO partners, we have been able to create a significant impact:

- Reached out to 20 lakh children through our learning enhancement programmes, surpassing our own target this year

- Supported 31,000 schools through the Quality Education programme

- Worked closely with, and supported over 74,000 teachers and government officials for delivery of quality education

In 2016, EdelGive launched an initiative to support the Government of Maharashtra in addressing persistent gaps in learning outcomes of children in government schools. With a modest beginning in four out of 36 districts in Maharashtra, the programme has now entered its third phase called State Transformation and working with state-level structures and officials in the education system for the systemic capacity building and change.

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

influential industry personalities who would boost enterprise development among school children, especially young girls in the state with an objective to sensitise young minds, around entrepreneurship being a viable career option.

# Reduced Inequalities

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



Water for Livelihood



Financial Inclusion



Skill & Institutional Building



Employability Skill Building

In FY24, EdelGive has supported 11 projects of 9 NGO partners, working with the most vulnerable communities across 9 states in India. Over the years, through our NGO partners, we have been able to create significant impact, achieving our targets in a few critical areas:



Average 49% (FY24) enhancement in annual income of farmers



Trained 2,52,221 families (69,051 in FY24) for sustainable agriculture



Strengthened 8 Farmer Producer Companies (FPCs)

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

quarters, it has achieved 60% of the total planned outreach. Through their initiatives, EdelGive has provided support to 125 NGOs during the last financial year through various training, workshops, intensive support, etc.

EdelGive offers non-financial support to NGOs, by providing capacity building across four key areas: finance and sustainability, human resources

and communication, strategy and leadership, and processes and technology. EdelGive strategised capacity building for organisational strengthening by focussing on long-term sustainable problem-solving, and willingness to adopt new technologies.

# Protecting the Environment



Building and supporting sustainable practices form the foundation of our stewardship towards protecting our environment. Edelweiss is committed to adopting and supporting responsible usage of natural resources and safeguarding our environment and climate through varied initiatives across the businesses.



Climate Action



Affordable and Clean Energy



Responsible Consumption and Production



*Building and supporting sustainable practices form the foundation of our stewardship towards protecting our environment.*



# Climate Action

## Watersheds and Livelihoods

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



Supported (construction or repairs) 1,911 (348 in FY24) watershed structures for water conservation



Brought under irrigation 3,419 (427 in FY24) hectares of land, for enhanced agriculture yield



Supported 26,969 farmers (4,771 in FY24) for climate-smart agriculture/organic farming



Funded and influenced ₹767 crore (₹446 crore in FY24) including advisory towards sustainable livelihood programmes, over the past 7 years (2017-2024)

EdelGive Foundation became a core partner to the India Climate Collaborative, a first-of-its-kind initiative bringing together India's top philanthropies to address the

increasing and pressing climate crisis in India. This partnership aims to work towards promoting ecological balance through a co-benefits approach. Eminent global philanthropies like

MacArthur Foundation, Bloomberg Philanthropies, Oak Foundation, to name a few, have extended their support to this alliance.

# Affordable and Clean Energy

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

## Energy Consumption and Savings



Total electricity consumed in FY24 declined by **14% YoY** to **6,846 MWh**



Through energy consumption optimisation initiatives, energy intensity was contained to pre-pandemic levels to **133 kWh/sq. mt. p.a.** in FY24, which is **25% lower than BEE standards**

## Renewable Energy Capacity

Solar power installation of 1.2 MW capacity established at Solapur, Maharashtra for Edelweiss House. This plant is under restoration and shall be commissioned in May 2024. Solar-power

installation of 0.06 MW capacity at Alibaug, Maharashtra for Fountainhead. This plant generated electricity of ~52 MWh during the year which led to carbon emission savings of 39 tonnes.

Wind power under the purchase agreement for Edelweiss House is 1.28 MW capacity. Generation of 728 MWh in FY24 led to carbon emission savings of 546 tonnes.

## Energy-saving Initiatives

- ❁ Automatic Monitoring & Control drive on Treated Fresh Air (TFA) is saving 15 MWh/p.a. units and reducing 11 Kt of CO<sub>2</sub>/p.a.
- ❁ Automatic Temperature Control drive on Outdoor Unit Ventilation system is saving 11MWh/p.a. units and reducing 8 Kt of CO<sub>2</sub>/p.a.
- ❁ Across all offices and premises, Edelweiss has converted 100% of fixtures from conventional lighting to LED
- ❁ Automatic switches and sensors have been installed in unmanned areas to reduce energy consumption
- ❁ Sleep mode and Night mode lighting automation has been enabled to conserve electricity
- ❁ HVAC schedule running operation has been modified, helping us to reduce the unnecessary operation of ACs
- ❁ Default ambient temperature of all public areas and meeting rooms has been set at 24°-26°C as per Bureau of Energy Efficiency (BEE) and government regulations
- ❁ We have integrated the Air-Handling Unit (AHU) variable frequency drive with AHU room sensors, which modulates the Variable Frequency Drive (VFD) on sensing the return air temperature resulting in better optimisation

# Responsible Consumption and Production

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

## Water Consumption

Total water consumption reduced by 30% in comparison to pre-pandemic level of FY20

Total Water Consumption (Megalitres)



### Water Conservation Initiatives

- Recycled 33 megalitres of waste and sewage water through a sewage treatment plant and supplied to the garden
- Compost production from food waste decreased by 51% to 2.4 tonnes
- Recycling of sewage water increased 52% in FY24 to 33 megalitres
- Reduction of water consumption through use of fine aerator and regulation of water flow
- Operation of alternate wash basin/outlet fixtures due to low occupancy
- Water conservation by installing waterless pots at all urinals
- Installation of a borewell with tube-settler mechanism which collects water flowing from the canal during the monsoon and transports it to the bore casing through a sediment filter

## Emissions

GHG Emissions (Kilotonnes)



- Scope 1: 6.1
- Scope 2: 4.6

- Reduction of 14% in GHG emissions via effective carbon management initiatives
- Scope 3 emissions were NIL during the year

## Waste Management\*

- 3 Rs of Waste Management, viz Reduce, Re-use and Recycle have been organically incorporated in our day-to-day routines
- Compost production from food waste decreased by 51% to 2.4 tonnes
- Recycling of sewage water increased 52% in FY24 to 33 megalitres

### Initiatives for Paper Conservation & Waste Management



2.4 Tonnes of Food Waste Converted into Compost by Composting Machine



6.1 Tonnes of Paper Waste Converted into Green Edelweiss Writing Pads with the Help of Associated NGOs

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

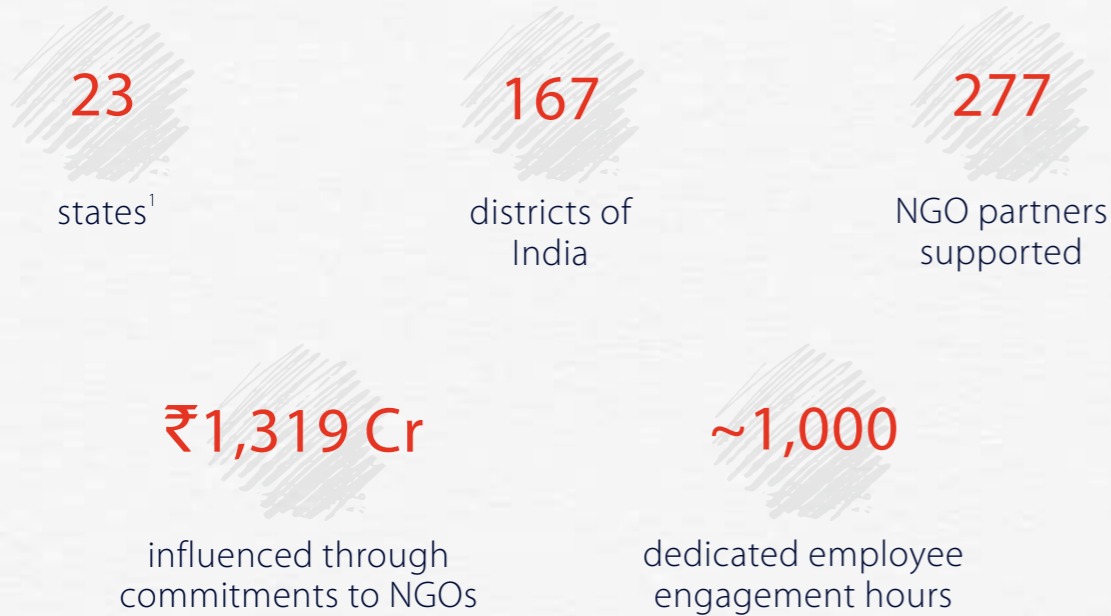
# EdelGive Foundation

EdelGive Foundation is a philanthropic asset manager and advisory partner to funders such as individuals, HNIs, corporates, institutions and foundations – both international and domestic – with a specialisation in multi-stakeholder collaboration. Through a unique philanthropic model, EdelGive places itself at the centre of grant-making

by providing initial grants and managing funding from other institutions, HNIs and corporate partners. These grants are used for both financial and non-financial growth of high calibre, small to mid-sized grassroots NGOs, committed to empowering vulnerable children, women, and communities. EdelGive is committed

to bringing about sustainable long-term change by working with the system to enable the system. By supporting grassroots NGOs committed to empowering vulnerable children, women, and communities, EdelGive Foundation fosters and expands philanthropy in India.

## Our Influence Over the Years

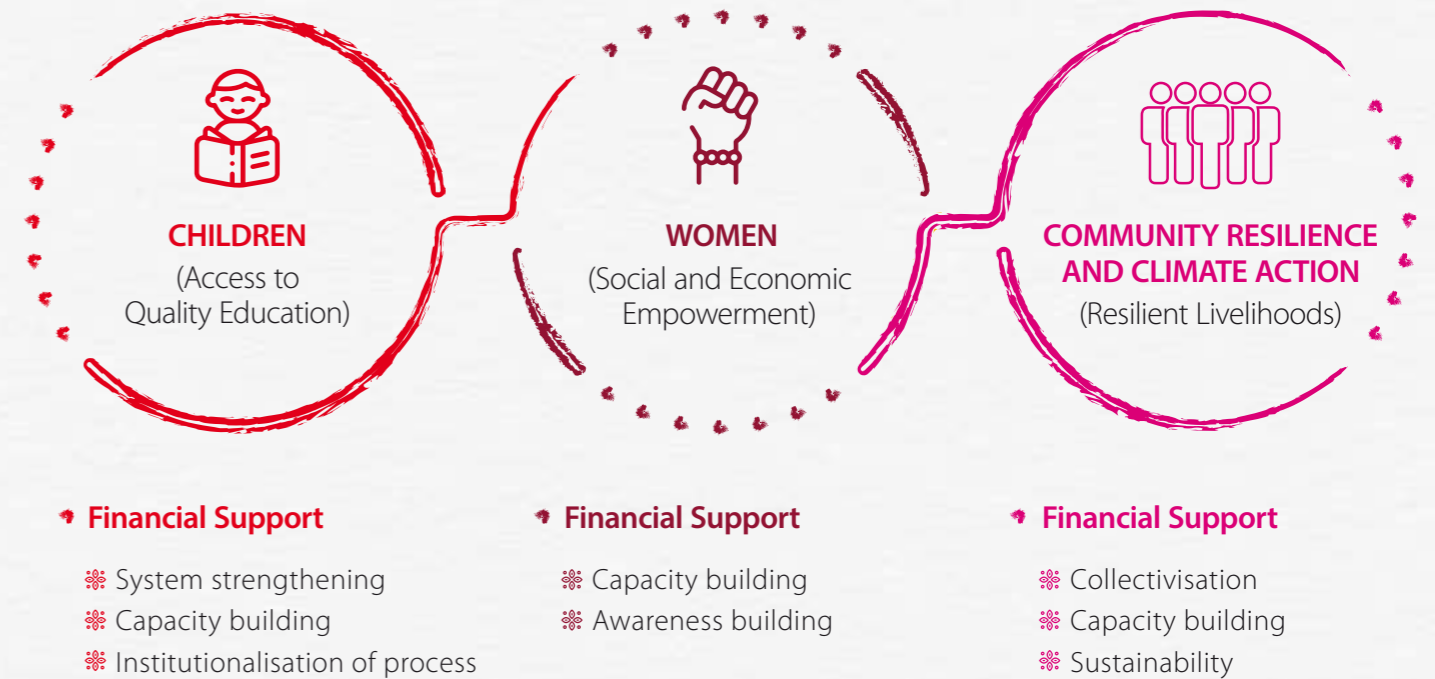


1- Included investments raised in that state and by the philanthropists collective organised as the Grassroots Resilience Ownership and Wellness (GROW) NGOs. Influence through GROW is not included in the district count as GROW provides non-programmatic support.

## Theory of Change

With the belief that an inclusive society is built on the foundation of educated children, empowered women, and resilient communities, EdelGive supports organisations working towards these objectives through targeted, community-driven, and high-impact interventions.

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



## Supporting the Growth of Credible NGOs

In FY24, we are proud to share that we have been able to influence over ₹461 crore as commitments to the NGOs working across the country. Out of 51 total NGOs, 29 NGOs have received regular grants while 18 NGOs have received cause-based/one-time grants.

Grants are used towards both the financial and capacity building needs of the NGO partners we support.

## Education

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

- Enhancing Learning Outcomes and School Transformation
- Early Childhood Education
- Innovation & Experimentation
- Research & Advocacy

In FY24, EdelGive worked with 8 NGO partners while supporting 10 projects across 4 states of India. Over the years, through our NGO partners, we have been able to create a significant impact:

- ❁ Reached out to 20 lakh children through our learning enhancement programmes, surpassing our own target this year
- ❁ Supported 31,000 schools through the Quality Education programme
- ❁ Worked closely with, and supported over 74,000 teachers and Government officials for delivery of quality education

In 2016, EdelGive launched The Collaborators for Transforming Education (CTE) to support the Government of Maharashtra in addressing persistent gaps in learning outcomes of children in government schools. With a modest beginning in four out of 36 districts in Maharashtra, the programme now entered its third phase called State Transformation and working with state-level structures and officials in the

education system for the systemic capacity building and change.

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

India. World Bank and UNICEF partnered with Maharashtra State Education Department to conduct a Leadership Dialogue with influential industry personalities who would boost enterprise development among school children especially young girls in the state with an objective to sensitive young minds, around entrepreneurship being a viable career option.



## Community Resilience and Climate Action

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

- Water for Livelihood
- Financial Inclusion
- Skill & Institutional Building
- Employability Skill Building

In FY24, EdelGive has supported 11 projects of 9 NGO partners, working with the vulnerable communities across 9 states in India. Over the years, through our NGO partners, we have been able to create significant impact, achieving our targets in a few critical areas:

- ❁ Average 49% (FY24) enhancement in annual income of farmers
- ❁ Trained 2,52,221 families (69,051 in FY24) for sustainable agriculture
- ❁ Strengthened 8 Farmer Producer Companies (FPCs)

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





## Women Empowerment

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

- Freedom from violence and discrimination
- Access to legal justice
- Grassroots leadership
- Access to rights and entitlements
- Freedom from economic dependence

EdelGive has supported 12 projects with 12 NGO partners across 10 states in India in FY24. Over the years, through our NGO partners we have been able to create a significant impact:

- ❁ 2.53 lakh (15,562 in FY24) women and girls supported in their fight for addressing Gender Equality-related issues
- ❁ 26,545 (2,389 in FY24) women and girls supported under financial inclusion programmes
- ❁ 57,146 (4,432 in FY24) women supported to get access to rights and entitlements
- ❁ Supported 39,557 (6,633 in FY24) survivors of domestic violence and/or sexual violence in the legal journey
- ❁ 25,605 (9,750 in FY24) grassroots leaders developed and supported
- ❁ Formed 6,082 (98 in FY24) SHGs/JLGs



## UdyamStree: National Campaign to Promote Women Entrepreneurship

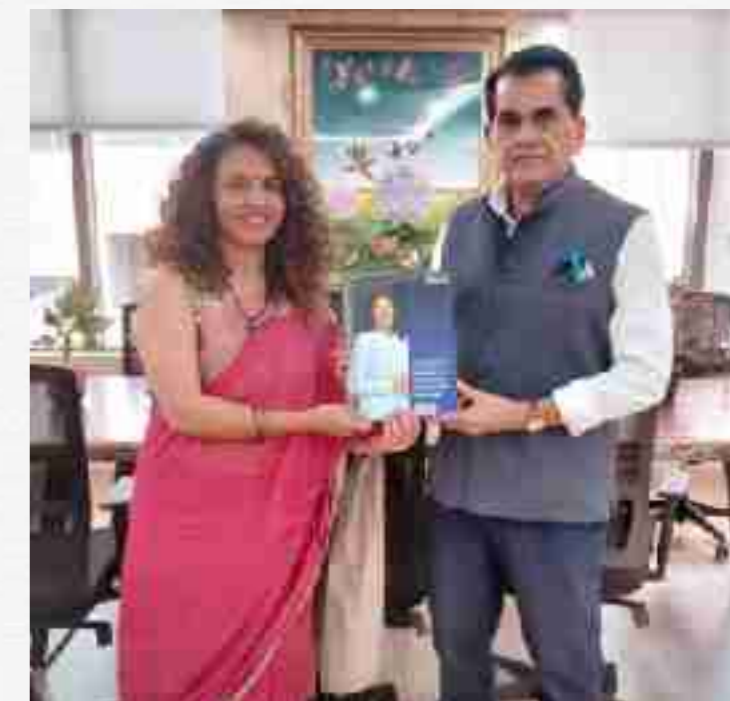
In its endeavour to promote women entrepreneurship as a key driver for women's economic empowerment in India, EdelGive launched the UdyamStree campaign in 2021.

Some of the key impacts of the campaign include – educating 2,800 women on government schemes across 4 districts, of which 2,040 women received benefits under relevant schemes and loans with a collective value of more than ₹26 lakh disbursed. Partnership with FICCI to foster women entrepreneurship, and with the State Education Department of Maharashtra to sensitise young minds around entrepreneurship being a viable career option. Under the campaign, EdelGive also engaged with key government institutions and government representatives to amplify the communication and outreach. The campaign was awarded on several occasions which included the Best Campaign in the Not-for-Profit and Association Sector at the Fulcrum Awards, 2022, as well as the Gold Award in the Not-for-Profit category at the SABRE South Asia Awards, 2022.

### Stree-Leads: Women in Leadership

Following the success of UdyamStree campaign to boost women's entrepreneurial spirit, EdelGive's mandate pivoted from women entrepreneurship to women's participation in the workforce. In 2023, EdelGive launched the Stree-Leads campaign to support women in leadership.

The core objective of the campaign has been to set a conducive environment for the growth of women leaders, enhance private sector performance, reduce income inequality, and stimulate economic growth. To develop targeted solutions, "A Study on Pathways to Leadership for Women in the Finance and Economic Sectors" was commissioned by EdelGive Foundation in 2023. The study highlighted the barriers women face in their professional journeys while offering recommendations for corporate and government to pave the way for women in leadership in the private sector. Anchored in the insights gleaned from the study, the campaign is committed to bolstering women's participation in the workforce, with a special emphasis on leadership roles in the private sector with a focus on the Finance, Economic, Tech, and Social Enterprise/Philanthropy sectors.



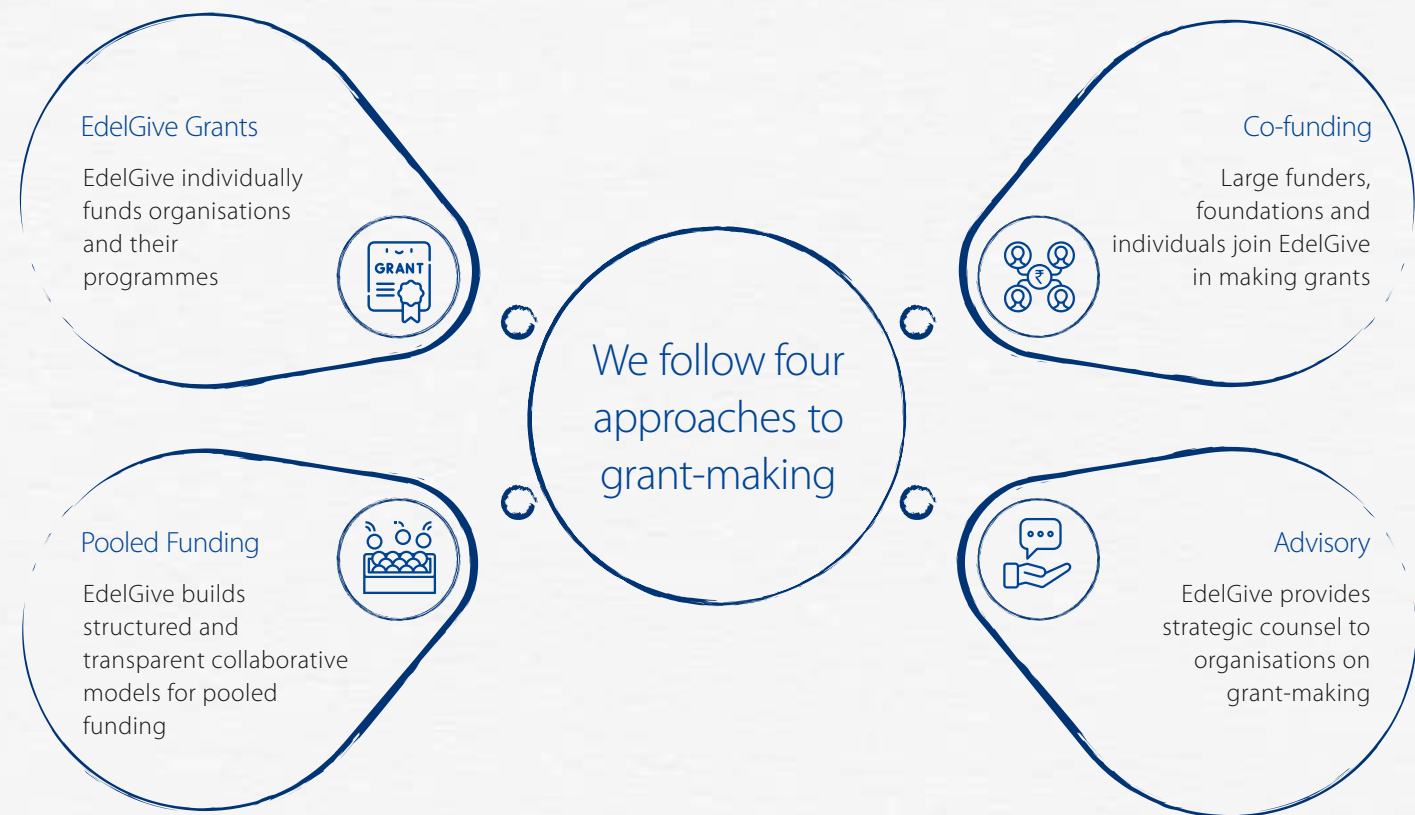
In March 2024, EdelGive launched the campaign 'Stree-Leads' to promote women-in-leadership. Stree-Leads envisions to inspire and motivate women professionals across career-stages to challenge stereotypes, collaborate with seasoned women leaders to collectively align on solutions for their growth to leadership. The objectives of the campaign are:

- ❁ To bring together and sustain a network of aspiring women leaders on a common platform
- ❁ To leverage the insights and experiences of women leaders and mentors from across sectors to inspire greater female representation in the private sector roles
- ❁ Build creative interventions to drive dialogue and communicate the impact and pathways of promoting women in leadership to the target audience to effectively lead the change



## Building Credible Partnerships

Our unique philanthropic model places us at the centre of grant-making. In addition to providing grants to our partners, we also invest our energies in sourcing and managing funding from other institutional, individual, and corporate partners. This assists both partners – the NGOs and funders – to diversify their outreach and impact.



## EdelGive believes in a Collaborative Philanthropic Approach and is currently engaged in six collaborative initiatives:

### 🌀 The Collaborators for Transforming Education

In 2016, EdelGive launched The Collaborators for Transforming Education, a public-private partnership with the Department of School Education and Sports (DSES), Government of Maharashtra, facilitated by the EdelGive Foundation. Through this coalition, EdelGive intends to solve the multifaceted problems of education by bringing reforms at a systemic level to elevate learning levels. Initially, the programme started with 4 districts in Maharashtra, and soon expanded. The Collaborators has established itself as a trusted brand for government stakeholders at all levels which has been reflected on various occasions, for example, the best practices are shared with central, within, and outside states with UNICEF and The World Bank. The Government of Maharashtra signed an extended MoU with EdelGive Foundation up to 2026 with the provision to expand the programme across Maharashtra.

The intervention focusses on three specific objectives:

- Enhancement in learning outcomes of children
- Support the education system by conducting capacity building of educational functionaries at multiple levels
- Improved community engagement for sustainability

For more information, read here: <https://www.edelgive.org/the-influencers/>

### 🌀 The Coalition for Women Empowerment

Driven by its conviction in the systems-thinking approach, The Coalition for Women Empowerment was initiated by EdelGive in 2019, bringing together funding organisations and grassroots organisations as stakeholders, united by a common mission of facilitating social and economic empowerment of women and girls in India. The coalition is currently supported by Ford Foundation, Chintu Gudiya Foundation, Forbes Marshall, and David and Lucile Packard Foundation. The coalition focusses on providing 360-degree support to grassroots organisations through



enabling funding for critical rights-based programmes that are often under-invested, and by investing additionally in institution building for improved

effectiveness and efficiency. Insights and learnings from the interventions supported through CWE, have also informed EdelGive's other initiatives for

enabling women empowerment including the UdyamStree and Stree-Leads campaigns for promoting women's economic empowerment in India.

For more information, read here: <https://www.edelgive.org/the-influencers/>

## India Climate Collaborative

The learnings from both our ongoing coalitions encouraged and enabled EdelGive Foundation to become a core partner to the India Climate Collaborative, a first-of-its-kind initiative bringing together India's top philanthropies to address the increasing and pressing climate crisis in India. EdelGive Foundation brings years of rich experience of working with organisations with a deep penetration at the grassroots to ICC's enriching

technical expertise. With the combined holistic understanding of the development space from a climate lens, the partnership aims to work towards promoting ecological balance through a co-benefits approach. Eminent global philanthropies like MacArthur Foundation, Bloomberg Philanthropies, Oak Foundation, Good Energies, IKEA Foundation, to name a few, have extended their support to this alliance. We have launched a multi-year Just

Transitions (JT) India Programme, with funding support from IKEA Foundation. The programme is aimed at raising climate ambition in India while ensuring social and economic inclusion, backed by national momentum and a strong, connected JT ecosystem in India. The three priority sectors have been identified for this programme – energy, mobility, and land use.

For more information, read here: <https://indiaclimatecollaborative.org/>

## Migrants Resilience Collaborative

In 2020, amidst the COVID-19 pandemic, EdelGive also became a strategic partner to the Migrants Resilience Collaborative (an initiative of one of our partners in our investee portfolio, Jan Sahas), which

is a multi-stakeholder collaborative of non-profit, philanthropic, and private sector actors focussed on ensuring safe and responsible recovery of migrant families and their livelihoods in India

post-COVID-19. The Collaborative will support 10 million workers and their families in 100 districts and cities (across source and destination) over the next 5 years.

## Pay-What-It-Takes Initiative

In 2020, EdelGive joined the Pay-What-It-Takes initiative, a multi-year initiative working towards awareness building, strategic guidance, and engaging NGOs to get their inputs on building a resilient non-profit sector. The initiative is led by

The Bridgespan Group and the five anchor partners in addition to EdelGive: A.T.E. Chandra Foundation (ATECF), Children's Investment Fund Foundation (CIFF), the Ford Foundation, and the Omidyar Network India. Each partner

believes strongly in the importance of understanding true costs and approaches the initiative from a different perspective.

For more information, read here: <https://www.bridgespan.org/insights/library/pay-what-it-takes/funding-practices-to-build-strong-ngos-in-india>

## The GROW (Grassroots, Resilience, Ownership and Wellness) Fund

### The GROW Model

GROW initiative was conceived to address the crisis faced by NGOs, who were shouldering the costs of acting as first responders for communities devastated during the pandemic. As we move ahead, the GROW Fund has been redefined to influence the philanthropic ecosystem towards grant-making that supports non-profit resilience and sustainability alongside programmatic outcomes.

### GROW's Journey So Far

With almost two years' worth of accomplishments under its belt, the GROW Fund has made tremendous strides in enabling its 100 organisations to champion their understanding of non-programmatic funding through regular capacity building and

organisational development initiatives across multiple domains. GROW's 100 also received support from a Learning Management System – The HUB. Under the Organisation Development track, organisations participated in regular advisory sessions and check-ins,

thus receiving consistent feedback to improve their existing systems and processes while also being part of knowledge sharing and peer-learning sessions. Organisations have recorded 100% attendance across 1:1 CB check-ins.

❁ 39% organisations allocated resources to hire external consultants, trainers, and experts to support the capacity-building initiatives

❁ 69% organisations allocated resources for miscellaneous items such as tools, softwares, and other operational needs

❁ 44% organisations invested in knowledge management to facilitate the capacity building process. This included conducting workshops, and developing templates for reporting and documentation

❁ 61% organisations invested in branding, website maintenance, social media visibility, newsletters and other communication channels

## Employee Engagement

EdelGive Foundation draws on the Edelweiss employee volunteer pool and external (volunteer) agencies to cater to NGO needs. This year, over ₹18.51 lakh were raised through employee donations. Some of the volunteering activities included tree plantation, webinar on mental health, beach cleaning and session on financial literacy – comprising close to 400 man-hours in FY24.



## Thought Leadership and Media

EdelGive is present on governing boards of global agencies and has a presence on discussion platforms like Asian Venture Philanthropy Network (AVPN) and Empower Families for Innovative Philanthropy (ERFIP). To nurture the ecosystem of giving by energising and influencing philanthropic support for need-based, credible grassroots work, we host roundtables, discussion forums bringing together multiple stakeholders on a common platform. Through conversations and communiques, EdelGive's ecosystem initiatives help generate opinion and understanding of the sector, build a repository of information, and influence collaborative, philanthropic action.

EdelGive participated in several conversations on themes ranging from collaborative philanthropy for collective impact, gender lens for impact investing and climate on platforms such as G20 Empower – Inception Meeting, India Global Forum – Annual Summit.

We were also present in key discussions across media channels this year, including reputed regional & national platforms such as India Times, DNA, Navbharat, Firstpost, The Financial Express Online, Social Changemakers, Samaana, Jagran Sakshi, Divya Bhaskar, and The Mint.

EdelGive Foundation has garnered several articles this year, on multiple issues to do with financial independence of rural women, women empowerment, education, climate perspectives, philanthropy in the Global South, and more.



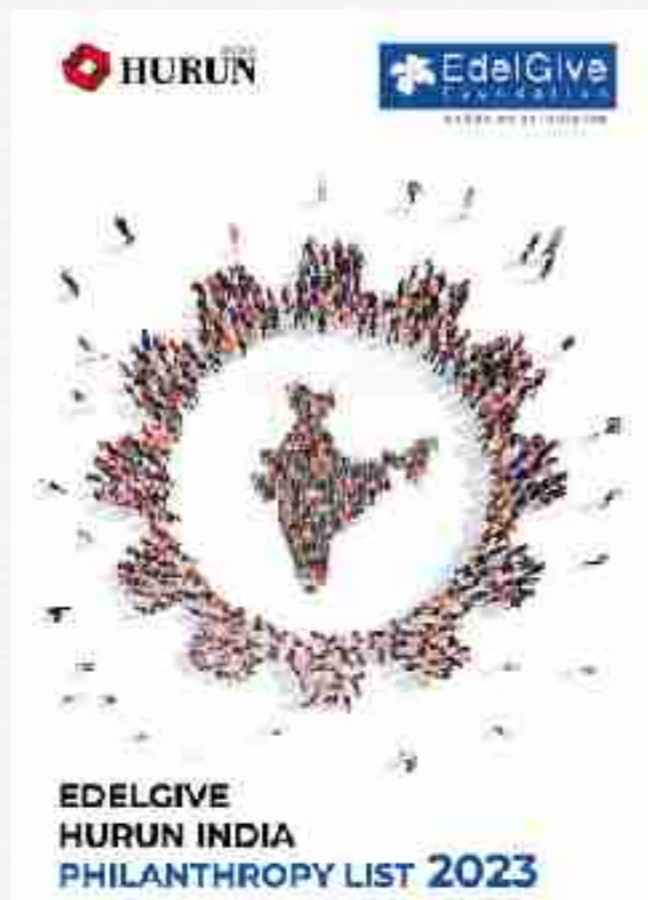
# EdelGive Hurun India Philanthropy List and Report 2023

In November 2023, Hurun India and EdelGive released the 10<sup>th</sup> annual ranking of the most generous individuals in India. EdelGive Foundation has partnered with Hurun India towards creating this report, to understand and

acknowledge philanthropy in India from a data and evidence point of view. Ranking 119 philanthropists who cumulatively donated ₹8,445 crore, in 2023, the list includes stalwarts of giving, such as Shiv Nadar, Azim Premji, Cyrus

and Adar Poonawalla, and Rohini and Nandan Nilekani. Through this report, we aim to highlight the strength of the social sector and access areas which require further growth.

- ❁ EdelGive Hurun India Philanthropy List 2023: Shiv Nadar, Rohini Nilekani, Nithin Kamath, AM Naik Excel - Forbes India
- ❁ Shiv Nadar and Azim Premji top philanthropy list: EdelGive Hurun India - The Hindu BusinessLine
- ❁ From Nikhil Kamath to Prashanth Prakash: Key Highlights from EdelGive Hurun India Philanthropy List 2023 - BusinessToday



## Public Platforms

Our CEO, Naghma Mulla, shared her experiences at TedxYouth @AUS on the remarkable journey that led to the beginning of GROW and her thoughts on the importance of working for the betterment of society.



# Board Of Directors



**Rashesh Shah**  
*Chairman & Managing Director*

Rashesh Shah is Chairman & Managing Director of Edelweiss, one of India's leading diversified financial services

organisations. With more than 35 years of experience in financial services, Rashesh is particularly driven about the transformational role that financial services can play in translating India's vast savings into investments. A regular commentator on macroeconomic policies, development matters, financial markets in the mainstream and financial media, he serves on the Boards of various companies. He has served as the President of FICCI, India's apex industry association. Rashesh has also been a member of several government and regulatory

committees including the Insolvency Law Committee on IBC.

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



**Venkatchalam Ramaswamy**  
*Vice Chairman & Executive Director*

Venkatchalam Ramaswamy has three decades of experience in financial markets and has been a driving force

in transforming what was once India's first new-age boutique investment bank into a leading independent financial services company. His responsibilities as the Chairman of Edelweiss's Asset Management Business includes oversight over Edelweiss Asset Reconstruction Company. With his keen ability to establish and maintain large institutional relationships, including those with international pension funds and insurance companies, the Edelweiss Alternative Asset Management business has become among the largest in India over the last five years.

An MBA from the University of Pittsburgh, USA, he also holds a bachelor's degree in electronics engineering.



**Vidya Shah**  
*Non-Executive, Non-Independent Director & Chairperson, Edelweiss ESG Council*

Vidya Shah is the Chairperson of EdelGive Foundation, an organisation set up by Edelweiss, with the

objective of funding and building the capacities of India's not-for-profit sector. With over three decades of rich industry experience, she has established EdelGive as a platform for strategic philanthropy. Under her stewardship, EdelGive has been instrumental in growing over 150 organisations, besides scaling their budgets, impact and reach exponentially. She also serves on the board of various prominent civil society organisations such as Agastya International Foundation, Janaagraha Centre for Citizenship and Democracy, Centre for Social Impact and Philanthropy at Ashoka University, Mann Deshi Foundation and the

Indian School of Public Policy. She spent the first 11 years of her career in the field of investment banking with companies like ICICI, Peregrine, and NM Rothschild.

Vidya holds an MBA degree from the Indian Institute of Management, Ahmedabad.



**Ashok Kini**  
*Independent Director*

Ashok Kini has over four decades of experience in the financial services sector. He joined State Bank of India as Probationary Officer in 1967 and retired as the Managing Director in 2005. He has earlier served as Independent Director on the Boards of IndusInd Bank Limited, UTI Trustee Company Private Limited, Gulf Oil Lubricants India Limited, and Edelweiss Life Insurance Company Limited.

He holds a bachelor's degree in science from Mysore University and a master's degree in English Literature from Madras Christian College, Chennai.



**Dr. Ashima Goyal**  
*Independent Director*

Dr. Ashima Goyal has over three decades of experience. She is Emeritus Professor at the Indira Gandhi Institute of Development Research, has served on several

boards and policy committees including as a part-time member of Economic Advisory Council to the Prime Minister and is currently a member of India's Monetary Policy Committee. She has received many national and international awards. The editorial team at Business Today selected her as one of the most powerful women in Indian business in 2021 and 2022. She is a specialist in the areas of open economy macroeconomics, international finance, institutional economics and development economics. She has been a visiting fellow at the Economic Growth Centre, Yale University, USA and a Fulbright

Senior Research Fellow at Claremont Graduate University, USA.

She has an M.Phil., MA and BA in Economics from the University of Delhi and holds a PhD in Economics from University of Mumbai.



**Shiva Kumar**  
*Independent Director*

Shiva Kumar has served at State Bank of Bikaner & Jaipur (now merged

with the State Bank of India) as Managing Director. At State Bank of India, he was Deputy Managing Director and held various other positions too. He was the Project Leader for the business process re-engineering programme for the complete transformation of the largest Bank in India in collaboration with McKinsey & Company. He was a part of their credit card project and also set up the metal gold business for the Bank. He was a representative of Associate Banks on the Managing Committee of Indian Banks'

Association. In 2013, he received the 'Business Leadership Award', from the Institute of Public Enterprises.

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



**C. Balagopal**  
*Independent Director*

C. Balagopal is the former Chairman (Independent) of the Board of Federal Bank Ltd. He is also a Trustee of Anaha Trust; Member of the Governing Council of the Centre for Management Development,

Trivandrum; Member of the Advisory Board of Fourth Wave Foundation; Member of the Board of TImed Medical Devices Incubator of SCTIMST. Balagopal completed his BA and MA from Loyola College, Madras University, and joined the IAS in 1977 and worked in Manipur and Kerala.

In 1983, he resigned from the IAS to promote a venture to make hi-tech biomedical devices for the first time in the country. Acquiring the knowhow from Sree Chitra Tirunal Institute for Medical Sciences & Technology, Trivandrum (SCTIMST) and with the support of National Research Development Corporation and KSIDC, he set up his venture, Penpol Ltd, near Trivandrum.





In 1999, Penpol entered into a joint venture with the Terumo Corporation of Japan. Today, Terumo Penpol Ltd is the biggest manufacturer of blood bags in India and one of the world's biggest makers of high-tech bio-medical devices. In 2012, he sold his stake in Penpol and turned to investing in startups, mentoring entrepreneurs, writing (four books to his credit), travel, and his many other interests.

Balagopal runs a Trust, which supports social projects in Kerala and Manipur in primary health, primary education, and rural livelihoods.


# Awards



## Alternative Asset Management

-  **"Market Award - India"**  
category in AsianInvestor Asset Management Award, 2024
-  **"Private Credit Fund: Best Overall Performance of the Year"**  
at the IVCA Alternate Capital Excellence Awards, 2024
-  Only Indian Alternatives player to consistently feature in **"Top PDI Fund Raisers"** of the year for 3 consecutive years (2023, 2022, 2021)
-  **"Best BFSI Brand"**  
at the ET NOW Best BFSI Brands, 2024

## Mutual Fund

-  Special mention award for **"Learn with RG"** under sub-branded content category at the Drivers of Digital Awards and Summit, 2024, by INKSPELL



## NBFC

-  **"Best NBFC in Co-lending"**  
by the India NBFC Summit & Awards, 2023
-  **"Most Trusted Service Provider for the BFSI Sector"**  
at the CXO Summit & Awards, 2023
-  **"The Resilient Organization of the Year"**  
(ECL Finance) at the India Credit Risk Management Summit & Awards March, 2024

## Nido

-  **"Best Risk Management Housing Finance Company"**  
at Innovation Confex & Awards, 2024
-  **"Best Data Analytics Housing Finance Company"**  
at Innovation Confex & Awards, 2024

## Zuno

-  **"India's Best Emerging General Insurance Company for Claim Management"**  
at 7<sup>th</sup> Annual Insurance Conclave & Awards
-  **"General Insurance Company of the Year" and "Best Motor Insurance Company of the Year"**  
at Bharat BFSI Leadership Summit & Awards, 2024



🏆 **“Digital Insurer of the Year”**  
at Bharat Insurance and Fintech Summit and Awards

🏆 **“Best Use of Predictive Analysis in Fraud Detection”**  
at Data Analytics & AI Show, 2024



## Life Insurance

🏆 **“Golden Peacock Award, 2023”**  
for Risk Management

🏆 **“Insurtech Innovation for U Unlimited”**  
at IBEX BFSI Technology Awards

🏆 Recognised among **“Most Trusted BFSI Brands, 2023”**  
by Marksmen Daily

🏆 Certified as a **“Great Place To Work”**  
for the 4<sup>th</sup> year in a row, and ranked among the Top 100 workplaces promoting a culture of innovation, 2024

## Company Information

### Board of Directors

Rashesh Shah  
Venkatchalam Ramaswamy  
Vidya Shah  
Ashok Kini  
Dr. Ashima Goyal  
Shiva Kumar  
C. Balagopal

### Chief Financial Officer

Ananya Suneja

### Company Secretary

Tarun Khurana

### Statutory Auditors

M/s Nangia & Co. LLP,  
Chartered Accountants

### Registered Office

Edelweiss House, Off C.S.T. Road, Kalina,  
Mumbai - 400 098.  
CIN: L99999MH1995PLC094641  
Tel: +91 22 4079 5199  
Email: [efsl.shareholders@edelweissfin.com](mailto:efsl.shareholders@edelweissfin.com)  
Website: [www.edelweissfin.com](http://www.edelweissfin.com)

### Registrar & Share Transfer Agent

#### Equity Shares & Debentures

Link Intime India Pvt. Ltd.  
C-101, 247 Park, L.B.S. Marg,  
Vikhroli (W), Mumbai - 400 083.  
Tel: +91 22 81081 16767  
Fax: +91 22 4918 6060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

#### Debentures

KFin Technologies Limited  
Selenium Tower B, Plot 31-32,  
Financial District, Nanakramguda  
Serilingampally, Hyderabad - 500 032  
Tel: +91 40 6716 2222  
Fax: +91 40 6716 1563  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)

### Edelweiss Presence

253 offices in 136 cities

## BOARD'S REPORT

To the Members of Edelweiss Financial Services Limited,

Your Directors hereby present the 29<sup>th</sup> Board's Report on the business, operations and state of affairs of the Company together with the audited financial statements for the financial year ended March 31, 2024: -

### FINANCIAL PERFORMANCE

#### I. Consolidated Financial Performance:

(₹ in million)

Particulars	2023-24	2022-23
Total Income	96,015.75	86,325.91
Total Expenses	91,641.75	83,796.60
Profit before share in profit of associates and tax	4,374.00	2,529.31
Share in profit of associates	-	1,317.94
Profit before tax	4,374.00	3,847.25
Tax expense	(906.47)	(208.32)
Profit for the year	5,280.47	4,055.57
Other Comprehensive Income	1,458.95	185.77
Total Comprehensive Income	6,739.42	4,241.34
Profit for the year attributable to the		
• Owners of the Company	4,207.00	3,441.63
• Non-controlling interests	1,073.47	613.94
Other Comprehensive Income/(Loss) for the year attributable to the		
• Owners of the Company	1,097.43	197.73
• Non-controlling interests	361.52	(11.96)
Total Comprehensive Income for the year attributable to the		
• Owners of the Company	5,304.43	3,639.36
• Non-controlling interests	1,434.99	601.98
Earnings Per Share (₹) (Face Value of ₹ 1 each)		
Basic	4.68	3.83
Diluted	4.68	3.83

#### II. Standalone Financial Performance:

(₹ in million)

Particulars	2023-24	2022-23
Total Income	10,276.82	30,886.92
Total Expenses	5,121.57	7,740.36
Profit before tax	5,155.25	23,146.56
Tax expense	(1,796.87)	(735.91)
Profit for the year	6,952.12	23,882.47
Other Comprehensive (Loss)/Income	(4.27)	0.33
Total Comprehensive Income	6,947.85	23,882.80
Earnings Per Share (₹) (Face Value of ₹ 1 each)		
Basic	7.73	26.59
Diluted	7.72	26.59

### SHARE CAPITAL

During the year under review, 5,09,750 Equity Shares of the face value of ₹ 1 each were allotted on exercise of the Stock Options/SARs granted under Edelweiss Employee Stock Incentive Plan, 2011 and Edelweiss Employee Stock Appreciation Rights Plan, 2019.

Consequently, as at March 31, 2024, the total paid-up share capital of the Company stood at 943.79 million divided into 94,37,85,026 Equity Shares of the face value of ₹ 1 each.

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

### DIVIDEND

The Board of Directors at its Meeting held on May 14, 2024, have recommended a dividend of ₹ 1.50 per Equity Share of the face value of ₹ 1 each, subject to the approval of Members at the forthcoming Annual General Meeting (AGM) and shall be subject to deduction of income tax at source.

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

### INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

Information on the operational and financial performance of the Company is given in the Management Discussion and Analysis Report, forming part of this Report, and is in accordance with the Listing Regulations.

### FINANCIAL STATEMENTS

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

The Auditors' Report issued by M/s. Nangia & Co. LLP, Chartered Accountants, the Auditors of the Company on the financial statements for the year ended March 31, 2024 is unmodified and is annexed to the financial statements.

### SUBSIDIARIES

During the year ended March 31, 2024, Nuvama Investment Advisors LLC ceased to be the subsidiary of the Company.

The salient features of the financial statements of each of the subsidiaries as required under the Act is provided in the financial statements in Form AOC-1. The financial statements of the subsidiaries are available on the website of the Company at [www.edelweissfin.com](http://www.edelweissfin.com). Any Member interested in obtaining a copy of financial statements of the subsidiaries may write to the Company Secretary.

### SCHEME OF ARRANGEMENT

The Board at its Meeting held on May 13, 2022 approved the Scheme of Arrangement between the Company and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) {Nuvama/Resulting Company} and their respective shareholders and creditors (the Scheme) under Sections 230 to 232 read with Section 102 and other applicable provisions of the Act. The NCLT vide its Order dated April 27, 2023, approved the Scheme. The Scheme became effective from May 18, 2023. As per the provisions of the Scheme, the Effective Date is also the Appointed Date. Pursuant to the Scheme, the Demerged Undertaking of the Company has been demerged and vested into the Resulting Company on a going concern basis.

As per the provisions of the Scheme, Nuvama has allotted the equity shares to those equity shareholders of the Company whose names were appearing in the Register of Members/Beneficial Owners of the Company on June 2, 2023, being the Record Date fixed in this behalf. The Equity Shares of Nuvama listed on BSE Limited and National Stock Exchange of India Limited on September 26, 2023.

## FINANCE

During the year under review, the Company issued Non-convertible Debentures (NCDs) through public issuance which are listed on BSE Limited.

## LOANS, INVESTMENTS AND GUARANTEES

Particulars of loans given, investments made, guarantees given and securities provided are reported in the financial statements, forming part of this Annual Report.

## RELATED PARTY TRANSACTIONS

All the Related Party Transactions entered by the Company during the year ended March 31, 2024, were at arm's length and in the ordinary course of business. The Company has not entered into transactions with the Promoters, Directors and Key Managerial Personnel, which may have potential conflict of interest with the Company and its subsidiaries.

In accordance with the provisions of the Listing Regulations, the Company has formulated the Related Party Transactions Policy, which is available on the website of the Company at [www.edelweissfin.com](http://www.edelweissfin.com).

Particulars of contracts or arrangements with the related parties as prescribed in Section 188 of the Act is provided in the financial statements in Form AOC-2. All the Related Party Transactions as required under the applicable Accounting Standards are reported in the financial statements.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### (i) Independent Directors

In accordance with the provisions of Section 149 of the Act and the Listing Regulations, the Independent Directors have given a declaration that they meet the criteria of independence as provided in the said Section and in the Listing Regulations.

The second term of appointment of Mr. Biswamohan Mahapatra (DIN: 06990345), an Independent Director, ended at the conclusion of the 28<sup>th</sup> AGM of the Company held on September 26, 2023. The Board placed on record its sincere appreciation for the services rendered by Mr. Mahapatra during his tenure as an Independent Director of the Company.

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board has, subject to the approval of the Members, appointed Mr. C. Balagopal (DIN: 00430938) as an Independent Director of the Company for a term of 5 years with effect from August 2, 2024.

The necessary Resolution for the appointment of Mr. C. Balagopal is placed for the approval of the Members at the forthcoming AGM.

In the opinion of the Board, the Independent Directors are persons of integrity and possess relevant expertise, experience and proficiency.

### (ii) Executive Directors

Mr. Himanshu Kaji (DIN: 00009438), who was subject to retirement by rotation at the 28<sup>th</sup> AGM, although eligible did not seek re-appointment. Accordingly, Mr. Kaji ceased to be a Director at the conclusion of the 28<sup>th</sup> AGM held on September 26, 2023.

The Board placed on record its sincere appreciation of the services rendered by Mr. Kaji during his tenure as an Executive Director and Key Managerial Personnel of the Company.

### (iii) Retirement by rotation

Mr. Venkatchalam Ramaswamy (DIN: 00008509) retires by rotation at the ensuing AGM and, being eligible, has offered himself for re-appointment.

## NUMBER OF BOARD MEETINGS HELD

During the year ended March 31, 2024, the Board met 5 times. The details of the Board Meetings and the attendance of the Directors at the Meetings are provided in the Corporate Governance Report, which forms part of this Report.

## REMUNERATION POLICY

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

## EVALUATION OF THE PERFORMANCE OF THE BOARD

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

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

A separate Meeting of the Independent Directors was held wherein the annual performance of the Non-Independent Directors, performance of the Board as a whole (including the Committees) and also that of the Chairman, in terms of the provisions of the Act, the Listing Regulations and the Guidance Note issued by SEBI in this regard was discussed.

## INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

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

M/s. JHS & Associates LLP, Chartered Accountants, were appointed as Internal Auditors of your Company for the financial year ended March 31, 2024.

Risk management is an integral part of the Company's business strategy that seeks to minimise adverse impact on business objectives and capitalize on opportunities. The Risk Committee oversees the risk management framework of the Company through regular and proactive intervention by identifying risks and formulating mitigation plans. Further details are provided in the Management Discussion and Analysis Section forming part of this Report.

## AUDIT COMMITTEE

The Audit Committee comprises of the following Independent Directors of the Company:

Mr. Shiva Kumar (Chairman)
Mr. Ashok Kini
Dr. Ashima Goyal.

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

## WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy to report genuine concerns/grievances. The Policy is available on the website of the Company at [www.edelweissfin.com](http://www.edelweissfin.com).

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

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Mr. Venkatchalam Ramaswamy (Chairman)	- Executive Director
Ms. Vidya Shah	- Non-executive Director
Mr. Shiva Kumar	- Independent Director

The Company has made contributions under CSR mainly through its philanthropic arm EdelGive Foundation, a wholly owned subsidiary. The CSR Projects of the Company largely focuses on the broad areas such as sustainable livelihood, quality education, women empowerment, climate action, reducing inequality, promotion of sports and various sectors as covered under Schedule VII of the Act.

## CSR REPORT

The CSR Report on the activities undertaken during the year is provided as Annexure III to this Report. The CSR Policy is available on the website of the Company at [www.edelweissfin.com](http://www.edelweissfin.com).

## AUDITORS

At the 28<sup>th</sup> AGM of the Company held on September 26, 2023, the Members had appointed M/s. Nangia & Co. LLP (Firm Registration Number 002391C/N500069), as the Auditors of the Company, for a term of 5 years to hold the office until the conclusion of the 33<sup>rd</sup> AGM to be held in the year 2028.

## SECRETARIAL AUDIT REPORT

M/s. BNP & Associates, Company Secretaries, were appointed as the Secretarial Auditors to conduct the Secretarial Audit for the financial year ended March 31, 2024. The Report of the Secretarial Auditors is unmodified and provided as Annexure IV to this Report.

As required under the Listing Regulations, the Secretarial Audit Report of Edelweiss Life Insurance Company Limited (ELIC), the Material Unlisted Subsidiary of the Company, for the financial year ended March 31, 2024, forms part of this Report. The Secretarial Audit Report of ELIC is unmodified.

## PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has a Policy on Prevention of Sexual Harassment of Women at Workplace. No cases were reported during the year under review. There were no complaints pending as on March 31, 2024. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO

### A. Conservation of energy

- i) The steps taken or impact on conservation of energy – The operations of the Company are not energy intensive. However, adequate measures have been taken for conservation of energy wherever possible.
- ii) The steps taken by the Company for utilizing alternate sources of energy – Though the operations of the Company are not energy intensive, the Company explores alternative sources of energy, as and when the necessity arises.
- iii) The capital investment on energy conservation equipments – Nil

### B. Technology absorption

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

### C. Foreign exchange earnings and outgo

During the year under review, the Company earned foreign exchange of ₹ 42.60 million (previous year: ₹ 33.16 million) and there was outgo of foreign exchange of ₹ 24.75 million (previous year: ₹ 84.88 million).

### OTHER DISCLOSURES

- i) There are no significant material changes and commitments affecting the financial position of the Company that occurred between the end of financial year and the date of this Report.
- ii) There has been no change in the nature of business of the Company.
- iii) There was no revision in the financial statements of the Company.
- iv) There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016. There was no instance of one-time settlement with any Bank/Financial Institution in respect of loan taken by the Company.
- v) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- vi) No fraud has been reported by the Auditors to the Audit Committee and the Board.
- vii) Disclosure pertaining to maintenance of cost records as specified under the Act is not applicable to the Company.
- viii) The Company has not issued equity shares with differential voting rights as to dividend, voting or otherwise.
- ix) The Company has not accepted any deposits covered under Chapter V of the Act.
- x) The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### ANNUAL RETURN

Pursuant to Sections 92 and 134 of the Act, the Annual Return as at March 31, 2024 in Form MGT-7, is available on the website of the Company at [www.edelweissfin.com](http://www.edelweissfin.com).

### DISCLOSURE UNDER SECTION 197 OF THE ACT

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

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

### CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by SEBI. The Company has implemented several best governance practices.

Pursuant to the Listing Regulations, the Report on Corporate Governance together with the certificate issued by M/s. BNP & Associates, Company Secretaries, on compliance with the conditions of Corporate Governance during the financial year ended March 31, 2024 is provided in Annexure VI and forms part of this Report.

### BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

The Business Responsibility & Sustainability Report for the financial year ended March 31, 2024, pursuant to the Listing Regulations is provided in Annexure VII and forms part of this Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed;
- ii) such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and the profits of the Company for the financial year ended on that date;
- iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis;
- v) internal financial controls have been laid down and the same are adequate and were operating effectively; and
- vi) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### ACKNOWLEDGEMENTS

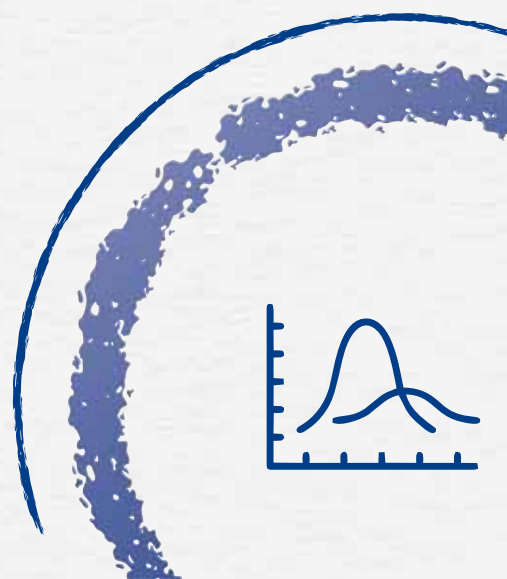
The Board acknowledges the valuable guidance and continued support extended by the Securities and Exchange Board of India, the Reserve Bank of India, Stock Exchanges, Insurance Regulatory and Development Authority of India, Ministry of Corporate Affairs, other government authorities, Banks and other stakeholders. Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

For and on behalf of the Board  
**Edelweiss Financial Services Limited**

**Rashesh Shah**  
Chairman & Managing Director  
DIN: 00008322

August 2, 2024

# Management Discussion & Analysis



## Macro Economic Review & Outlook

India's economic engine is roaring. A perfect storm of growth-friendly reforms, massive infrastructure spending, and a digital revolution is propelling the nation towards becoming a global economic powerhouse. Business-friendly reforms, including the Goods and Services Tax (GST) and corporate tax reductions, are fostering a fertile environment for entrepreneurial activity. Concurrently, the National Infrastructure Pipeline is meticulously laying the groundwork for a future economic juggernaut by prioritising critical infrastructural development. Beyond physical infrastructure, India's digital revolution, spearheaded by initiatives like Aadhaar and the Unified Payments Interface (UPI), is fostering financial inclusion and streamlining economic activity across the nation. This potent combination is further amplified by India's favourable demographics, characterised by a young and tech-savvy population with growing disposable income, fuelling a robust domestic market. This confluence of transformative policy initiatives, strategic infrastructure investments, and a burgeoning digital ecosystem is propelling India's economic engine towards a robust and sustained growth trajectory. Consequently, India is not merely the world's fastest-growing major economy; it is rapidly establishing itself as a pre-eminent destination for long-term investment, attracting global players seeking to capitalise on its immense potential.

The global economy navigated a complex year in 2023. While growth persisted, concerns about inflation and geopolitical tensions loomed large. Initial worries about persistent inflation eased somewhat as inflation metrics improved throughout the year. This, along with increased expectations for a soft landing for the U.S. economy amid a slowdown in monetary policy tightening, boosted market confidence. Labour markets in the U.S. and Eurozone showed surprising resilience, with the U.S. economy notably defying recession fears by achieving a robust real GDP growth rate of 2.5% in 2023. However, the year was not without significant challenges. The early months were marked by disruptions in the banking sector, including regional bank failures in the U.S. and a major merger among Switzerland's largest financial institutions, leading to volatile interest rates. Fortunately, stability returned as regional banks recovered. Geopolitical tensions continued to fuel uncertainty, with the ongoing conflict in Ukraine and strained relations between the West and China casting a long shadow. Additionally, renewed hostilities in the Middle East further heightened concerns about global stability.

For India, political stability, firm GDP growth, controlled inflation rates, and effective monetary policies from the central bank collectively paved the way for strong economic growth in FY24. Retail inflation remained steady within the target range indicating stability, while core inflation experienced a downward trajectory, supported by domestic economic expansion and favourable global commodity prices. Additionally, robust investment activity from both public and private sectors played a pivotal role in driving growth, particularly by stimulating the manufacturing and construction sectors. India has demonstrated notable resilience to global shocks since the onset of the pandemic. This resilience can be attributed, in part, to its lower current account deficit, bolstered by a growing services trade surplus, as well as a substantial foreign exchange reserves buffer. The second advance estimate of national income released by the national statistics office (NSO) on February 29, 2024, had pegged real GDP growth in FY24 to be 7.6% versus 7% (first revised estimate) in FY23. Beyond economic strides, "Brand India" celebrated a remarkable year with notable achievements that significantly enhanced its soft power and global influence. This was highlighted by the triumphant landing of Chandrayaan-3 on the Moon's south pole, a historic milestone in space exploration that reaffirmed India's leadership in the field. Additionally, hosting a successful G20 Summit further solidified India's esteemed position on the global stage, showcasing its diplomatic capabilities and strengthening its international standing. India has strategically leveraged its soft power—encompassing cultural diplomacy, economic influence, and proactive diplomatic initiatives—not only to enhance its global image but also to strengthen its international relations. This multifaceted approach has created a web of influence that extends far beyond its geographical boundaries, enabling India to forge alliances, shape global narratives, and garner support for its positions on international platforms.

Looking ahead to 2024, the global economy is finding its footing after a period of turbulence. Growth is expected to remain steady this year, despite ongoing challenges. While geopolitical tensions and rising interest rates pose risks, there are signs of stabilisation. Inflation is on track to moderate, albeit at a slower pace than anticipated. Central banks are likely to maintain a cautious approach when it comes to easing monetary policy. However, downside risks persist. Key conflicts such as the Ukraine war, US-China relations, Arab-Israeli relations, and Iran's foreign relations remain in a 'holding pattern', awaiting shifts influenced by the outcome of the U.S. election. Escalating geopolitical tensions could lead to volatile commodity prices. In the context of elevated trade policy uncertainty, further trade fragmentation risks additional disruptions to trade networks. Against this backdrop, 2024 is shaping up to be the 'Super Bowl of elections,' with over 2 billion people across more than 50 countries participating in significant electoral events. These include Russia's presidential election in March, India's general elections in April-May, the European Union's bloc-wide elections in June, and the United States' legislative and presidential elections later in the year.

India's economic outlook for FY25 appears highly promising, marked by a robust GDP growth forecast upgraded by most rating agencies. Positioned as the fastest growing among G20 economies, India's economy surged ahead clocking in impressive growth rates on the back of robust manufacturing activity and infrastructure spending. Growth backed by both government capex and private investment and resilient urban consumption buoyed by factors like increased vehicle and housing sales, higher air travel, and a surge in digital transactions are poised to propel the economic trajectory forward. The anticipated normal monsoon in FY25 is expected to bolster rural consumption, further driving economic momentum. High-frequency indicators suggest continued momentum, while accelerations in both manufacturing and service sectors affirm India's status as one of the fastest growing major economies. With inflation moderating, the Reserve Bank of India maintains a cautious monetary policy stance, holding the repo rate steady in February despite solid growth dynamics. Strengthening economic, military, and political ties with the US underscore India's geopolitical significance, attracting interest from US-based investors. Additionally, India's inclusion in JP Morgan's widely tracked Global Bond Index-Emerging Markets (GBI-EM) from June 28, 2024, facilitates easier access to its financial markets, further enhancing its appeal.

Integration of technology has been a key driver of India's economic development, leading to substantial growth in the digital economy. This transformation has empowered India to create innovative products and solutions for its vast consumer market, with government policies playing a crucial role in fostering innovation and ensuring infrastructure and security. Notable outcomes

include improved financial inclusion through digital payment modes, streamlined tax processes, and increased domestic participation in the capital market. Additionally, India's focus on niche and complex manufacturing, supported by initiatives like the Production Linked Incentive Scheme and national infrastructure plans, aims to boost the sector's contribution to the GDP and capitalise on the country's competitive advantages. As India continues its manufacturing focus, addressing the demand for cleaner energy sources is crucial for reducing dependence on fossil fuels and enhancing energy security.

While India's remarkable rise as a key player in the global business arena is a significant milestone, acknowledging potential risks in the evolving global risk landscape is essential. Currently, the spotlight is on the urgent threat of AI-generated misinformation and disinformation, driven by the swift dissemination of false information in our technologically advancing world. This inherent risk bears the potential to mould public opinion, influence decision-making processes, and sow social discord. Also, there is a notable emphasis on climate-related threats, underscoring the escalating awareness of environmental challenges that demand sustained global attention and collaborative efforts. Furthermore, the anticipated emergence of a multipolar or fragmented global order over the next decade signals a significant shift in power dynamics, with potential implications for international relations, trade, and geopolitical stability. An insightful understanding of this evolving risk landscape is paramount for effectively navigating the intricate terrain of global affairs in the years to come.

India is undeniably at a cusp of its greatest economic expansion as it strides forward on its transformative path, ushering in an era focussed on empowering its youth. This journey lays the foundation for 'Viksit Bharat,' a nation dedicated not only to economic progress but also to the seamless fusion of prosperity with environmental harmony, thereby creating opportunities for the prosperity of every citizen. In the pursuit of a developed India, the nation stands at the crossroads of innovation, economic reform, and responsible statecraft. This vision is not merely a government initiative; it is a collective dream encompassing the hopes and aspirations of every Indian. It calls for harnessing the potential of the youth, leveraging technological advancements, and promoting inclusive growth that respects the nation's diverse cultural fabric. As India navigates the complexities of the global stage, its emphasis on responsible governance, economic resilience, and innovation positions the country as a beacon of progress and possibilities.

## Industry Structure and Developments

Edelweiss is one of India's leading diversified financial services companies, offering a broad range of financial products and services to a substantial and varied client base. This includes retail individuals, High-Net-worth Individuals (HNIs) and Ultra-High-Net-worth Individuals (UHNIs), corporations, and institutions across both domestic and global geographies. Its businesses span Alternative Asset Management, Mutual Fund, Asset Reconstruction, Housing Finance, SME Finance, General Insurance, and Life Insurance.

## Asset Management

The asset management industry in India comprises Alternative Asset Management and Mutual Funds.

Alternative Asset Management can be classified as Public Alternatives (hedge funds, concentrated public equity strategies), Private Alternatives (private equity, private credit, real assets) and Perpetual Strategies (InvITs and REITs).

Within India's Private Alternatives investment landscape, over the last decade Private Credit and Real Assets have provided investors superior risk-adjusted returns leading to development of this market. India's projected GDP growth towards \$10 trillion within the next decade presents a massive \$600 billion opportunity for alternative assets, creating an attractive investment environment. Within this, Private Credit and Real Assets in India are expected to reach 37% of the Indian Alternatives market by 2035 to \$225 billion, leading the industry's growth.

Along with India's GDP scale up there is also a robust expansion in the investor base. The number of High-Net-worth Individuals (HNIs) and Ultra-High-Net-worth Individuals (UHNIs) are anticipated to double by 2027. Additionally, the increasing corpus of pension funds and insurance companies is expected to provide a substantial pool of capital actively seeking alternative investment options. This is expected to translate into significant growth potential for Private Credit and Real Assets in India.

Private Credit funds look to provide flexible financing solutions for meeting the growth and refinancing requirements for Corporate India. They are becoming an integral part of the financial ecosystem and are playing an important role in the development of bond markets in India. Private Credit delivered through Private Alternative funds with matched asset-liability structures solves a tangible problem for the borrowers.

Real Assets funds focus on development and monetisation of assets to release productive capital in the country and are a large investment opportunity for Private Alternative asset managers. This exceptional growth trajectory positions India's Private Alternative investment space as a pre-eminent destination for investors seeking risk-adjusted, long-term, high-potential returns.

India's mutual funds industry is also making significant strides, characterised by consistent growth and promising indicators. With a strong track record of performance and a diverse range of investment options, it is well-positioned to meet the needs of various investors. In FY24, Mutual Funds Industry AUM grew 35%, reaching ₹53.40 trillion as of March 31, 2024, compared to ₹39.42 trillion as of March 31, 2023. This growth is fuelled by a combination of factors, including the rising financial literacy among the populace, favourable performance of the stock market, and the convenience of digital investing. Notably, there is a rising involvement of young Indians in equity investments, driven by the desire to build wealth in a changing economic landscape. Technology has played a pivotal role in democratising access to mutual funds, offering simplified processes and user-friendly platforms that make investing more accessible to a wider audience.

Looking forward, the outlook for India's mutual funds industry remains promising. With ample opportunities for expansion and the potential to attract new investors, the industry is poised for further growth. As more participants enter the market and innovative products emerge, we anticipate an exciting journey of wealth creation and financial empowerment. While challenges may arise, the resilience and adaptability of India's mutual funds industry position it for continued success in the years ahead. With a strong foundation and a commitment to innovation, the industry is well-equipped to navigate obstacles and capitalise on emerging opportunities, driving sustained growth and prosperity for investors.

## Asset Reconstruction

ARCs, pivotal in acquiring and revitalising distressed assets, serve as essential bridges to reintegrate them into the economy, earning global recognition as resolution institutions. This positions them well amidst India's substantial volume of stressed assets, presenting robust growth prospects. According to a Crisil Ratings report released at an Assocham seminar on ARCs and stressed assets, the sector is expected to cross the ₹10 lakh crore AUM mark this fiscal year, up from ₹8.48 lakh crore a year ago.

However, the report also indicates that the sector's growth rate of the industry is expected to temper down in FY25 compared to the growth trajectories seen in previous years. This moderation is largely on account of large transactions concluded by NARCL and quicker resolutions in the retail portfolio.

The retail lending environment remains robust, with a significant YoY growth of 24% (as of September 2023) compared to the more modest 10% growth in corporate accounts. Within the retail sector, two-wheeler and education loans have seen the highest growth in outstanding balances. Unsecured loan segments (personal loans & credit cards) maintained their growth momentum, while mortgage loans are expected to exhibit stable YoY growth. Despite lower delinquencies across secured and unsecured loans, including microfinance, the coming year might see higher Non-Performing Assets (NPAs) due to an increase in loan ticket sizes. This risk is particularly relevant for personal loans and credit cards, which are already experiencing rising delinquency trends. Interestingly, NBFC lending shows signs of declining delinquencies despite modest growth. These dynamics suggest a positive outlook for the growth of the retail assets business in the ARC space.

On the corporate assets segment, the supply of stressed assets from public sector banks continues to be limited and the terms of sale is skewed towards all cash transactions. Majority transactions available would continue to be from the NBFCs and private banks.

Lower funding requirement and lender's requirement for upfront exit have also raised the proportion of cash deals compared to SR deals. FY24 has seen higher participation from AIFs and QIBs to support the transactions and lower capital deployment by ARC in the backdrop of revised minimum SR subscription requirement from ARC at 2.5% from 15% earlier. The trend is expected to continue further.

The Company remains cautiously optimistic on the business growth in wholesale segment and positively optimistic in retail segment in the near to medium-term despite heightened global uncertainty, considering various policy and enablers from the government, regulators, and improved business sentiments.

## MSME Finance

India's economy continues to grow, primarily propelled by robust domestic demand and notable expansions in manufacturing and services sectors. This growth trajectory is anticipated to sustain strong demand for credit, especially among Micro, Small, and Medium Enterprises (MSMEs) and retail credit.

The MSME sector is expected to play a significant role in India's growth story, with their contribution to the GDP expected to increase from 30% in FY24 to 40% in the next five to seven years. Formal credit deployment will play a crucial role in the growth of this sector and NBFCs will be a critical contributor.

NBFCs have emerged as pivotal financial sources, serving a broad spectrum of the population, including SMEs and economically underserved individuals. Their expansive reach, understanding of diverse financial needs, and rapid turnaround times have facilitated efficient borrowing processes. NBFCs have contributed significantly to financial inclusion by fostering the growth of numerous MSMEs and self-employed individuals. The financial services sector has witnessed substantial growth, with various players adopting diverse business models. NBFC AUM is projected to grow by 14-17% in FY25 and cross the ₹32 trillion mark by March 2025.

### Here are the Key Highlights of FY24 for the Industry:

- The repo-rate remained unchanged throughout FY24. However, MCLR-linked bank loans were repriced upwards due to a lag, resulting in higher borrowing costs for NBFCs and impacting their NIMs.
- The regulatory landscape for NBFCs saw significant changes with the introduction of risk weights for consumer credit exposure. Additionally, there was increased scrutiny to ensure timely compliance with existing regulations.
- The co-lending assets under management of NBFCs touched the ₹1 lakh crore mark.
- Strategic partnerships between banks and NBFCs, among NBFCs, and between NBFCs and Fintech companies continued to reshape the sector by creating a robust ecosystem.



## 🕒 Housing Finance

As we assess the housing finance sector's performance in FY24, it's clear that the industry has navigated a dynamic environment with resilience. The Reserve Bank of India's latest data on "Sectoral Deployment of Bank Credit" reveals that over the past two financial years, there has been a robust growth of India's residential real estate market and the rising demand for homes nationwide. According to the data, credit outstanding to the housing sector, which primarily includes home loans, has surged by ₹10 lakh crore over the last two years, reaching an impressive ₹27.22 lakh crore as of March 2024. This marks a notable increase from ₹17.26 lakh crore at the end of March 2022.

While higher interest rates pose a hurdle, the residential property sector continues to see healthy demand. This is driven by a strong economy, changing preferences for more spacious and amenity-rich homes post-pandemic, and the rise of remote and hybrid work models. This trend is reflected in the steady growth of Housing Finance Companies' (HFCs') assets under management (AUM) as they cater to this robust demand in the retail home loan market. Looking ahead, the sector remains supported by favourable macroeconomic conditions and ongoing government policies. With continued demand for housing and a focus on quality lending practices, HFCs are well-positioned to navigate the challenges and opportunities that lie ahead in the coming fiscal year.

While Net Interest Margins (NIM) may face some pressure, overall profitability is expected to improve as asset quality concerns diminish. The sector's resilience is further underscored by the sustained momentum in residential sales and launches, despite the Reserve Bank of India's repo-rate increases.

However, it's important to acknowledge potential risks to this outlook, including regulatory changes, tightening liquidity conditions, persistently high-interest rates, and increased competition from banks. Managing and mitigating these challenges will be essential for HFCs to sustain their growth momentum and ensure financial stability in the foreseeable future.

## 🕒 General Insurance

The general insurance industry has ended FY24 posting a 13% YoY growth in gross direct premium underwritten, compared to 16% in the previous financial year. With growth rates of 19% and 21% respectively, Private Insurers in the general and standalone health sectors expanded faster than the industry average. Both segments of Private Insurers have gained market share at the expense of the public sector. Private General Insurers now contribute to 53.5% of the market (vs. 51.4% in FY23), PSU Insurers down to 31.2% (vs. 32.3% in FY23), Standalone Health Insurers 11.4% (vs. 10.2% in FY23) and the Specialised PSU Insurers have 3.9% (vs. 6.2% in FY23).

The general insurance industry continues to be dominated by the health and motor insurance segments. Health has continued its dominance over Motor in both contribution & growth, post COVID-19.

The financial year heralded the advent of a landmark regulatory change for the Industry with EOM regulations prescribing one limit for expenses and subsuming all other expenses under it. This gave the industry the flexibility to decide their own sub-limits for commission and acquisition costs. This can and has resulted in some pain in the short-term adjustment period, however, over the long-term, it is expected to drive greater cost-efficiency for customers.

The year 2024 underscored the Regulator's focus on the Health segment with a view to simplify and improve customer's experience with claims and creation of more inclusive products. Integration with the India Health Stack, emergence of the National Health Claims Exchange and Industry-wide cashless networks are significant milestones that can enable 100% cashless claims for customers – the stated aspiration from the Regulator.

The year ended with a spate of regulations – largely, the focus being to consolidate the multiplicity of guidelines making it easier for reference and the move to "principle-based" regulatory regime. These set the stage for the achievement of the mission "insurance for all." The industry needs to evolve its own framework within these guidelines and ensure adherence to facilitate orderly development.

In the coming year, the regulatory is expected to overhaul the distribution regulations, similar to the way they changed the product regulations in the last two years. Besides this, we expect to see regulations around Risk-based Capital and Accounting for Commission and Premium, which will impact the P&L and capital efficiency. The industry is cautiously optimistic about these developments.

## 🕒 Life Insurance

India's vast and youthful population presents a significant growth opportunity for the life insurance sector. As a significant number of individuals enter the workforce and attain financial independence, the demand for life insurance products is expected to increase. With a substantial protection gap of 87% in 2023 and insurance penetration at just 3% of GDP in FY23, India's insurance market is poised to be the fastest growing among G20 countries over the next five years, according to Swiss Re.

Despite challenges such as high-ticket taxation in the non-linked segment, India's life insurance sector has demonstrated resilience and stable growth. The private sector, in particular, has strengthened its foothold, capturing 68% of the market share in FY24, up from 66% in the previous year. This indicates a robust expansion and increasing competitiveness within the market. The growth in new business premium collections, showing a year-on-year increase in March 2024 for FY24, underscores strong demand for life insurance products among individual and corporate customers.

The rise of Insurtech is revolutionising the life insurance industry in India. Innovative technologies are enhancing brand recall and shifting consumer preferences towards more personalised and intuitive experiences. This shift underscores the importance of shifting consumer preferences towards more personalised and intuitive experiences. This shift underscores the importance of agility and innovation for insurers to meet the evolving needs of consumers in the digital age. Established players continue to assert their dominance, but challenger brands are gaining ground, intensifying competition and driving increased market consideration.

Regulatory liberalisation has been a significant growth driver for the life insurance sector in India. The Insurance Regulatory and Development Authority of India (IRDAI) aims to achieve "Insurance for all by 2047", ensuring every citizen and enterprise has appropriate insurance coverage. Recent regulatory changes have been landmark in supporting this mission and fostering market expansion. These changes, coupled with strong economic growth, provide a favourable environment for the life insurance sector to thrive.



# Edelweiss Outlook & Strategy

## Edelweiss Outlook

A paradigm shift is underway within India's financial services sector. Technology, personalisation, and a growing emphasis on sustainability are converging to reshape the industry. This powerful confluence empowers both individuals and businesses to navigate the complexities of a rapidly evolving world and emerge stronger. Fuelled by a growing demand for innovative financial solutions, supportive government policies, and an ever-expanding market reach, a wave of significant opportunity is gathering momentum. We, at Edelweiss, standing at the forefront of this transformation, are actively positioning ourselves to capitalise on these prospects and contribute to the continued growth and evolution of India's financial landscape.

With a diverse business portfolio, we're poised for substantial growth. Our diversified franchise acts as a natural hedge, ensuring resilience in earnings and performance while providing unique cross-selling opportunities. Over the next year, our strategic priorities and initiatives will continue to focus on fortifying profitability, streamlining operations, and leveraging emerging technologies to innovate and withstand market turbulence. Leveraging our expertise and forward-thinking approach, we're ready to capitalise on emerging trends. Our unwavering commitment to identifying and nurturing growth opportunities underscores our role as an Investment Company ("InvesCo") committed to unlocking significant value for stakeholders.

## Opportunities

Within the ever-evolving domain of financial services, several key trends and factors present a compelling strategic framework for our organisation's continued expansion. By meticulously analysing these opportunities, we can solidify our position as a pre-eminent leader in the industry.

## Supportive Policy Framework

Government policies exert a significant influence on nurturing a vibrant financial services industry. India's ongoing reforms and the implementation of digital-centric tax and compliance frameworks go beyond mere bureaucratic streamlining; they represent the foundational pillars of a transparent and efficient ecosystem. Streamlined regulations, coupled with a reduction in administrative burdens and a focus on promoting operational efficiency, create a fertile ground for businesses like ours to flourish. This supportive environment empowers us to concentrate on innovation and consistently deliver exceptional value to our clientele.

## Technology-driven Financial Inclusion

The rise of financial inclusion in India underscores the transformative power of technology. Initiatives such as the Pradhanmantri Jan Dhan Yojana and Stand Up India programmes extend beyond simply opening bank accounts; they equip millions, particularly those within vulnerable segments of society, with the tools and access necessary to construct a secure financial future. Technological advancements, such as mobile banking and digital wallets, transcend mere convenience; they represent gateways to financial empowerment. Furthermore, the expanding participation of High-Net-worth Individuals (HNIs) signifies a maturing market brimming with untapped potential. By meticulously developing innovative financial solutions tailored to this sophisticated segment, we can strategically expand our reach and solidify our pre-eminence within the marketplace.

## AI-powered Personalisation

The digital transformation era signifies a paradigm shift beyond mere technological adoption; it represents a fundamental change in how we cultivate relationships with our clientele. Artificial Intelligence (AI) is rapidly transitioning from rudimentary automation to a sophisticated tool-set capable of fostering deeper client understanding. Generative AI, the next frontier of this technological revolution, will dynamically tailor financial products and services to individual needs and preferences. This empowers us to curate hyper-personalised experiences across all client touchpoints – from mobile applications and online platforms to in-person interactions. By fostering deeper customer relationships built upon a foundation of trust and comprehensive understanding, we can unlock significant business growth through a technology-driven, client-centric approach.

## Commitment to Sustainability

The contemporary marketplace demands not only robust financial performance but also a demonstrably strong commitment to a sustainable future. By prioritising sustainability initiatives and meticulously integrating Environmental, Social, and Governance (ESG) principles into our overarching business strategy, we unequivocally demonstrate our alignment with the evolving expectations of stakeholders. This unwavering commitment to positive social impact not only enhances our brand image but also attracts environmentally and socially conscious clients and investors, ultimately contributing to our long-term success and solidifying our position as a responsible industry leader.

By embracing these trends and capitalising on the associated opportunities, we strategically position ourselves for sustained growth, resilience, and leadership within the ever-evolving landscape of our industry. This comprehensive framework empowers us to not only achieve exceptional business growth but also contribute meaningfully to the construction of a more inclusive and sustainable financial future for India.

## Threats

The global financial services industry today stands at a critical juncture. Geopolitical tensions—from trade wars to regional conflicts—alongside economic uncertainties threaten to disrupt vital resources and overall stability. Domestically, rising interest rates, increased regulatory scrutiny aimed at curbing financial risks, and persistent inflation create a challenging environment for Indian financial institutions. In this unpredictable landscape, adaptability, strategic foresight, and a customer-centric approach will be the hallmarks of success.

### Fortifying the Digital Frontier

In a world dominated by digital interactions, the spectre of cyber threats looms large. Safeguarding sensitive data like account information and transaction details is paramount. Financial institutions must invest in robust cybersecurity infrastructure, implementing advanced encryption and fraud detection systems. Furthermore, India's cybersecurity laws and regulations need to keep pace with evolving threats, ensuring effective enforcement and international cooperation. However, defence alone is not enough. Empowering consumers through financial literacy programmes is equally critical. By equipping individuals with the knowledge to navigate online transactions and identify suspicious activity, we can build a collective resilience against cyber crime and financial exploitation. Educational initiatives can range from interactive workshops to gamified learning platforms, making financial literacy engaging and accessible for all age groups.

### Attracting and Retaining Talent

The digital transformation in financial services has intensified the competition for talent, particularly in tech roles, leading to a critical shortage of skilled professionals. To stand out and retain critical talent, organisations must commit to professional growth by offering mentorship programmes, continuous learning opportunities, and re-skilling initiatives in key areas such as data analytics, artificial intelligence, and cloud computing. Adapting to the evolving work landscape by embracing remote work flexibility and fostering collaboration through well-designed programmes can support the growing preference for work-life balance. Ultimately, financial institutions that prioritise building a culture of innovation, growth, and flexibility will be best-positioned to attract and retain the talent necessary to thrive in the digital age.

### Rising Global Competition

India's financial services landscape is no longer solely domestic. The entry of international players brings a new layer of complexity and fierce competition. These global giants, armed with vast resources, cutting-edge technology, and innovative financial products, present a significant challenge. To remain competitive, domestic institutions must embrace a culture of continuous innovation. This means developing new products and services that cater to evolving customer preferences, such as personalised wealth management solutions or seamless mobile banking experiences. Collaboration with FinTech startups, known for their agility and tech-driven approach, could also be a strategic move.

## The Way Forward

FY24 was a year of strong performance and growth, driven by successful execution of our strategy. Our profitability saw substantial growth, primarily driven by the expansion of our Alternative Asset Management, Mutual Fund, and Asset Reconstruction businesses. Our Insurance business gained good momentum, and we're on track to achieve break-even. By focussing on reducing wholesale loan assets, optimising debt structures, and improving liquidity management, we successfully reduced our net debt, reinforcing our financial stability and laying a solid foundation for future endeavours.

Looking ahead to FY25, our strategic direction is clear: We aim to scale up profitability in Alternative Asset Management and Mutual Fund, while also intensifying efforts to expand retail credit through an asset-light, co-lending model. Additionally, we're focussed on ensuring the sustainability and profitability of our Insurance businesses, with a clear objective to achieve break-even status by FY27. Our commitment to reducing net debt remains steadfast, ensuring financial stability and flexibility for future endeavours.

As the environment evolves, so does our approach. With clarity in our key focus areas for the next year, we're poised to thrive in the evolving landscape, delivering value to our stakeholders and reinforcing our position as a leader in the financial sector.



## Performance Highlights

We had a strong finish to FY24 with impressive growth in our core businesses, maintaining the strong momentum from the previous year. This year, we achieved a significant milestone by completing the Value Unlock Journey for Nuvama, culminating in its listing on September 26, 2023, and distribution of 30% of the shares to our shareholders. This year we experienced significant growth in our asset management and insurance businesses.

The Alternative Asset Management platform continued its strong track record, achieving an 18% increase in AUM YoY to ₹54,700 crore, with fee-paying AUM growing by a remarkable 39% to ₹32,200 crore. In Mutual Fund, AUM surged 21% YoY to reach ₹127k crore, with Equity AUM growing a healthy 61% YoY to ₹43.7k crore. Retail credit witnessed a significant growth via co-lending model, where MSME disbursements tripled, and Housing Finance disbursements doubled in the year. General Insurance also recorded an exceptional 54% growth in Gross Written Premium (GWP), securing the industry's highest growth rate. Gross Premium of Life Insurance business grew by 15% YoY to ₹1,926 crore.

Total income for the year increased by 11% YoY to ₹9,602 crore, driven by a 34% YoY uptick in net gain on fair value changes (₹3,091 crore vs ₹2,304 crore). There was a 3% YoY decline in interest income (₹2,854 crore vs ₹2,946 crore), due to a strategic shift towards asset-light models in retail credit and the wind-down of our wholesale book. Our insurance business maintained its growth momentum, achieving a net premium of ₹2,278 crore for FY24, up from ₹1,928 crore in FY23, reflecting a healthy 18% growth.

Customer reach expanded further on the back of a retail scale up, growing 35% YoY to 76 lakh. This has also aided a 13% YoY growth in customer assets to over ₹2.1 lakh crore. Overall businesses saw a significant growth in customer base – demonstrating the continued trust in us by our customers. These impressive accomplishments across all sectors showcase the strength and quality of our established businesses.

Our consolidated Profit After Tax (PAT) before minority interest (pre-MI) for FY24 grew by 30% to ₹528 crore as compared to ₹406 crore last year. PAT from our non-insurance businesses stood at ₹661 crore (vs ₹610 crore in FY23).

Post distribution of the 30% stake in Nuvama to our shareholders in Sept 2023, the total Net Worth stood at ₹6,216 crore as on March 31, 2024, including the amount of equity convertible instruments (CCDs) vis-à-vis ₹ 8,502 crore as on March 31, 2023.

FY24 expenses increased by 9.4% compared to FY23 (₹9,165 crore vs ₹8,380 crore). The increase in expenses is largely driven by variable business costs proportionate to the growth in revenue, whilst fixed and overhead costs have remained flat, thus demonstrating efficient scaling. Impairment on financial instruments decreased to ₹15 crore, compared to ₹362 crore in FY23. Additionally, the change in valuation of credit-impaired loans was also lower by 17% YoY, at ₹733 crore vs ₹885 crore in FY23. As of March 31, 2024, total gross debt stood at ₹18,218 crore, decreasing progressively throughout the year from ₹19,263 crore at the end of FY23. Finance costs increased to ₹2,786 crore compared to ₹2,575 crore in FY23 due to a slight uptick in our cost of borrowing. Throughout the year, we maintained a prudent approach to liquidity management, ensuring readily available resources at approximately 16% of our borrowings.

The diluted EPS for FY24 stood at ₹4.68 compared to ₹3.83 for FY23. Book Value per share was ₹48 at the end of FY24. The Board of Directors have recommended a final dividend of ₹1.50 per equity share. Total Dividend for the year stands at ₹1.50 per equity share.

### Liquidity and ALM Profile

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

At the end of FY24, we maintained available liquidity of ₹2,900 crore. This included overnight liquid assets of ₹1,700 crore, high-quality liquid assets of over ₹1,000 crore which can be liquidated within a short span (if the need arises), and undrawn committed bank credit lines of ₹200 crore.

Over the years, we have demonstrated a strong track record of fund raising from both retail and institutional lenders. With the help of public issues and our retail borrowing programmes, we have increased the proportion of funding through retail sources from 42% to 45% in the past one year.

On the asset side, we continue to focus on and reorient our balance sheet towards retail growth. As wholesale recoveries remain slightly slower than anticipated, we have optimised the tenor and focussed on medium to long-term borrowings. Long-term borrowings now stand at 68% of the total debt.

All these steps have ensured that we maintain a positive ALM gap across all-time buckets.

## Analysis of Significant Changes in Financial Ratios

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, below is the additional information in respect of the financial parameters that are applicable to our company.

### Details of significant changes in key financial ratios:

#### Debt Equity Ratio

The Debt Equity Ratio as on March 31, 2024 stood at 3.35 times compared to 2.77 times as on March 31, 2023. The increase in gearing is on account of drop in equity, post distribution of the 30% stake in Nuvama to our shareholders on September 2023. Including the amount of equity convertible instruments (CCDs) in our net worth and excluding the liquid treasury assets that we hold for liquidity management; the Net Gearing Ratio is 2.5 times as on March 2024 compared to 1.9 times as on March 2023.

#### Profit before Tax Margin (%)

The Profit before Tax Margin for FY24 was 4.6% compared to 4.5% in FY23.

#### Net Profit Margin (%)

The Profit after Tax Margin for FY24 stood at 5.5% compared to 4.7% for FY23.

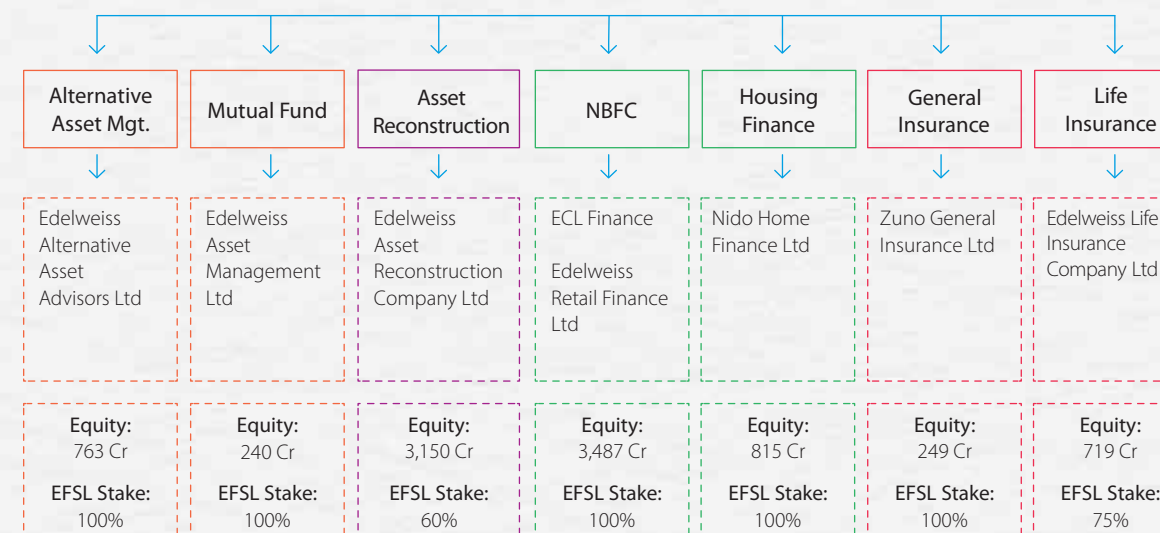
Other parameters, namely Debtors Turnover, Inventory Turnover, Interest Coverage Ratio, and Current Ratio, are not applicable to our Company.

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

Return on Net Worth, i.e. Return on Equity (RoE), post-MI on consolidated basis for FY24 stood at 9.2% compared to 5.1% for FY23

## Business-wise Analysis of Profitability

We are a diversified Company with seven key businesses as under



### Distribution of earnings among these businesses

Business	Year Ended: March 2024	Year Ended: March 2023
Alternative Asset Management	210	159
Mutual Fund	38	18
Asset Reconstruction	355	318
NBFC	150	139
Housing Finance	19	16
General Insurance	(123)	(125)
Life Insurance	(157)	(199)
Corporate	36	80
<b>EFSL Consolidated PAT (Pre-MI)</b>	<b>528</b>	<b>406</b>
(Less) Minority Shareholders' PAT	107	61
<b>EFSL Consolidated PAT (Post-MI)</b>	<b>421</b>	<b>344</b>
<b>EFSL Ex-Insurance PAT (Post-MI)</b>	<b>661</b>	<b>610</b>

INR Cr

## Alternative Asset Management

The financial landscape in India is witnessing a notable surge in absolute wealth among Ultra High Net-worth Individuals (UHNIs) and Family Offices, coupled with a growing trend of financialisation of savings. Concurrently, there are increasing allocations to India compared to other developing nations, driven by the country's robust GDP growth prospects fuelled by infrastructure development, capital expenditure, and productivity enhancements. This has led to the shift in focus and mainstreaming of Private Alternatives, offering stability unlinked to market volatility. India's rising affluent class underscores substantial growth potential, with alternative assets such as Private Credit and Real Assets gaining prominence amidst evolving market dynamics.

Edelweiss Alternatives is poised to seize this growth opportunity with its strong market presence in the Private Alternatives space. It is the pioneer in Private Credit and Real Assets class, has a diversified LP base spanning North America, EMEA, APAC and India, with consistent best-in-class performance backed by localised expertise, a tech-enabled institutional platform, and a long-tenured management team.

AUM of the alternative asset funds have grown at a CAGR of 34% over the last 2 years to ₹54,700 crore. During the year, we have raised ₹9,525 crore, leveraged on growing demand for Private Alternatives in global markets as well as India.

This strong business performance helped in the rise of FPAUM to ₹32,200 crore (CAGR of 35% over last 2 years) and accordingly, Fee Revenue rose 42% YoY to ₹398 crore in FY24 and a Profit After Tax of ₹210 crore. With strong governance and focus on robust risk management, the total deployment was ₹6,550 crore and realisation was ₹9,200 crore across strategies in FY24. We made successful exits in ELSAF II Onshore fund that led to surpassing the investor hurdle rate return of the fund.

Our third series of Special Situation Fund declared its Final close at USD 1.33 billion (~₹11,000 crore) while second series of Infrastructure Yield Fund has raised more than USD 1 billion (~₹8,000 crore) and continues to see robust investor response. In FY24, we launched three new products - Rental Yield Plus (RYP), Core Credit Fund (C-SIP) and Energy Transition Fund. RYP is a first-of-its-kind pre-REIT offering for Indian Investors, the fund invests in pre-leased commercial buildings. C-SIP focusses on generating returns through investments in performing credit opportunities across sectors. Energy Transition Fund offers investors a long-term investment vehicle and opportunity to participate in India's sustainable energy transition.

Our IYP-II Fund also completed the acquisition of L&T Infrastructure Development Projects (L&T IDPL), which owns various road assets and power transmission lines, further scaling up our Real Assets platform and is one of the largest deals in India in this sector.

With strong institutional capabilities, including skilled teams in investment and asset management, robust risk management, and governance frameworks, we will remain well-positioned for sustained growth in FY25. Our strategy will continue to focus on delivering strong investment performance, introducing new products regularly, expanding into new client segments and geographies, and maintaining rigorous risk and governance standards.

Edelweiss Alternatives is also one of the few Private Alternative asset managers who are signatory to the United Nations Principles of Responsible Investing (UN PRI). Our funds adhere to the best global practices of asset management and are focussed on sustainable investing.

## Industry Accolades

Our achievements in the industry have been recognised with several prestigious awards. We were honoured with the "Market Award - India" category AsianInvestor Asset Management Awards and named the 'Best BFSI Brand' by ET Edge. Additionally, we received the "Best Overall Performance of the Year" award from the IVCA at the Alternate Capital Excellence Awards. Notably, we are the only Indian Alternatives player to consistently feature among the top PDI fund raisers of the year for three consecutive years.

## Mutual Fund

At Edelweiss Mutual Fund, our values are centred around creating simple yet innovative solutions that genuinely address the needs of our investors. Our core product philosophy embodies simplicity, boldness, pioneering innovation, and a customer-first approach. We prioritise making complex financial concepts accessible, empowering investors to make confident, informed decisions. Our diverse product portfolio, including equity, debt, balanced, and liquid funds, caters to various financial goals and risk appetites. Committed to innovation, we strive to set industry benchmarks with our inventive solutions, consistently enhancing our offerings to deliver superior value. Our experienced team ensures consistent performance, maintaining our reputation as a top-tier asset management company.

Our growth journey is anchored by a solid foundation and driven by three distinct investment capabilities that define our excellence. Our fundamental investing strategies, guided by the FAIR framework, delve deeply into market fundamentals to unearth high-potential opportunities. Our factor-based quantitative investing strategies that leverage comprehensive data analysis to pinpoint lucrative investment opportunities. Lastly, our fixed income strategies use the CLEAR framework and target high-quality assets that provide sustainable and resilient returns. We have a robust risk management framework serving as a strong foundation in which these aspects are firmly grounded.

Our exceptional investment team, with over 230 years of collective experience, equips us to navigate market complexities and seize opportunities with confidence. Our focus has always been on strengthening our internal investment processes and how they are communicated to customers and distribution partners. This commitment is reflected in our performance, with 83% of our Equity & Hybrid Funds ranking in the top quartile (Q1-Q2) over the past three years.

This dual focus on process excellence and stakeholder trust builds strong relationships and amplifies our impact in the investment community and forms the bedrock of our sustained growth and success. As a result of these factors, we have established ourselves as a trusted and reputable asset management company. We are the 13<sup>th</sup> largest AMC in the country and continue to be one of the fastest growing among the top 15 mutual fund houses in the industry. Profitability of this business grew by a robust 112% YoY to ₹38 crore in FY24.

We manage an AUM of ₹1.27 lakh crore as on March 2024, a growth of 21% over the AUM of ₹1.05 lakh crore a year ago. Our AUM ex Bharat Bond crossed ₹65,700 crore as on March 2024, a growth of 46%. Our Equity & Hybrid AUM grew by 61% in FY24 to ₹43,700 crore in assets, from ₹27,100 crore as on March 2023. We saw net inflows of ₹8,100 crore in FY24. SIP book witnessed a robust uptick of 56% YoY to ₹234 crore. We catered to 15.5 lakh active folios, compared to 11.7 lakh at the end of FY23, an increase of 32% YoY vs industry growth at 22%.

## Asset Reconstruction

EARC is playing a significant role in managing stressed assets in the country with an impressive AUM of ₹31,600 crore, the largest ARC in the country.

We prioritise consistent excellence in governance, compliance, and risk management standards. These areas are essential for maintaining trust, stability, and sustainability within any organisation, especially one dealing with stressed assets. EARC adopts a multi-pronged strategy for resolution of stressed assets with primary focus to 'Revive' or 'Reconstruct' operating assets with last-mile funding needs. Based on asset-specific complexities, settlement/enforcement of security interest/resolution through IBC are also adopted with an aim to optimise stakeholder benefits.

We continue to look for potential turnaround cases based on a genuine borrower profile backed by commensurate cash flows and collaterals. Over the medium term, acquisitions will continue in a calibrated way while exploring partnership with investors (as minimum investment by the Company can be as low as 2.5% on such deals) with focus on fee-based business models. The experienced and qualified manpower and management team at the Company is a key factor in building a strong market position and delivering a sustained performance over the years.

Our acquisitions continue to target operating assets that can be revived. During the year, we invested ₹1,641 crore. EARC has been able to maintain its market leadership with ~26% of the market share as at December 2023.

The company has consistently shown its excellence on the retail portfolio front for the last 4 years and will continue to focus on the retail segment to improve the granularity and geographical diversification of the portfolio, enhance cash flow certainty and improve overall valuation. The share of the retail division is expected to grow to 40% over the medium term from 15% as on March 31, 2024.

EARC has been able to recover more than ₹9,416 crore in FY24 and a total of ₹51,953 crore since inception.

## NBFC

India's NBFC sector demonstrated robust performance in FY24, serving as a pivotal source of credit, notably in sectors such as microfinance and personal loans. Industry AUM witnessed healthy growth, with some reports suggesting increases exceeding 25% YoY. While new regulatory measures may temper growth rates compared to previous years, NBFCs remain well-positioned to support credit needs across the country.

The NBFC business has two distinct business segments, namely MSME Finance and Wholesale Lending.

Expanding AUM and stable asset quality were key drivers of MSME performance in FY24. Our strategic approach has led to a 2.5x jump in disbursements to ₹1,050 crore for the year, driven by our co-lending partnerships with the Central Bank of India, IDFC First Bank, and Standard Chartered Bank, which contributed to 80% of overall disbursements. During the year,

we forged a new CLM partnership with Godrej Capital. We maintain strong asset quality with a Gross Non-Performing Asset (GNPA) ratio of 2.45%. Looking ahead, we anticipate continued momentum in disbursement growth and portfolio optimisation, driven by technology, strong partnerships, and rigorous risk management, positioning us as a leading player in MSME lending.

With approximately 64 million MSMEs in India, the sector's total funding requirement is expected to reach ₹134.4 lakh crore. According to a CareEdge report, the debt demand is estimated at ₹106.1 lakh crore, with ₹56.2 lakh crore (53%) potentially accessible through formal funding channels such as banks and NBFCs. We aim to expand our market presence in the MSME Priority Sector Lending (PSL) segment, capitalising on its significant growth prospects and current opportunities. Our vision for the MSME sector is to become the most trusted financial partner in the growth journeys of India's micro and small enterprises. To achieve this goal, we are focussed on establishing a differentiated, asset-light retail MSME lending business.

We have discontinued our Wholesale Lending business as of January 2024. In line with our proactive strategy, we have been scaling down the wholesale lending book through a combination of organic repayments and sell-downs. Our rigorous resolution plans have resulted in significant inflows throughout the year. Supported by strong investor demand, the wholesale book has decreased to approximately ₹4,150 crore, marking a 60% reduction in the last 2 years. Throughout the current fiscal year, we have generated substantial net liquidity through recoveries, resolutions, and sell-downs, ensuring that our wholesale ALM remains well-matched.

## Housing Finance

Nido Home Finance (formerly known as Edelweiss Housing Finance) has undergone a notable transformation. Initially serving high-income urban clients, we've shifted focus to provide affordable housing solutions to a broader spectrum, including low-income and informal-income segments. This shift has expanded our reach into smaller towns and allowed us to cater to unique customer groups such as new-to-credit individuals and women borrowers.

Nido Home Finance has a presence across 67 branches strategically positioned in markets characterised 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 focussed on retail home loans. Nine out of ten of our customers have a loan ticket size of less than ₹3 million.

We have embraced a new asset-light business model. Powered by co-lending, this asset-light model has enabled us 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 us access to ALM-matched capital. Under this business model, we have 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 our long-term growth strategy. Another dimension of our asset-light business model is the way we have diversified our liabilities-mix through sell-downs in the form of direct assignment and securitisation transactions.

In FY24, we were able to securitise a pool size of ₹575 crore via multiple transactions with NBFCs and insurance companies. On the back of disbursements of ₹1,325 crore, Nido Home Finance ended FY24 with an AUM of ₹3,962 crore, and a loan book of ₹3,105 crore. As on March 31, 2024, the Net worth stood at ₹815 crore and the CAPAD at 39.1%.

Underlying portfolio quality manifested itself in a GNPA of 1.69% as on March 31, 2024 (1.91% on March 31, 2023), and collection efficiency that was consistently above 98% through the financial year.

The AUM mix remains biased towards granular, retail home loans, and new origination will also continue to focus on affordable-housing, and informal income customer segments. We continue to invest in developing future-fit capabilities such as data sciences which we have used for driving multiple use-cases associated with portfolio management, and now with use-cases also associated with Customer Value Management (CVM) and process efficiency.

## General Insurance

Zuno continued to demonstrate a consistent growth trajectory, emerging as the fastest growing non-life insurer in FY24, increasing from 53% in FY23 to 56% in FY24 as compared to the industry growth of 13%.

With steady growth in the target markets: In FY24, the Motor & Health (Including Group health) segments increased by 32% & 100%, respectively, versus industry averages of 13% & 19%. Our efficiency improved with Combined Operating ratio coming down by 4% and the Opex ratio by 5% from FY23 level.

Our focus on customer experience was demonstrated by the fact that we ended the year in March 2024 with an NPS of 53. Besides giving us an immediate indicator of customer's experience with us, this has been the most important source of valuable feedback that has helped us to constantly improve and enhance our platform.

We continue to expand our revenue and service partnerships across motor and health segments. Additionally, we kept forming alliances for external distribution with OEMs and cutting-edge, contemporary digital players. While we have on-boarded & activated marquee names such as Maruti Suzuki, Volkswagen, Skoda, we also have made payments simple, easy through Bharat bill pay integration in renewal journeys across payment gateways like Razorpay & Bill desk. We continued to keep an eye on new developments in the motor and health space. After five years, we currently boast an enviable active client base of over four million, with a 5X growth in FY24.

Throughout FY24, we maintained a strong focus on innovation, operational efficiency, and enhancing customer experience. Key innovations included the launch of the Zuno Driving Quotient (ZDQ), a unique driving score accessible via the Zuno app, which utilises mobile sensor-based telematics to evaluate driving behaviour and promote road safety. Additionally, Zuno introduced EV add-on covers tailored for electric and hybrid vehicles, featuring pioneering policy elements to ensure comprehensive coverage. The rollout of Health Plus phase 1 offered enhanced benefits such as expanded coverage, zone-based pricing, and streamlined policy terms. Operational efficiencies were achieved through enhancements in the telematics platform, improved scalability of unassisted policies, and the implementation of an SDK-based KYC solution that minimised dropouts and complaints. Customer experience was further enriched with enhanced self-service options on the website, upgraded app features including ZDQ and Motor-Health Claim Intimation & Renewals, improvements to the Partner Platform EDGE, and real-time policy communication within 60 seconds.

These efforts were underscored by the receipt of 16 awards across multiple categories from various industry forums, highlighting Zuno's leadership and innovation in the insurance sector during FY24.

Apart from bringing innovative solutions for customers and enhancing their experience with us, we take continuous strides to improve operational efficiency using our digital platform and leveraging data analytics for risk selection and pricing. We are continuing our journey of expanding our distribution network by partnering with new partners and establishing new points of presence; creating a UBI category; creating new lines that are EOM-friendly; and improving our front-end digital assets to become the best in their class.

## Life Insurance

The financial year gone by was defined by a relentless pursuit of delivering customer delight, supported by a growth mindset. With a heavy focus on improving distribution strength, providing agile support to sales teams for customer engagement, continued innovation & personalisation, process optimisation, we reported a 15% YoY growth in its Total Premium at ₹1,926 crore. Since inception, the company has recorded an impressive 40% CAGR of individual APE.

We achieved remarkable improvements in quality parameters, ending FY24 with our highest-ever Claim Settlement Ratio of 99.23%, a 13-month Persistency Ratio of 78%, and a Net Promoter Score of 56, our highest full-year NPS to date. We maintained an optimal product mix, with approximately 80% of our offerings being traditional products and a higher ratio of longer-duration policies.

We demonstrated notable achievements across various areas during the year. In customer centricity, we enhanced service quality through digital workflows like Pragati for onboarding, a WhatsApp channel for servicing and renewals, and streamlined underwriting processes. In product development, we launched Legacy Plus and Bharat Savings STAR. Legacy Plus is an innovative participating product providing life cover for two generations and income for three, while Bharat Savings STAR stands out for its personalisation, flexibility, and cost-effectiveness. We also revamped four existing products and filed six new ones. Strategic distribution partnerships, including the addition of ESAF Small Finance Bank, expanded our Bancassurance network, particularly strengthening our presence in the Southern region. Our Udaan strategy focussed on enhancing digital capabilities with projects such as U2 for personalised customer engagement, Bolt for AI-powered insta-issuance, the My Zindagi App for a unified distribution team interface, and Dataverse for a cloud-based enterprise data warehouse. In risk management, our initiatives included a Risk Culture and Capability framework and operational risk enhancements, earning us the Golden Peacock Award, 2023. The brand remained aligned with customer centricity, leveraging campaigns and internal expertise to maintain high visibility.

In FY25, the company will continue to be guided by Udaan strategy and expand on its transformation journey towards improving customer and distributor experience while ensuring capital efficiency.



**Awards & Accolades**

We continued to excel, receiving 23 industry recognitions over the financial year for our efforts in customer experience, brand building, and risk management. Highlights include being named a Great Place To Work for the fourth consecutive year and ranking among the Top 100 workplaces fostering a culture of innovation in 2024. We also won the Golden Peacock Award, 2023, for Risk Management, featured in the Most Trusted BFSI Brands by Marksman Daily, and secured the Best Programme for Sales Enablement at the TISS LeapVault CLO Awards 2023. Other prestigious awards include Retention Champion, 2023, by WebEngage, Best Use of Integrated Marketing Campaign for Organ Donation at the e4m Indian Marketing Awards, Insurtech Innovation for Unlimited at the IBEX BFSI Technology Awards, and Best Social Welfare Initiative of the Year, 2024, at the Indian Social Impact Awards.



## Governance

Across all our businesses, our core commitment to governance guides everything we do. This goes beyond just following regulations; it's about upholding ethics and values. For us, good governance embodies trust, legitimacy, accountability, competence, and respect for the law. We believe these are essential for building a transparent, genuine, and fair culture – all crucial for our organisation's success.

Our board plays a vital role in ensuring these high governance standards permeate every organisational level. Their unwavering focus on ethical behaviour, integrity, transparency, and fairness has established a robust framework for conduct, behaviour, and process oversight.

To ensure good governance takes root throughout the organisation, we have established clear rules for individual and entity-level behaviour and conduct. These cover crucial areas like conflict of interest, insider trading, and handling sensitive information. We're also leveraging technology to enhance our practices and ensure smooth operation, even in a work-from-home environment, allowing us to maintain the highest compliance standards.

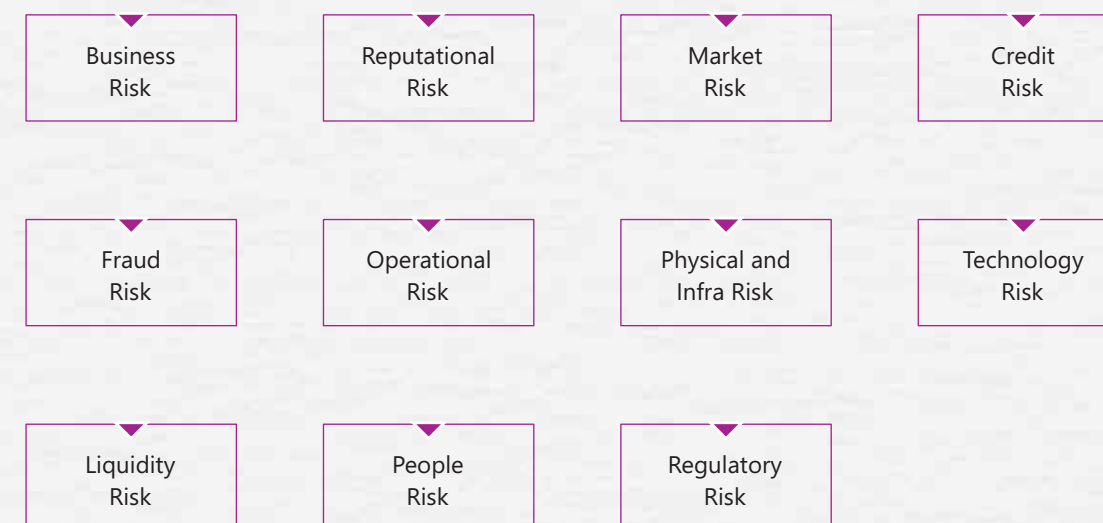
Ultimately, our commitment to good governance reflects our unwavering dedication to our stakeholders – customers, employees, shareholders, and the communities we serve. By upholding these values, we build trust, maintain legitimacy, and hold ourselves accountable to the highest standards of excellence in all aspects of our work.



## Risk Management

Risk management stands as the cornerstone of success for any financial services firm, serving as a vital mechanism to identify, assess, and mitigate potential threats that could undermine its stability, profitability, and reputation. In an industry characterised by volatility, uncertainty, and regulatory scrutiny, effective risk management is not just a prudent practice but a strategic imperative. For a listed financial services firm like Edelweiss, which operates in a dynamic and highly competitive environment, the ability to anticipate and manage risks is paramount to sustaining long-term growth and delivering value to stakeholders.

At Edelweiss, in each of our businesses, the commitment to robust risk management practices is deeply ingrained in their organisational culture and business operations. To further formalise this process, they operate via an "Eleven-risk Framework" that guides them in the continuous assessment, avoidance, management, and mitigation of risks.



One of the key areas of focus within our risk management framework is technology risk, particularly cybersecurity. As financial services firms increasingly rely on technology to deliver products and services, they become more vulnerable to cyber threats and vulnerabilities. A cyber-attack or data breach can not only disrupt operations but also expose sensitive information and erode customer trust. Therefore, we have made significant investments in fortifying our IT infrastructure, implementing robust cybersecurity measures, and enhancing our cyber resilience capabilities to mitigate the evolving cyber threats landscape.

Moreover, the recent enactment of the Digital Personal Data Protection Act, 2023, by the government has introduced new compliance obligations for financial services firms like ours. Compliance with DPDPA, 2023, represents a significant risk project for Edelweiss, as it mandates stringent measures to protect consumer data privacy and confidentiality. Failure to comply with these regulations could result in severe penalties, legal liabilities, and reputational damage. Therefore, ensuring adherence to DPDPA, 2023 requirements is not just a legal obligation but a strategic imperative to safeguard our reputation and maintain the trust of our stakeholders.



## Internal Control Systems and Their Adequacy

### Internal Financial Controls

The internal controls at Edelweiss are well-established and robust which are commensurate with the nature of its businesses, size & scale and complexity of its operations to ensure orderly and efficient conduct of business. These controls have been designed to ensure assurance with regards to maintaining proper accounting controls, substantiation of financial statements and adherence to Ind AS requirements, safeguarding of resources, prevention and detection of frauds and errors, ensuring operating effectiveness, reliability of financial reporting, compliance with applicable regulations and relevant matters under the requirements of the Companies Act, 2013.

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

### Independent Audit and Assurance

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

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

## Technology

In today's fiercely competitive financial services landscape, technology has become the cornerstone of differentiation and success. The global pandemic served as a stark reminder of the critical importance of possessing a resilient and adaptable technological infrastructure. Moving forward, it is imperative to view technology not merely as a tool, but as a fundamental pillar of the organisational business model. Through thoughtful implementation, technology can deliver a transformative impact, not only by significantly enhancing customer experience, but also by bolstering governance and internal control frameworks. This strategic approach fosters the creation of a more agile, efficient, and future-proof institution.

### Key Pillars of Technology Resiliency:

Edelweiss has fortified its technology resilience through two key pillars. Firstly, cloud optimisation saw strategic expansion of cloud adoption, harnessing multiple providers for flexibility and cost control. Concurrently, new applications and platforms were launched on the cloud, fuelling growth across business segments. Secondly, automation and modernisation were prioritised, with Edelweiss embracing low-code tools to automate processes and instil agility, a cornerstone of their technology ethos.

### AI Adoption for Enhanced Productivity:

We've successfully integrated Gen AI into our operations, specifically leveraging Co-pilot, an AI-powered tool, to streamline workflows and improve user productivity.

### Information Security & IT Governance:

#### ISO Certification Upgrade

In our pursuit of excellence, we've upgraded our ISO certificate from 27001:2013 to 27001:2022, reflecting our commitment to implementing the best practices in information security management.

#### Increased Information Security Awareness

Our commitment to security extends to our entire workforce, achieving a 90% adoption rate on Information Security training, demonstrating their dedication to maintaining a secure and reliable digital environment.

### Data Leak Protection Solutions

We've deployed Data Leak Protection solutions to prevent unauthorised access to sensitive data and mitigate the risk of data breaches. This step strengthens our security posture and ensures compliance with data protection regulations, safeguarding the privacy of our customers and employees.

By prioritising a robust and adaptable technology backbone, Edelweiss fosters business continuity, drives growth, and ensures the security of its clients' data. Our commitment to continuous improvement and innovation in these areas ensures we provide the best service to our customers and partners.

## Human Resources

Our employees are our most valuable assets, essential for sustaining and advancing our commitment to stakeholders. Guided by core principles, we foster a culture of shared values, propelling us towards continued success.

### Talent

Our talent strategy integrates comprehensive practices, nurturing an agile, adaptable environment that emphasises collaboration and achievement. We attract and retain exceptional talent, offering pathways for professional growth and recognition. Employee engagement and satisfaction are celebrated through diverse recognition initiatives. Our work-design optimisation includes flexible processes and tailored re-skilling programmes. We foster community spirit through interactions, team activities, and social events, promoting a sense of belonging. Performance management supports our team with clear objectives, feedback, and reflective practices.

### Workplace

Our workplace encourages cross-team collaboration and supports flexible working arrangements. We prioritise employee safety and health with robust protocols and regular training. An open-door policy fosters transparency and inclusiveness, offering equal opportunities and promoting work-life balance. We enforce a zero-tolerance policy towards discrimination, harassment, or bullying, adhering to POSH regulations. To reinforce this commitment, we require all employees to complete mandatory online training sessions. Our human rights policy ensures fair treatment and protection from discrimination. Our commitment to diversity, equity, and inclusion is reflected in daily practices, making each individual feel valued.

### Wellbeing

Our wellbeing approach covers physical, mental, emotional, and social aspects, supported by accessible resources and benefits, including competitive leave policies and enhanced Medclaim benefits. In critical situations, our central incident room operates round-the-clock, offering immediate assistance and ongoing support. Our outreach programmes ensure employees thrive in all facets of life, as their wellbeing is fundamental to our success.

### Leadership

Effective leadership in a hybrid work environment requires innovative strategies. Our leaders leverage technology to ensure seamless communication of organisational plans and achievements. We are committed to continuous development, fostering top talent through tiered development opportunities for employees at every stage. These programmes currently encompass 2% of our workforce. Our diverse team of 6,117 employees, with women representing 25% of the workforce, remains essential as we build a future-oriented Edelweiss.

### Cautionary Statement

Statements made in this Annual Report may contain certain words or phrases that are forward-looking statements, which are tentative, based on current expectations of the management of Edelweiss Financial Services Limited or any of its subsidiaries and associates ("Edelweiss"). Actual results may vary from such statements contained in this report due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and outside India, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the businesses of Edelweiss as well as the ability to implement its strategy. The information contained herein is as of the date referenced and Edelweiss does not undertake any obligation to update these statements. Edelweiss has obtained all market or industry data and other information from sources believed to be reliable or through its internal estimates, unless otherwise stated, although its accuracy or completeness cannot be guaranteed. Some part of the report relating to business-wise financial performance, balance sheet, asset books of Edelweiss and industry data herein is reclassified/regrouped based on Management estimates and may not directly correspond to published data. The numbers have also been rounded off or approximated in the interest of easier understanding. Prior period or other figures have been regrouped/reclassified/re-casted wherever necessary. FY18, FY19, FY20, FY21, FY22, FY23 and FY24 Numbers are as per Ind AS whereas the rest are as per IGAAP. All information in this presentation has been prepared solely by the company and has not been independently verified by anyone else.

## Annexure I

**DIVIDEND DISTRIBUTION POLICY****Introduction:**

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

**Objective:**

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

**Definitions:**

Unless repugnant to the context:

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

"Company" shall mean Edelweiss Financial Services Limited

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

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

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

**Regulatory Framework**

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

**Factors for considering Dividend:**

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

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

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

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

**Provision regarding class of shares:**

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

**Review / Amendment:**

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

For and on behalf of the Board  
**Edelweiss Financial Services Limited**

**Rashesh Shah**  
Chairman & Managing Director  
DIN: 00008322

August 2, 2024

## Annexure II

**REMUNERATION POLICY****Objective**

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

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

The Objective of the Policy is to ensure that:

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

**Remuneration of the Independent Directors and Non-executive Directors**

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

**Remuneration of the Managing Director and Executive Directors**

- The remuneration of the Managing Director and Executive Directors is recommended by the Nomination and Remuneration Committee ('NRC') to the Board. Based on the recommendations of the NRC, the Board determines and approves the remuneration of the Managing Director and Executive Directors, subject to necessary approvals, if any.
- The remuneration paid to the Managing Director and Executive Directors shall be within the limits prescribed under the Act and approved by the shareholders of the Company. The remuneration structure includes fixed salary, perquisites, bonus, other benefits and allowances and contribution to funds, etc.
- The Executive Directors (other than the promoter Directors) shall be eligible for stock options.

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

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

**Policy Review**

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

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

For and on behalf of the Board  
**Edelweiss Financial Services Limited**

**Rashesh Shah**  
Chairman & Managing Director  
DIN: 00008322

August 2, 2024

## Annexure III

**Annual Report on Corporate Social Responsibility Activities  
for the financial year ended March 31, 2024**

As prescribed under Section 135 of the Companies Act, 2013 and Companies  
(Corporate Social Responsibility Policy) Rules, 2014

**1. Brief outline on CSR Policy of the Company:**

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

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Venkatchalam Ramaswamy	Executive Director (Chairman of the Committee)	1	1
2.	Ms. Vidya Shah	Non-executive Director	1	1
3.	Mr. Shiva Kumar	Independent Director	1	1
4.	Mr. Himanshu Kaji *	Executive Director	1	-

\* ceased as a Member w.e.f. September 26, 2023.

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

The composition of CSR committee, CSR Policy and CSR projects are available on the website of the Company at [www.edelweissfin.com](http://www.edelweissfin.com).

**4. Provide the executive summary along with the weblink of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:**

**Not Applicable**

5. (a) Average net profit of the Company as per sub-section (5) of section 135: ₹ **6,250 million**  
 (b) Two percent of average net profit of the Company as per sub-section (5) of section 135: ₹ **125 million**  
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**  
 (d) Amount required to be set off for the financial year, if any: ₹ **0.98 million**  
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ **124.02 million**
6. (a) Amount spent on CSR Projects (both ongoing project and other than ongoing projects): ₹ **125 million**  
 (b) Amount spent in Administrative Overheads: **Nil**  
 (c) Amount spent on Impact Assessment, if applicable: **Not applicable**  
 (d) Total amount spent for the Financial Year (a+b+c): ₹ **125 million**

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in million)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
125	Not Applicable				

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

Sl. No.	Particular	Amount (₹ in million)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	125
(ii)	Total amount spent for the financial year	125
(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	0.98
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.98

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:- Nil

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any.		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
				Amount (in ₹)	Date of transfer		
1	FY 2022-23						
2	FY 2021-22					Not Applicable	
3	FY 2020-21						
<b>Total</b>						<b>Not Applicable</b>	

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:- Yes

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

## Annexure - IV

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR spent (Amount in ₹)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Reg No, if applicable	Name	Registered Address
1	Water filters	342307	31-12-2023	1,65,840	CSR00001526	Srirampura community members	Udat, Block Bap, District Phalodi
2	Printer	764020	09-06-2023	10,000	CSR00011968	Pragati Office, Koraput	Pragati, koraput, Pujariput, Near Reeti Printers, Koraput
3	Desktop	764020	09-06-2023	63,000	CSR00011968	Pragati Office, Koraput	Pragati, koraput, Pujariput, Near Reeti Printers, Koraput
4	Furniture	380015	28-08-2023	30,444	CSR00002389	Utthan	36, Chitrakut Twins, Nehru Park, Vastrapur, Ahmedabad 380015
5	Furniture	380015	28-09-2023	10,000	CSR00002389	Utthan	36, Chitrakut Twins, Nehru Park, Vastrapur, Ahmedabad 380015
6	Laptop	393135	26-09-2023	42,000	CSR00002389	Utthan	36, Chitrakut Twins, Nehru Park, Vastrapur, Ahmedabad 380015
7	Desktop	393135	28-09-2023	45,500	CSR00002389	Utthan	36, Chitrakut Twins, Nehru Park, Vastrapur, Ahmedabad 380015
8	Camera	393135	28-09-2023	52,400	CSR00002389	Utthan	36, Chitrakut Twins, Nehru Park, Vastrapur, Ahmedabad 380015
9	Printer	380015	27-12-2023	11,650	CSR00002389	Utthan	36, Chitrakut Twins, Nehru Park, Vastrapur, Ahmedabad 380015

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135:

**Not Applicable**

For and on behalf of the Board  
**Edelweiss Financial Services Limited**

**Venkatchalam Ramaswamy**  
Executive Director (Chairman of CSR Committee)  
DIN: 00008509

**Vidya Shah**  
Non-executive Director  
DIN: 00274831

April 18, 2024

Form No. MR-3  
**SECRETARIAL AUDIT REPORT**  
For the financial year ended 31<sup>st</sup> March, 2024

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

To  
**The Members**  
**Edelweiss Financial Services Limited,**

We have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Edelweiss Financial Services Limited**, having CIN: L99999MH1995PLC094641 (hereinafter called the 'Company') during the financial year from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024, ('the year'/ 'audit period'/ 'period under review').

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

We are issuing this Report based on:

- Our **verification** of the books, papers, minutes books, soft copies, hard copies information provided during the physical verification/virtually and other records maintained by the Company and furnished to us, forms/returns, documents etc. filed and other relevant records and procedures completed by the Company during the year ended 31<sup>st</sup> March 2024 as well as before the issue of this Report.
- Our **observations** during our visits to the office/s of the Company, and
- Compliance Certificates** confirming Compliance with all laws applicable to the Company given by the Key Managerial Personnel of the Company and taken on record by the Board of Directors, and
- Representations** made, documents shown and information provided by the Company, its officers, agents, and authorised representatives during our conduct of the Secretarial Audit.

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

- complied with the statutory provisions listed hereunder; and
- Board-processes and compliance mechanism are in place.

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

**1. Compliance with specific statutory provisions**

**1.1. We further report that:**

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

- The Companies Act, 2013 ( "the Act") and the Rules framed thereunder;
- The Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- The Foreign Exchange Management Act, 1999 and the Rules/ Regulations framed thereunder (FEMA) to the extent of Overseas Direct Investment, Foreign Direct Investment etc. as applicable to the Company;
- The following Regulations, Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations) ( \* );
- (c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with the holders of securities;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations); and
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (\*) The Company has also maintained a Structured Digital Database (“SDD”) pursuant to the requirements of Regulation 3 (5) and 3 (6) of the PIT Regulations.
- The following Regulations were not applicable to the Company, during the year under review:
- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- vi. During the year, the provisions of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, were specifically applicable to the Company;
- vii. Listing agreements entered by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), pursuant to the requirements of the Listing Regulations;
- viii. The Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) in relation to the meetings of the Board of Directors and General Meetings, issued by the Institute of Company Secretaries of India and notified by the Central Government under Section 118(10) of the Act and mandatorily applicable to the Company.
- 1.2 During the period under review, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:
- i. Complied with the applicable provisions/clauses of the Act, Rules, SEBI Regulations and Agreements mentioned under sub-paragraphs (ii) to (vii) of paragraph 1.1 above.
- ii. Generally complied with the applicable provisions/ clauses of:
- a) The Act and rules mentioned under paragraph 1.1 (i);
- b) FEMA to extent applicable mentioned under paragraph 1.1 (iv), and
- c) The Secretarial Standard SS-1 and SS-2 mentioned under paragraph 1.1 (viii) above to the extent applicable to the Meetings of the Board and the Committees thereof held during the year and the 28<sup>th</sup> Annual General Meeting (AGM) held on 26<sup>th</sup> September 2023. The compliance with the provisions of the Rules made under the Act with regard to the meetings of the Board and the Committees thereof held through Video Conferencing / Other Audio-Visual Means (OAVM), during the period under review, was verified based on the minutes of the meetings provided by the Company;
- 1.3 We have also examined, on test-check basis, the relevant documents and records maintained by the Company according to the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, specifically applicable to the Company during the audit period.

## 2. Board processes:

We further report that:

- 2.1 As on March 31, 2024, in terms of the provisions of the Act and the Listing Regulations, the Board of Directors of the Company comprised of six Members, as under:
- i. One Managing Director, one Executive Director and one Non-Executive Non-Independent Director- (Promoter Category);
- ii. Three - Non-Executive Independent Directors, including a Woman Independent Director.
- 2.2 During the year, the following changes in the Board of Directors and the Key Managerial Personnel, were carried out in compliance with the provisions of the Act and the Listing Regulations:
- i. Re-appointment of Ms. Vidya Shah (DIN: 00274831) as Director, retiring in accordance with the provisions of the Act, by rotation at the 28<sup>th</sup> AGM of the Company, held on September 26, 2023.
- ii. Cessation of Directorship of Mr. Himanshu Kaji (DIN: 00009438), who retired by rotation at 28<sup>th</sup> AGM held on September 26, 2023, being eligible, did not offer himself for re-appointment.
- iii. Cessation of Directorship of Mr. Biswamohan Mahapatra (DIN: 06990345), an Independent Director of the Company, on conclusion of the second term, at the 28<sup>th</sup> AGM held on September 26, 2023.
- 2.3 Adequate notice with Agenda and the detailed notes to Agenda of at least seven days was given to all the directors to enable them to plan their schedule for the meetings of the Board and the Committees constituted by the Board, and where the meetings were held at a shorter notice, due compliance was ensured, as required under the Act and SS-1.
- 2.4 A system exists for directors to seek and obtain further information and clarifications on the agenda items for their meaningful participation at the meetings.
- 2.5 In respect of matters tabled at the meetings of the Board of Directors and the Committees thereof, where the relevant agenda and related notes were circulated less than seven days before the meetings and were considered with the consent of the members of the

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

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

## 3. Compliance mechanism

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

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

## 4. Specific events/ actions -

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

- 4.1 The Company has allotted 5,09,750 Equity Shares of the face value of Re. 1 each, to the eligible employees, in accordance with the provisions of the Employee Stock Option/Stock Appreciation Rights Schemes of the Company.
- 4.2 During the year, the Company has:
- (A) (a) Pursuant to a Prospectus by way of Public Issue, which opened on April 6, 2023 and closed on April 21, 2023, the Company has issued and allotted 25,31,299 Secured Redeemable Non-Convertible Debentures (NCDs), of Face Value of Rs. 1,000/- each, aggregating to an amount of Rs. 253,12,99,000/- and these NCDs are listed on BSE Limited w.e.f. May 2, 2023.
- (b) Pursuant to a Prospectus, by way of Public Issue, which opened on July 4, 2023 and closed on July 17, 2023, the

Company has offered, issued and allotted 25,80,188 Secured Redeemable Non-Convertible Debentures (NCDs) of Face value of Rs. 1,000/- each, aggregating to an amount of Rs. 258,01,88,000/- and these NCDs are listed on BSE Limited w.e.f. July 25, 2023.

(c) Pursuant to a Prospectus, by way of Public Issue, which opened on October 6, 2023 and closed on October 19, 2023, the Company has offered, issued and allotted 17,61,382 Secured Redeemable Non-Convertible Debentures (NCDs) of Face value of Rs. 1,000/- each, aggregating to an amount of Rs. 176,13,82,000/- and these NCDs are listed on BSE Limited w.e.f. October 30, 2023.

(d) Pursuant to a Prospectus by way of Public Issue, which opened on January 9, 2024 and closed on January 23, 2024, the Company has issued and allotted 21,40,939 Secured Redeemable Non-Convertible Debentures (NCDs), of Face Value of Rs. 1,000/- each, aggregating to an amount of Rs. 214,09,39,000/- and these NCDs are listed on BSE Limited w.e.f. February 1, 2024.

(B) Redeemed NCDs (listed and unlisted), aggregating to Rs. 658.74 Crores.

(C) As on March 31, 2024, NCDs (listed and unlisted), aggregating to Rs. 2,802.36 Crores were outstanding.

4.3 During the year, the Board of Directors of the Company, at its meeting held on March 7, 2024, have approved, subject to approval of the authorities concerned, the proposal to act as an Investment Manager to Edelweiss Multi Strategy Investment Trust, managed by Edelweiss Asset Management Limited (EAML), a wholly owned subsidiary of the Company, presently managing a few Schemes and registered with SEBI as Investment Manager and for this, the Company would be paying the consideration of Rs.17.95 crores as per the valuation carried out in this regard.

4.4 The shareholders at the 28<sup>th</sup> AGM held on September 26, 2023, declared the dividend of Rs. 1.25 per share on the equity share of the face value of Re. 1/- each, and payable to all beneficial members of the Company, as on the Record Date determined therefor, and the interim dividend has been paid within the prescribed timelines.

4.5 The shareholders, at the 28<sup>th</sup> AGM held on September 26, 2023, have approved by way of an Ordinary Resolution, pursuant to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), pursuant to the recommendations of the Audit Committee of the Board and that of the Board of Directors, appointment of M/s. Nangia & Co. LLP, Chartered Accountants, (Firm Registration No. 002391C/N500069) as Statutory Auditors of the Company, to hold office from the conclusion of the 28<sup>th</sup> AGM until the conclusion of the 33<sup>rd</sup> AGM of the Company to be held in the calendar year 2028 and authorised the Board of Directors to fix the remuneration from time to time as may be recommended by the Audit Committee in consultation with the Auditors.

4.6 The shareholders, at the 28<sup>th</sup> AGM held on September 26, 2023, have approved by way of an Ordinary Resolution that pursuant to the provisions of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and all other applicable provisions, if any, of the Companies Act, 2013 and subject to requisite approvals, if any, to provide financial support by the Company in the form of corporate guarantee or in any other manner on behalf of Edelweiss Asset Reconstruction Company Limited (EARC), a subsidiary of the Company, in favor of the lenders of EARC for further amount of Rs. 1,000 crores, during a period of 24 months commencing from October 1, 2023, in addition to the corporate guarantee of Rs. 650 crores already provided by the Company.

4.7 The shareholders, at the 28<sup>th</sup> AGM held on September 26, 2023, have approved by way of a Special Resolution that pursuant to the provisions of Regulation 24 and all other applicable Regulations, if any, of the Listing Regulations and subject to requisite approvals, if any, as may be

required, accorded their approval to Edelweiss Asset Reconstruction Company Limited (EARC), a Material Subsidiary of the Company as per the provisions of the Listing Regulations, to charge their assets exceeding in value 20% or more of its total assets, in connection with the proposed issue of Non-convertible Debentures and raising of funds from time to time, in one or more tranches.

4.8 The shareholders, at the 28<sup>th</sup> AGM held on September 26, 2023, have approved by way of a Special Resolution insertion of the following sub-clause (3) after the existing sub-clause (2) of Clause 49 of the Company's Articles of Association: -

'(3) The Board shall appoint the person nominated by the Debenture Trustee(s) as per the provisions of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a Director on the Board

of the Company. Such appointment shall be subject to the provisions of Debenture Trust Deed(s), the Companies Act, 2013, the SEBI Regulations and all other applicable laws.'

4.9 During the year under review, pursuant the Order dated April 27, 2023, and as directed therein, by the National Company Law Tribunal, Mumbai, the Scheme of Arrangement between Edelweiss Financial Services Limited ("Demerged Company" or "Company") and Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) ("Resulting Company") and their respective Shareholders and Creditors ("Scheme"), became effective, from the Appointed Date / Effective Date i.e. May 18, 2023 and according to which the Wealth Management Business of the Company as defined in the Scheme was transferred to Nuvama and Nuvama allotted its equity shares in accordance with the provisions of the Scheme.

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

**Avinash Bagul  
Partner  
FCS No: 5578  
COP: 19862  
UDIN: F005578F000363298**

**Date: May 14, 2024  
Place: Mumbai**

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



## Annexure - A

To,  
**The Members,**  
**Edelweiss Financial Services Limited**

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

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events wherever required.
6. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**Avinash Bagul**  
**Partner**  
**FCS No: 5578**  
**COP: 19862**  
**UDIN: F005578F000363298**

**Date: May 14, 2024**  
**Place: Mumbai**

**Form MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024**

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

To,  
**The Members,**  
**Edelweiss Life Insurance Company Limited**  
(formerly known as Edelweiss Tokio Life Insurance Company Limited)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **Edelweiss Life Insurance Company Limited** (formerly known as Edelweiss Tokio Life Insurance Company Limited) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes 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, I hereby report that in my opinion, the Company has, during the financial year ended 31<sup>st</sup> March, 2024, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31<sup>st</sup> March, 2024, 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;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder - Not Applicable;
- 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 are not applicable;
- v. The following regulations and guidelines prescribed

under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company, by virtue of the Company not being listed on any Stock Exchanges in F.Y. 2023-24: -

- 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;
- d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- 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, 2021;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

Further, I report that, based on the compliance mechanism established by the Company, which has been verified on test check basis and the compliance certificates submitted to and taken on record by the Board of Directors of the Company, I am of the opinion that the Company has complied with the provisions of the Insurance Act, 1938 and

the rules, regulations, circulars, guidelines, instructions, etc. issued by Insurance and Regulatory Development Authority of India (IRDAI) from time to time.

I have examined compliances with applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of the Company Secretaries of India,
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Not Applicable.

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

I further report that:

The Board of Directors of the Company is constituted with 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, agenda and detailed notes have been given to all Directors to schedule the Board Meetings at least seven days in advance or on shorter notice 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.

The decisions at Board Meetings and Committee Meetings are carried out and recorded in the minutes of the Board of Directors and Committee of the Board accordingly.

I have relied on the representation made by the Company and its Officers for adequate systems and processes in the company commensurate with its size and operations of the Company to monitor and ensure compliance with applicable laws.

I further report that during the year under review, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- (i) Re-appointment of Mr. Subhrajit Mukhopadhyay as Whole-time Director of the Company for a period of 3 years w.e.f. August 10, 2023;
- (ii) Appointment of Mr. Sunil Kakar as an Independent Director till the conclusion of the 19<sup>th</sup> Annual General Meeting of the Company to be held in the year 2028;
- (iii) Retirement of Mr. Loo Chuan Tang as Nominee Director;
- (iv) Appointment of Ms. Radhika Gupta as Additional Non-Executive Director w.e.f. September 27, 2023, further the Company is under process of filing form DIR-12 due to technical issues faced with the MCA V3 portal;
- (v) Re-constitution of various committees;
- (vi) Board approval for re-appointment of Mr. Sumit Rai as Managing Director & CEO w.e.f. August 8, 2024;
- (vii) Member's approval for change of name of the Company to "Edelweiss Life Insurance Company Limited" from "Edelweiss Tokio Life Insurance Company Limited" and change in the name clause of the Memorandum and Articles of Association and consequent changes in the Articles of Association of the Company due to expiry of Joint Venture Agreement;
- (viii) Board approval for issue of 6,60,00,000 Equity Shares of ₹ 10 each for cash aggregating to ₹ 66,00,00,000 to the existing members of the Company on rights basis.

**For Aashish K. Bhatt & Associates**  
Company Secretaries  
(ICSI Unique Code S2008MH100200)

Aashish Bhatt  
Proprietor  
Membership No.: 19639, COP No.: 7023  
UDIN: A019639F000775669  
Peer Review Cert. No.: 2959/2023

Place : Mumbai  
Date : 25.07.2024

This Report is to be read with my letter annexed as Appendix A, which forms integral part of this report.

## APPENDIX A

To,  
The Members,  
Edelweiss Life Insurance Company Limited  
(formerly known as Edelweiss Tokio Life Insurance Company Limited)

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

1. The responsibility of maintaining Secretarial record is of the management and based on my audit, I have expressed my opinion on these records.
2. I am of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the secretarial records were reasonable for verification on test check basis.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. My examination was limited to the verification of procedure on test basis and wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations etc.

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

**For Aashish K. Bhatt & Associates**  
Company Secretaries  
(ICSI Unique Code S2008MH100200)

Aashish Bhatt  
Proprietor  
Membership No.: 19639, COP No.: 7023  
UDIN: A019639F000775669  
Peer Review Cert. No.: 2959/2023

Place: Mumbai  
Date: 25.07.2024

## Annexure - V

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

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

Sr. No.	Disclosure Requirement	Disclosure Details		
		Directors	Title	Ratio
1	Ratio of the Remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Mr. Rashesh Shah	Chairman & Managing Director	59.17
		Mr. Venkatchalam Ramaswamy	Vice Chairman & Executive Director	36.10
		Mr. Himanshu Kaji*	Executive Director	-
		During the year, the Independent Directors and Ms. Vidya Shah, a Non-executive Director, were paid commission of ₹ 2.5 million each, representing the ratio of 1.05.		
		Directors/ KMP	Title	% increase in remuneration
2	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Mr. Rashesh Shah	Chairman & Managing Director	37.54%
		Mr. Venkatchalam Ramaswamy	Vice Chairman & Executive Director	4.24%
		Mr. Himanshu Kaji*	Executive Director	-
		There was an increase of 25% in the remuneration (commission) paid to the Independent Directors and Ms. Vidya Shah, a Non-executive Director, during FY 2023-24 as compared to FY 2022-23.		
		Ms. Ananya Suneja	Chief Financial Officer	22.79%
		Mr. Tarun Khurana	Company Secretary	17.33%
3	Percentage increase in the median remuneration of employees in the financial year	17.33%		
4	Number of permanent employees on the rolls of the Company at the end of the year	15 permanent employees were on the rolls of the Company as on March 31, 2024		

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 the managerial personnel is 22.68% and for Non- managerial personnel is 14.76%.  (The employees joined/left the Company during the financial year 2023-24 are not considered for this purpose)
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

\* Mr. Himanshu Kaji, Executive Director, retired by rotation at the AGM held on September 26, 2023. Since Mr. Kaji was associated for part of FY 2023-24, hence ratio and percentage increase in remuneration is not reported.

For and on behalf of the Board  
**Edelweiss Financial Services Limited**

**Rashesh Shah**  
Chairman & Managing Director  
DIN: 00008322

August 2, 2024

## Annexure- VI

## CORPORATE GOVERNANCE REPORT

### Company's Philosophy on Corporate Governance

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

### Board of Directors

#### Composition, Meeting and Attendance

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

The annual calendar of the Board Meetings is agreed upon at the beginning of the year. The agenda for the Board Meetings is circulated in advance and is backed by comprehensive background information to enable the Board to take informed decisions. During the financial year ended March 31, 2024, the Board met 5 times i.e., on: May 26, 2023, August 4, 2023, November 10, 2023, February 12, 2024 and March 7, 2024. The Meetings of the Board and Committees were conducted physically and through electronic platform - Audio-Video conferencing also. Adequate facilities were provided to the Directors and invitees for active participation at the Meetings.

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the financial year 2023-24 and at the last Annual General Meeting (AGM), the number of directorships and committee positions held by them in other public limited companies and the name of the other listed entities where he/she is a Director and category of directorships as on March 31, 2024, are as under:

Name and DIN of the Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM held on September 26, 2023	No. of Directorships in other Public Limited Companies <sup>§</sup>	Name of other Listed entities where person is Director - Category of Directorship	Committee Position*	
						Member	Chairperson
Mr. Rashesh Shah [Chairman] (DIN 00008322)	Executive (Promoter)	5	Yes	4	-	-	-
Mr. Venkatchalam Ramaswamy [Vice Chairman] (DIN 00008509)	Executive (Promoter)	5	Yes	5	-	4	1
Ms. Vidya Shah (DIN 00274831)	Non-Executive, Non-Independent (Promoter)	4	Yes	3	Vardhman Special Steels Ltd. – Independent Director	2	1

Name and DIN of the Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM held on September 26, 2023	No. of Directorships in other Public Limited Companies <sup>§</sup>	Name of other Listed entities where person is Director - Category of Directorship	Committee Position*	
						Member	Chairperson
Mr. Ashok Kini (DIN 00812946)	Independent	5	Yes	4	-	2	2
Dr. Ashima Goyal (DIN 00233635)	Independent	5	No	2	Procter & Gamble Hygiene & Health Care Limited – Independent Director	1	-
Mr. Shiva Kumar (DIN 06590343)	Independent	5	Yes	3	-	5	2
Mr. Himanshu Kajj# (DIN 00009438)	Executive	1	Yes	-	-	-	-
Mr. Biswamohan Mahapatra## (DIN 06990345)	Independent	2	Yes	-	-	-	-

<sup>§</sup> Other than private limited companies, section 8 companies and foreign companies.

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

# Retired by rotation at the 28<sup>th</sup> AGM held on September 26, 2023

## Ceased as Independent Director on conclusion of the second term at the 28<sup>th</sup> AGM held on September 26, 2023.

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

None of the Directors hold office in more than 10 public companies as prescribed under the Act. No Director holds Directorships in more than 7 listed companies. Further, none of the Non-executive Directors serve as Independent Director in more than 7 listed companies as required under the Listing Regulations. The Managing Director and the Executive Director does not serve as an Independent Director in any equity listed company. None of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees, across all public limited companies in which he/she is a Director. Independent Directors are Non-executive Directors as defined under the Listing Regulations and the Act along with Rules framed thereunder. In terms of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

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

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

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

### Board skills/expertise/competence matrix

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

Directors	Industry Knowledge/ Experience			Technical Skills/Experience						Behavioural Competencies	
	Financial and Capital Markets	Understanding of laws and regulations	International Experience	Accounting and Finance	Risk Management	Strategic Management	Legal and Compliance	Information Technology	Governance	Leadership and Mentoring Skills	Interpersonal Relations
Mr. Rashesh Shah	*	*	*	*	*	*	-	*	*	*	*
Mr. Venkatchalam Ramaswamy	*	*	*	*	*	*	-	*	*	*	*
Ms. Vidya Shah	*	*	*	*	*	*	-	*	*	*	*
Mr. Ashok Kini	*	*	*	*	*	*	*	-	*	*	*
Dr. Ashima Goyal	*	*	*	*	*	*	-	-	*	*	*
Mr. Shiva Kumar	*	*	*	*	*	*	*	-	*	*	*
Mr. C. Balagopal	*	*	*	*	*	*	*	-	*	*	*

### Committees of the Board:

#### A) Audit Committee

During the financial year ended March 31, 2024, the Committee met 5 times on May 26, 2023, August 4, 2023, November 10, 2023, February 12, 2024 and March 7, 2024.

The Committee comprises of the Independent Directors only. The composition of the Committee as on March 31, 2024 and attendance of the Members at the Committee Meetings held during the financial year ended March 31, 2024 is as under: -

Name of the Member	No. of Meetings Attended
Mr. Shiva Kumar – Chairman	5
Mr. Ashok Kini	5
Dr. Ashima Goyal	5
Mr. Biswamohan Mahapatra <sup>^</sup>	2

<sup>^</sup> Ceased as a Member with effect from September 26, 2023.

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

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

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

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

Mr. Shiva Kumar, the Chairman of the Committee, was present at the last AGM held on September 26, 2023.

## B) Nomination and Remuneration Committee

During the financial year ended March 31, 2024, the Committee met once on May 26, 2023.

The composition of the Committee as on March 31, 2024 and attendance of the Members at the Committee Meeting held during the financial year ended March 31, 2024 is as under:-

Name of the Member	No. of Meetings Attended
Mr. Ashok Kini (Independent Director) - Chairman	1
Mr. Shiva Kumar (Independent Director)	1
Ms. Vidya Shah (Non-executive Director)	1

The Committee at its Meeting held on May 26, 2023, had appointed Mr. Ashok Kini as the Chairman of the Committee.

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

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

Mr. Ashok Kini, the Chairman of the Committee, was present at the last AGM held on September 26, 2023.

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

### Board Evaluation

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

A separate Meeting of the Independent Directors was held wherein the performance of the Non-Independent Directors, performance of the Board as a whole (including the Committees) and also that of the Chairman in terms of the provisions of the Act, the Listing Regulations and the Guidance Note issued by SEBI in this regard was discussed.

### Familiarization Programme

The Independent Directors are familiarised with their roles, rights, responsibilities etc. in relation to the business model of the Company and its subsidiaries. The details are available on the website of the Company at: [www.edelweissfin.com](http://www.edelweissfin.com).

## Remuneration to the Directors

The Company pays sitting fees of ₹ 75,000 per Meeting to the Independent Directors for attending the Meetings of the Board and the Committees thereof.

The commission is paid to the Non-executive Directors *inter alia* based on their attendance, contribution etc. at the Board and the Committee Meetings.

The details of the remuneration paid and shareholding of the Directors during the financial year ended March 31, 2024 are as under:-

₹ in million

Name	Remuneration / Perks <sup>^</sup>	Sitting Fees	Commission	Total	No. of shares held*
Mr. Rashesh Shah	110.03	-	-	110.03	14,56,01,730
Mr. Venkatchalam Ramaswamy	67.15	-	-	67.15	5,95,76,560
Ms. Vidya Shah	-	-	2.50	2.50	3,10,66,200
Mr. Ashok Kini	-	1.28	2.50	3.78	-
Dr. Ashima Goyal	-	0.83	2.50	3.33	-
Mr. Shiva Kumar	-	1.35	2.50	3.85	-
Mr. Himanshu Kaji <sup>#</sup>	21.21	-	-	21.21	-
Mr. Biswamohan Mahapatra <sup>#</sup>	-	0.53	2.50	3.03	-

<sup>^</sup> Includes bonus for FY 2022-23.

\* Shareholding of the Directors as on March 31, 2024. Shares held singly or as a first shareholder are only considered.

<sup>#</sup> Retired with effect from September 26, 2023.

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

## C) Stakeholders' Relationship Committee

The composition of the Committee as on March 31, 2024 and attendance of the Members at the Committee Meeting held during the financial year ended March 31, 2024 is as under:-

Name of the Member	No. of Meetings Attended
Mr. Shiva Kumar (Independent Director) – Chairman	1
Mr. Ashok Kini (Independent Director)	1
Mr. Venkatchalam Ramaswamy (Executive Director)	1

During the financial year ended March 31, 2024, the Committee met once on May 26, 2023.

The Committee at its Meeting held on May 26, 2023, had appointed Mr. Shiva Kumar as the Chairman of the Committee. The Chairman was present at the last AGM held on September 26, 2023.

Brief description of the terms of reference of the Stakeholders' Relationship Committee *inter alia* include:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and

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

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

Based on the reports received from the Registrar & Share Transfer Agents during the year ended March 31, 2024, the Company received 470 requests/complaints from the investors (both equity shares and non-convertible debentures) which were satisfactorily resolved/replied. As on March 31, 2024, there were no outstanding requests/complaints.

#### D) Risk Committee

During the financial year ended March 31, 2024, the Committee met 4 times on May 26, 2023, August 4, 2023, November 10, 2023 and February 12, 2024.

The composition of the Committee as on March 31, 2024 and attendance of the Members at the Committee Meetings held during the financial year ended March 31, 2024 is as under:-

Name of the Member	No. of Meetings Attended
Mr. Ashok Kini (Independent Director) – Chairman	4
Mr. Shiva Kumar (Independent Director)	4
Ms. Vidya Shah <sup>§</sup> (Non-executive Director)	1
Mr. Himanshu Kajji <sup>^</sup> (Executive Director)	1
Mr. Biswamohan Mahapatra <sup>^</sup> (Independent Director)	2

<sup>§</sup> Appointed as a Member with effect from September 29, 2023.

<sup>^</sup> Ceased as a Member with effect from September 26, 2023.

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

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

The Risk Committee has framed and implemented a Risk Management Framework and Strategy. The Company did not have any exposure in commodity price and hedging activities during the financial year ended March 31, 2024.

#### E) Committee of Independent Directors

The Company has a Committee of Independent Directors comprising of all the Independent Directors. During the financial year ended March 31, 2024, the Committee met once on August 4, 2023, which was attended by all the Independent Directors.

Brief description of the terms of reference of the Committee of the Independent Directors *inter alia* include: -

- 1) To consider and recommend to the Board the Scheme(s) of Arrangement involving the Company.
- 2) Evaluation of the performance of Non-Independent Directors, the Chairman and the Board as a whole in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3) Assessing the quality, quantity and timeliness of flow of information between the Management and the Board
- 4) Recommend to the Board all such matters as may be specified by the Securities and Exchange Board of India and other regulators/authorities from time to time.

#### General Body Meetings

The last 3 AGMs of the Company were held through Video Conferencing/ Other Audio-Visual Means in accordance with the Circulars issued by the Ministry of Corporate Affairs and SEBI from time to time.

The details regarding the date, time and number of special resolutions passed at the said AGMs are as under:

Financial Year	Date	Time	No. of Special Resolutions passed
2022-2023	September 26, 2023	4.00 p.m.	2
2021-2022	September 2, 2022	4.00 p.m.	2
2020-2021	September 3, 2021	4.00 p.m.	1

#### Resolution passed through Postal Ballot

There were no resolutions passed through postal ballot during the financial year ended March 31, 2024.

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

#### Means of Communication

The financial results, press releases and the presentation made to the Investors/Analysts are submitted to the Stock Exchanges and are also uploaded on the website of the Company at [www.edelweissfin.com](http://www.edelweissfin.com). The financial results are generally published in Free Press Journal (English) and Nav Shakti (Marathi).

#### I. General Shareholder Information

i. AGM: Date, time and venue/ mode	Friday, September 27, 2024 at 4.00 P.M. through Video Conferencing / Other Audio-Visual Means (VC/ OAVM)
ii. Financial Year:	April 1, 2023 to March 31, 2024
iii. Book Closure dates:	September 18, 2024 to September 26, 2024
iv. Dividend payment date:	On and from the date of AGM

## II. Listing of Securities on Stock Exchanges:

### a. Equity Shares

The Equity Shares of the Company are listed on:

Sr. No.	Name and address of the Stock Exchange	Trading Symbol
i)	BSE Limited (BSE) P J Towers, Dalal Street, Fort, Mumbai - 400 001	532922
ii)	National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	EDELWEISS

The Company has paid the listing fees for the financial year ending March 31, 2025, to the Stock Exchanges. ISIN of the Equity Shares of the Company: INE532F01054

### b. Non-convertible Debentures

The Company has issued Secured Non-convertible Debentures (NCDs) on private placement and through public issuances. Some of the NCDs are listed on BSE.

The Company has paid the listing fees to BSE for the financial year ending March 31, 2025.

#### Debenture Trustees:

The details of the Debenture Trustees for the NCDs issued by the Company are as under:

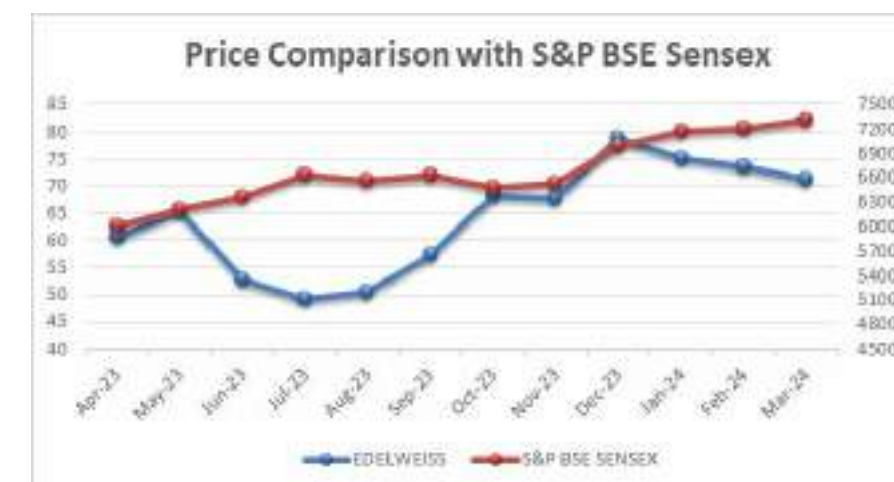
Beacon Trusteeship Limited 5W, 5 <sup>th</sup> Floor, The Metropolitan, E-Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Tel.: +91 22 26558759 Email: <a href="mailto:compliance@beacontrustee.co.in">compliance@beacontrustee.co.in</a> Website: <a href="http://www.beacontrustee.co.in">www.beacontrustee.co.in</a>	Catalyst Trusteeship Limited Windsor, 6 <sup>th</sup> Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400 098 Tel.: +91 22 49220555 Email: <a href="mailto:dt.mumbai@ctltrustee.com">dt.mumbai@ctltrustee.com</a> Website: <a href="http://www.catalysttrustee.com">www.catalysttrustee.com</a>
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## III. Market Price Data

Stock Market price data for the financial year ended March 31, 2024 and high/ low of market price of the Company's equity shares traded at BSE and NSE during each month of the financial year, are as under:

Month	BSE			NSE		
	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded
Apr-23	68.52	52.55	37,48,405	68.20	52.70	4,77,19,385
May-23	71.36	59.30	83,93,690	71.45	59.20	12,67,29,103
Jun-23	68.21	37.43	1,64,53,198	68.40	35.00	3,22,07,054
Jul-23	51.25	47.31	21,63,909	51.30	47.45	2,03,73,000
Aug-23	57.45	43.67	85,58,898	57.50	43.70	11,12,92,010
Sep-23	62.50	52.25	1,24,55,173	62.55	52.00	13,91,54,891
Oct-23	77.06	59.37	1,85,43,978	77.05	59.35	24,83,06,634
Nov-23	75.95	59.36	1,75,13,098	76.00	59.45	24,78,68,567
Dec-23	87.80	69.54	2,38,16,849	87.80	69.40	27,86,91,288
Jan-24	80.04	69.77	1,13,63,533	80.10	69.75	9,26,88,817
Feb-24	81.18	66.00	1,42,53,483	81.20	65.90	14,80,98,752
Mar-24	80.00	62.35	58,00,903	80.10	62.35	6,28,07,338

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



## V. Registrar and Transfer Agent:

### a. Equity Shares

#### Link Intime India Private Limited,

C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400 083

Tel: +91 81081 16767 Fax: +91 22 4918 6060

e-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) Website: [www.linkintime.co.in](http://www.linkintime.co.in)

### b. Non-Convertible Debentures

#### Link Intime India Private Limited

C 101, 247 Park,

L.B.S Marg, Vikhroli (West),

Mumbai - 400 083

Tel: +91 81081 16767

Fax: +91 22 4918 6060

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

#### KFin Technologies Limited

Selenium Tower B, Plot 31-32,

Financial District, Nanakramguda, Serilingampally,

Mandal, Hyderabad - 500 032

Tel: +91 40 6716 2222

Fax: +91 40 6716 1563

Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Website: [www.kfintech.com](http://www.kfintech.com)



**VI. Share Transfer System:** The Company's shares are compulsorily traded in dematerialised form on BSE and NSE. 99.94% of the outstanding equity shares of the Company are held in dematerialised form. Transfer of equity shares in dematerialised form are effected through the Depositories without any involvement of the Company.

**VII. Distribution of shareholding of the Company as on March 31, 2024 was as under:-**

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of shares held	% of Shares held
1 - 500	2,06,128	87.4613	2,03,69,746	2.1583
501 - 1000	13,546	5.7476	1,09,37,599	1.1589
1001 - 2000	7,256	3.0788	1,09,54,993	1.1607
2001 - 3000	2,555	1.0841	65,51,591	0.6942
3001 - 4000	1,266	0.5372	45,51,872	0.4823
4001 - 5000	1,114	0.4727	53,04,096	0.5620
5001 - 10000	1,764	0.7485	1,31,17,642	1.3899
10001 and above	2,050	0.8698	8,71,99,7487	92.3937
<b>Total</b>	<b>2,35,679</b>	<b>100</b>	<b>94,37,85,026</b>	<b>100</b>

**Shareholding Pattern of the Company as on March 31, 2024 was as under:-**

Sr. No.	Category	No. of Shares held	% of Holding
1)	Promoters and Promoters Group	30,91,69,490	32.7585
2)	Mutual Funds / FIs / Banks / Insurance Companies	2,55,04,982	2.7024
3)	FII's/ FPI's	27,26,45,069	28.8885
4)	NRIs / Foreign Nationals / Foreign Bodies Corporate	4,13,97,763	4.3864
5)	Public and Others	25,01,70,942	26.5071
6)	Non-Promoter- Non-Public	4,48,96,780	4.7571
	<b>Total</b>	<b>94,37,85,026</b>	<b>100</b>

**VIII. Dematerialisation of shares:**

As on March 31, 2024, 94,32,04,546 equity shares representing 99.94% of the outstanding equity shares of the Company were held in dematerialised form and 5,80,480 equity shares representing 0.06% of the outstanding equity shares of the Company were held in physical form. At the end of each quarter, reconciliation of share capital audit is conducted by the Secretarial Auditors to reconcile the total issued capital, listed capital and capital held by the Depositories in dematerialised form and is submitted to the stock exchanges.

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

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

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

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

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

**XI. Plant locations – Not Applicable**

**XII. Credit ratings:** The credit ratings obtained by the Company during the year 2023-24 are as under: -

Rating Agency	Rating	Instruments	Date of revision (if any)	Remarks
Brickwork Rating	BWR AA-	Non-convertible Debentures	No revision	-
	BWR PP-MLA AA-	Principal Protected Market Linked Debentures		
CARE	CARE A	Non-convertible Debentures	January 3, 2024	CARE A from CARE A+
	CARE A1	Short term borrowing		CARE A1 from CARE A1+
CRISIL	CRISIL A+	Non-convertible Debentures	December 18, 2023	CRISIL A+ from CRISIL AA-
	CRISIL PP-MLD-A+	Principal Protected Market Linked Debentures		CRISIL PP-MLD-A+ from CRISIL PP-MLD-AA-
	CRISIL A1+	Short term borrowing		No revision
ACUITE	ACUITE A+	Non-convertible Debentures	July 3, 2023	ACUITE A+ from ACUITE AA-
ICRA	ICRA A+	Non-convertible debentures	No revision	-

**Other Disclosures**

i. In accordance with the provisions of the Listing Regulations, the Company has formulated the Related Party Transactions Policy, which is available on the website of the Company at [www.edelweissfin.com](http://www.edelweissfin.com).

All the Related Party Transactions entered by the Company during the year ended March 31, 2024, were at arm's length and in the ordinary course of business. The Company has not entered into transactions with the Promoters, Directors and Key Managerial Personnel, which may have potential conflict of interest with the Company and its subsidiaries.

The Company did not enter into any materially significant related party transactions having a potential conflict with the interest of the Company and its subsidiaries at large. Transactions with the related parties are disclosed in the financial statements.

- ii. The financial statements (both standalone and consolidated) have been prepared in accordance with the applicable Accounting Standards.
- iii. The Company has a Whistle Blower Policy/Vigil Mechanism to report concerns about unethical behavior, actual or suspected fraud or violation of our Code of Conduct and confirms that no personnel have been denied access to the Audit Committee.
- iv. Code for Prohibition of Insider Trading in the securities of the Company is available on the website of the Company at: [www.edelweissfin.com](http://www.edelweissfin.com)
- v. In accordance with the provisions of the Listing Regulations, the Company has formulated the Policy for determining Material Subsidiaries, which is available on the website of the Company at [www.edelweissfin.com](http://www.edelweissfin.com).

The details of the material subsidiaries of the Company as required under the Listing Regulations are as under: -

Sr. No.	Name of the Material Subsidiaries	Details of Incorporation		Details of Statutory Auditors as at March 31, 2024	
		Place	Date	Name	Date of appointment
1.	ECL Finance Limited	Mumbai	July 18, 2005	M/s. Chetan T Shah & Co. M/s. V.C. Shah & Co.	September 24, 2022 December 3, 2021
2.	Edelweiss Asset Reconstruction Company Limited	Mumbai	October 5, 2007	M/s. Nangia & Co LLP	November 10, 2021
3.	Edel Finance Company Limited	Mumbai	October 16, 1989	M/s. Dhiraj & Dheeraj	November 25, 2021
4.	Edelweiss Life Insurance Company Limited	Mumbai	November 25, 2009	M/s. K. S. Aiyar & Co. M/s. B. K. Khare & Co.	September 15, 2021 September 28, 2022
5.	Nido Home Finance Limited	Mumbai	May 30, 2008	M/s. NGS & Co. LLP	November 3, 2021

- vi. There have been no instances where the Board has not accepted the recommendations of any Committee of the Board, during the financial year.
- vii. The statutory auditors of the Company, M/s. S. R. Batliboi & Co. LLP were paid the consolidated amount of ₹ 12.23 million (including out of pocket expenses of ₹ 0.25 million) by the Company and its subsidiaries for the services provided by them till the conclusion of the 28<sup>th</sup> AGM held on September 26, 2023 and M/s. Nangia & Co LLP were appointed as Statutory Auditors of the Company at the 26<sup>th</sup> AGM and were paid the consolidated amount of ₹ 48.09 million (including out of pocket expenses of ₹ 0.52 million) by the Company and its subsidiaries for the services provided by them during the financial year ended March 31, 2024.
- viii. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- a) Number of complaints filed during the financial year : Nil
- b) Number of complaints disposed of during the financial year : Nil
- c) Number of complaints pending as on end of the financial year : Nil.
- ix) The Company has complied with the corporate governance requirements as prescribed in Regulations 17 to 27, 46(2)(b) to (i) and Schedule V of Chapter IV of the Listing Regulations.

- x) The Company has adopted the discretionary requirements as specified in Part E of Schedule II - the financial statements are accompanied with an unmodified audit report.
- xi) The disclosures on loans and advances in the nature of loans to firms/companies in which directors are interested are disclosed in the notes to the financial statements.

**xii) Disclosure of certain types of agreements binding listed entities**

There is no agreement impacting the management and control of the Company or impose any restriction or create any liability upon the Company.

**xiii) CEO / CFO Certification**

The CEO and CFO have certified to the Board, the requirements of the Listing Regulations, with regard to financial statements.

**xiv) Compliance Certificate**

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

**Address for correspondence:**

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

The Company Secretary	Link Intime India Private Limited	KFin Technologies Limited
<b>Edelweiss Financial Services Limited</b>	C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400 083. Tel: +91 22 4079 5199	Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally, Mandal, Hyderabad - 500 032 Tel: +91 40 6716 2222 Fax: +91 40 6716 1563
E-mail: <a href="mailto:efsl.shareholders@edelweissfin.com">efsl.shareholders@edelweissfin.com</a>	e-mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>	Email: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>
Website: <a href="http://www.edelweissfin.com">www.edelweissfin.com</a>	Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>	Website: <a href="http://www.kfintech.com">www.kfintech.com</a>

**Declaration by the Chairman & Managing Director under Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding adherence to the Edelweiss Code of Conduct**

In accordance with the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, it is hereby confirmed that for the financial year ended March 31, 2024, the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Edelweiss Code of Conduct.

For and on behalf of the Board  
**Edelweiss Financial Services Limited**

**Rashesh Shah**  
Chairman & Managing Director  
DIN: 00008322

August 2, 2024

**CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,  
The Members of  
Edelweiss Financial Services Limited  
Edelweiss House, Off. C. S. T Road,  
Kalina, Mumbai – 400098

We, BNP & Associates, Secretarial Auditors, have examined all relevant records of Edelweiss Financial Services Limited (hereinafter referred as “the Company”) for the purpose of certifying the compliance ensured by the Company for disclosure requirements and corporate governance norms as specified for the Listed Companies, as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), for the financial year ended 31<sup>st</sup> March 2024. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

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

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified for listed company in the LODR for FY 2023-24.

We further state that the above certification is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company during the financial year.

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

**Date: 14<sup>th</sup> May 2024**  
**Place: Mumbai**

**Avinash Bagul**  
**Partner**  
**FCS No. 5578/ CP No. 19862**  
**UDIN: F005578F000363419**

## Annexure- VII

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING (BRSR)

### SECTION A: GENERAL DISCLOSURES

#### I. Details

1	Corporate Identity Number (CIN) of the Listed Entity	L99999MH1995PLC094641
2	Name of the Listed Entity	Edelweiss Financial Services Limited (EFSL/the Company)
3	Year of incorporation	1995
4	Registered office address	Edelweiss House, Off CST Road, Kalina, Mumbai – 400098
5	Corporate address	Edelweiss House, Off CST Road, Kalina, Mumbai – 400098
6	E-mail	<a href="mailto:efsl.shareholders@edelweissfin.com">efsl.shareholders@edelweissfin.com</a>
7	Telephone	+91 22 4079 5199
8	Website	<a href="http://www.edelweissfin.com">www.edelweissfin.com</a>
9	Financial year for which reporting is being done	Financial year ended March 31, 2024
10	Name of the Stock Exchange(s) where shares are listed	i) BSE Limited ii) National Stock Exchange of India Limited
11	Paid-up Capital	₹ 94,37,85,026
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Tarun Khurana, Company Secretary Telephone Number: +91 22 4079 5199 E-mail id: <a href="mailto:efsl.shareholders@edelweissfin.com">efsl.shareholders@edelweissfin.com</a>
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures in this Report are made on a standalone basis.
14	Name of assurance provider	- Not Applicable
15	Type of assurance provided	- Not Applicable

#### II. Products/Services

##### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main activity	Description of Business activity	% of Turnover of the entity
1	Financial and Insurance Services	Other financial activities, financial service activities (except insurance and pension funding)	100%

##### 17. Products/services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Investment Banking & Holding Company activities	66190 & 64200	100%

### III. Operations

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	N. A.	1	1
International	N. A.	-	-

#### 19. Markets served by the entity:

##### a. Number of locations

Locations	Number
National (No. of States)	1
International (No. of Countries)	-

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports as a percentage of the total turnover of the Company for the financial year ended March 31, 2024 was 0.41%.

##### c. A brief on types of customers

The Company is registered with the Securities and Exchange Board of India as a Merchant Banker. The Company is also engaged in holding company activities comprising of development, managerial and financial support to the business of Edelweiss group entities.

### IV. Employees

#### 20. Details as at the end of Financial year:

##### a. Employees and workers (including differently abled): Refer table below for Employees.

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Employees</b>						
1	Permanent (D)	15	9	60%	6	40%
2	Other than Permanent (E)	-	-	-	-	-
3	Total employees (D + E)	15	9	60%	6	40%

##### b. Differently abled Employees and workers:

The Company does not have any worker and differently abled employees, hence, the information relating to them are not reported.

**21. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (Refer Note 1)	6	2	33%
Key Management Personnel (Refer Note 2)	2	1	50%

**Notes:**

- 1 – Includes Managing Director and the Executive Directors  
2 – Comprises of Chief Financial Officer and Company Secretary only

**22. Turnover rate for permanent employees**

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	7%	-	7%	20%	30%	23%	38%	18%	33%

**V. Holding, Subsidiary and Associate Companies (including joint ventures)****23. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity*	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	ECap Securities and Investments Limited	Subsidiary	100%	Yes, the subsidiaries of the Company also participate in the Business Responsibility initiatives of the Company to the extent possible.
2	Edelweiss Investment Adviser Limited	Subsidiary	100%	
3	ECap Equities Limited	Subsidiary	100%	
4	Edel Finance Company Limited	Subsidiary	100%	
5	Edelweiss Rural & Corporate Services Limited	Subsidiary	100%	
6	EdelGive Foundation	Subsidiary	100%	
7	ECL Finance Limited	Subsidiary	100%	
8	Nido Home Finance Limited	Subsidiary	100%	
9	Edelweiss Retail Finance Limited	Subsidiary	100%	
10	Edelweiss Asset Reconstruction Company Limited	Subsidiary	59.82%	
11	Edelweiss Alternative Asset Advisors Limited	Subsidiary	100%	
12	Edelweiss Asset Management Limited	Subsidiary	100%	
13	Edelweiss Trusteeship Company Limited	Subsidiary	100%	
14	Allium Finance Private Limited	Subsidiary	88.28%	
15	Edel Investments Limited	Subsidiary	100%	
16	Edelcap Securities Limited	Subsidiary	100%	
17	Edelweiss Global Wealth Management Limited	Subsidiary	100%	
18	Nuvama Custodial Services Limited	Subsidiary	51%	
19	Comtrade Commodities Services Limited	Subsidiary	100%	
20	Edelweiss Securities and Investments Private Limited	Subsidiary	100%	
21	Edelweiss Life Insurance Company Limited	Subsidiary	75.08%	
22	Zuno General Insurance Limited	Subsidiary	100%	
23	Edelweiss Real Assets Managers Limited	Subsidiary	100%	
24	Sekura India Management Limited	Subsidiary	100%	

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity*	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
25	EC International Limited	Subsidiary	100%	
26	Edelweiss Alternative Asset Advisors Pte. Limited	Subsidiary	100%	
27	Edelweiss International (Singapore) Pte. Limited	Subsidiary	100%	

\*% shares held either directly or through subsidiaries

**VI. CSR details****24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**

(ii) **Turnover:** ₹ 10,276.82 million for the financial year ended March 31, 2024

(iii) **Net worth:** ₹ 54,628.43 million as on March 31, 2024

**VII. Transparency and Disclosures Compliances****25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (if Yes, then provide web-link for grievance redressal policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Refer Note below	Nil	Nil	-	Nil	Nil	-
Investors (both Equity Shares and Non-convertible Debentures)		470	Nil		368	Nil	
Employees and workers		Nil	Nil		Nil	Nil	
Customers		Nil	Nil		Nil	Nil	
Value Chain Partners		Nil	Nil		Nil	Nil	
Other (please specify)		Nil	Nil		Nil	Nil	

Various Policies framed in this regard have been uploaded on the website of the Company at [www.edelweissfin.com](http://www.edelweissfin.com).

The Board has constituted the Stakeholders' Relationship Committee to redress the complaints of the investors. The Company also has a Whistle Blower Policy/Vigil Mechanism to report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct.

The investors can send emails to the Company at [efsl.shareholders@edelweissfin.com](mailto:efsl.shareholders@edelweissfin.com) and customers/clients at [MB.efsl@edelweissfin.com](mailto:MB.efsl@edelweissfin.com) / [InvestorRelations.PublicAlts@edelweissfin.com](mailto:InvestorRelations.PublicAlts@edelweissfin.com) for any grievances.

**26. Overview of the entity's material responsible business conduct issues:**

S. No.	Material identified issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Social responsibility towards society	Opportunity	Opportunity: The Company has been contributing a portion of its profits each year to support projects which fulfil a social obligation. Thus, returning to society has been ingrained in the Company's philosophy.	-	Positive: The Company recognises the importance of being socially responsible and playing a part in the development of under-privileged.
2	Privacy and Data Security	Opportunity	Opportunity: The Company has a well-designed information security structure (software, expert manpower and operational practices) which enables the Company to reduce cyber threats and ensure privacy, data security for all our stakeholders' privileged information thereby also facilitating business expansion.	-	Positive: Easier business process automation, increased trust and credibility of stakeholders, improved data management and protected brand reputation.  Negative: Breach of Privacy and Data Security

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine Principles referred as P-1 to P-9 as under:-

P – 1	Businesses should conduct and govern the business with integrity and in a manner that is ethical, transparent and accountable
P – 2	Businesses should provide goods and services in a manner that is sustainable and safe
P – 3	Businesses should respect and promote the well-being of the employees including those in their value chains
P – 4	Businesses should respect the interests of and be responsive to all its stakeholders
P – 5	Businesses should respect and promote human rights
P – 6	Businesses should respect and make efforts to protect and restore the environment
P – 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P – 8	Businesses should promote the inclusive growth and equitable development
P – 9	Businesses should engage with and provide value to the consumers in a responsible manner

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P	P	P	P	P	P	P	P	P
	1	2*	3	4	5	6	7	8	9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each Principle and its core elements of the NGRBCs. (Yes/No)	Y	Y*	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Yes, the Policies have been approved by the Board								
c. Web Link of the Policies, if available	The Policies are available on the website of the Company at <a href="http://www.edelweissfin.com">www.edelweissfin.com</a> .								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes, the Policies have been translated into procedures to the extent relevant.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the Policies extend to the value chain partners to the extent relevant and necessary.								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS)	The Policies adopted by the Company are in conformity with the applicable statutes/ guidelines/ polices/ rules and regulations etc. The Information Security Management Systems (ISMS) & Privacy Information Management System of the Company are certified under ISO/IEC 27001 & ISO 27701 respectively.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has defined the goals/targets with defined timelines to the extent possible.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The key parameters in Policies are tracked and recorded for learning and development to enhance our Policies.								

**Governance, leadership and oversight**

7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

One of our top priorities is conducting business in an ethical and sustainable way. Discussions about key ESG issues are ongoing with all of our stakeholders, and we have determined that some of the most crucial ones are environmental footprint, efficient and transparent customer service, corporate governance, risk management, human capital development and community engagement.

The Company's ESG journey is supervised by our highly qualified and diverse Board and ESG expert executives. We have implemented procedures such as a Comprehensive Code of Conduct and Business Ethics, a sound risk culture, digitized business operations, investments in developing fields of cyber security and information security, employee welfare policies, resource monitoring, setting up goals to reduce consumption of fuel, paper and electricity among other procedures.

8. Details of the highest authority responsible for implementation and oversight of the BusinessResponsibility policy (ies).	The Board of Directors and the respective Committees								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Company has an ESG Forum to oversee the sustainability related issues. The Forum is Chaired by a Non-executive Director of the Company.								

\* Considering the nature of business of the Company, Principle - 2 may not be strictly applicable to the Company. However, the Company endeavour to comply with all the applicable rules and regulations w. r. t. its services. We attempt to be transparent, fair in our advice and responsive to customer requirements and feedback.

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9

Performance against above policies and follow up action  
 Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances

Yes, the Board has constituted various Committees which meet periodically and reviews the Policies from time to time as may be necessary and, provides their recommendations to the Board.

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9

No, the Policies are reviewed by the Senior Management. There is no independent assessment/evaluation being carried on by any external agency, however, the Internal Audit Function of the Company, reviews the adherence to the Policies from time to time.

**12. if answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified Principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									Not Applicable
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the Essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

**Essential Indicators**

**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by awareness programmes
Board of Directors (BoD)	2	<ul style="list-style-type: none"> <li>Familiarisation Programme for the Independent Directors</li> </ul> Kindly refer the Familiarisation Programme section on the website of the Company.	
Key Managerial Personnel (KMP)	4	<ul style="list-style-type: none"> <li>ESG covering evolving BRSR</li> <li>Cybersecurity Awareness</li> <li>Code of Conduct &amp; Creating a Respectful Workplace</li> </ul>	100%
Employees other than BoD and KMPs	5	<ul style="list-style-type: none"> <li>Cybersecurity Awareness</li> <li>Code of Conduct &amp; Creating a Respectful Workplace</li> <li>Fire and Life Safety &amp; Information Security,</li> <li>Prohibition of Insider Trading</li> </ul>	100%

**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity’s website):**

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement			Nil		
Compounding fee					

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment Punishment			Nil	

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not Applicable

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company has adopted various policies in relation to ethics, bribery and corruption viz. Anti-Money Laundering Policy, Anti-Fraud Policy, Anti Bribery and Corruption Policy, Whistle Blower Policy etc. The Policies can be accessed at [www.edelweissfin.com](http://www.edelweissfin.com).

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2023-24	FY 2022-23
Directors		
KMPs	Nil	Nil
Employees		

**6. Details of complaints with regard to conflict of interest:**

Particulars	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors				
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil		Nil	

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:**

None

**8. Number of days of accounts payables ((Account payable \*365) / Cost of goods/services procured) in the following format:**

	FY 2023-24	FY 2022-23
Number of days of account payables	104	85

**9. Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases		
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of sales	a. Sales to dealer / distributors as % of total sales		
	b. Number of dealers / distributors to whom sales are made		
	c. Sales to top 10 dealers / distributors as % of Total sales to dealers / distributors		
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	N.A.	N.A.
	b. Sales (Sales to related parties / Total Sales)	N.A.	N.A.
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	100%	100%
	d. Investments (Investments in related parties / Total Investments made)	100%	100%

Given the nature of business, concentration of purchases and sales is not applicable.

**Leadership indicators**

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programs held	Topics / Principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programs
Nil	Nil	Nil

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) if yes, provide details of the same.**

Yes, the Company's Code of Conduct for the Directors and Senior Management Personnel provides guidelines for refraining to enter into any transaction or engaging in any practice, directly or indirectly, that would tend to influence the Directors and Senior Management Personnel to act in any manner other than in the best interests of the Company.

The Code of Conduct requires the Directors and Senior Management Personnel to make full disclosure relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict of interest with the Company and seek the necessary approvals before pursuing any such transactions.

The Directors provide an annual affirmation that they have complied with the Code of Conduct requirements during the financial year and that there are no instances of conflict of interest during the year. Additionally, under the applicable provisions of the Act, every Director has to disclose the names of the Company(ies) / bodies corporate / firms etc. in which they have interest/concern including intimation of any change thereto. The disclosures as received are placed before the Board. The said disclosures helps the Company and the Board in evaluating the possibility of any present or potential conflict of interest. In case, if any Director has a potential conflict, that Director does not participate in discussions on those agenda items in which they are interested.



**Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	In view of the nature of activities carried on by the Company, the question is not applicable.		
Capex			

2. a) Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Since the Company is engaged in the financial services sector, hence, there is a very limited procurement requirement which relates to the office infrastructure, IT equipment and services. The Company follows the practice of sustainable resourcing, where feasible.

- b) If yes, what percentage of the inputs were sourced sustainably?

Not Applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Considering the nature of our business, the opportunities for reusing or recycling products are limited. However, we have implemented specific practices to manage waste categories such as plastics (including packaging), e-waste, and hazardous waste. For plastics, we use 100% biodegradable plastic garbage bags and we have partnered with a vendor to compost/ recycle wet and dry waste in an eco-friendly manner. Our e-waste such as computers, servers, scanners, batteries and air conditioners are disposed through registered e-waste vendors. As our services do not involve the production or disposal of hazardous waste, we do not generate such waste.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

**Leadership indicators**

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No)  if yes, provide the web-link
Not Applicable					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to Total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
	Nil	Nil

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24			FY 2022-23		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste						
Hazardous waste						
Other waste						

Not Applicable

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Indicate product category	Reclaimed products and their packaging materials as % of Total products sold in respective category
Not Applicable	

**Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential indicators**

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	N (F)	% (F/A)
<b>Permanent employees</b>											
Male	9	9	100%	9	100%	-	-	9	100%	-	-
Female	6	6	100%	6	100%	6	100%	-	-	-	-
<b>Total</b>	<b>15</b>	<b>15</b>	<b>100%</b>	<b>15</b>	<b>100%</b>	<b>6</b>	<b>40%</b>	<b>9</b>	<b>60%</b>	<b>-</b>	<b>-</b>
<b>Other than Permanent employees</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**b. Details of measures for the well-being of workers:**

Not Applicable

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

	FY 2023-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the Company	0.02%	0.01%

**2. Details of retirement benefits, for Current FY and Previous FY.**

Benefits	FY 2023-24		FY 2022-23	
	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	87%	Yes	88%	Yes
Gratuity	100%	N.A.	100%	N.A.
ESI			N.A.	
Others (Please specify)			N.A.	

**3. Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, our offices are designed to cater to the needs of differently abled employees, workers and visitors.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

The Company views diversity and inclusiveness as an integral part of its growth strategy. With this intent, the Company has framed an Equal Opportunity Policy and Human Rights Policy which can be accessed by the employees on the intranet.

The Company promotes a work culture that embraces diversity and inclusiveness, enabling all employees to bring their unique perspective, skills, and experiences to work and create unparalleled value for the stakeholders. The Policy is also uploaded on the website of the Company at [www.edelweissfin.com](http://www.edelweissfin.com).

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees	
	Return to Work Rate	Retention Rate
Male		
Female		
Total	N.A.	

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? if yes, give details of the mechanism in brief.**

	Yes/No (if Yes, then give details of the mechanism in brief)
Permanent Employees	Yes, the Company has always believed in open and transparent communication. The employees are encouraged to share their views with the business heads, HR and the senior management.  We follow an open-door policy, wherein any employee irrespective of hierarchy has access to the senior management.
Other than Permanent Employees	Not Applicable

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)

Total Permanent Employees

Male

Female

The Company does not have any employee association(s).

**8. Details of training given to employees and workers:**

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	9	9	100%	9	100%	48	42	88%	8	17%
Female	6	6	100%	6	100%	16	15	94%	5	31%
Total	15	15	100%	15	100%	64	57	89%	13	20%

**9. Details of performance and career development reviews of employees and worker:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	9	9	100%	48	44	92%
Female	6	5	83%	16	13	81%
Total	15	14	93%	64	57	89%

**10. Health and safety management system:**

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

In view of the activities carried on by the Company, there are no occupational health and safety risks.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company has framed a policy on health and safety for the employees. Periodic communications and alerts are sent out to employees and awareness sessions are conducted on safety related aspects. Employees are given periodic training on fire safety, including evacuation drills.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, training programs on the safety of women employees at the workplace is mandatory for all employees.

During the year, there were no accidents of any employee of the Company whilst at work.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, all employees of the Company are covered under the Company's health insurance.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
No. of fatalities	Employees	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

The Company emphasises on the importance of having and maintaining a safe and healthy workplace for the employees and third-party employees who work in our offices. The Company assesses the health, safety and environmental performance. The employees are given training on fire safety and evacuation drills. Fire drills and audits are conducted in the office premises to ensure maintenance of safety standards. During the year, there were no accidents of any employee of the Company whilst on duty.

**13. Number of complaints on the following made by employees and workers:**

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Nil
Working Conditions	Nil

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Not Applicable

**Leadership indicators**

- 1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) employees (Y/N) (B) Workers (Y/N).**

Yes

- 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The Company ensures compliance with the deduction of statutory dues from employees' income, including taxes, provident fund contributions, professional tax and other applicable obligations. This adherence is regularly updated in accordance with relevant regulations. Similarly, our value chain partners (vendors) are contractually obligated to fulfil their compliance responsibilities as agreed with the Company.

- 3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	Nil	Nil	Nil	Nil

- 4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

No.

**5. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	No specific assessment in this regard has been carried out.
Working Conditions	

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Not Applicable

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

The stakeholders are identified based on their impact on the business and the impact the business would have on them. The stakeholders *inter alia* include customers, employees, investors, Government and the Regulators, communities and the society at large.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders and Investors	No	Quarterly results, Investor presentations, Annual Report, Annual General Meeting/ Investor/ analysts calls and meet, Media releases, Website.	Annually, quarterly and ongoing	Discussing the performance of the Company and the priorities.
Government and Regulators	No	Meetings with key regulatory bodies, Written communications, Presentations, Industry associations	Periodic Need based	To provide recommendations / feedbacks on draft policies/ consultation papers.
Business Partners and Vendors	No	Channel partner meets, workshops, conferences and forums, One-to-one meetings, Telephonic and email communication.	Ongoing and need basis	-
Employees	No	Team engagements, focus groups, internal communications.	Ongoing and need basis	To share updates of the Company, health and safety related information, learning and development, employee benefits and work related updates.
Communities	Yes	Directly and through implementing agencies	Ongoing and need basis	-

**Leadership indicators**

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Board of Directors through its various Committees seeks feedback as well as oversees the implementation of the initiatives and performance.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). if so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, enhancing value to stakeholders is a continuous process. The customer and investor's complaints/grievances are reviewed for a root cause analysis, which provides us an opportunity to further improve our services.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The CSR activities of the Company are focused on the disadvantaged, vulnerable and marginalised segments of society. The CSR activities are implemented through EdelGive Foundation, a wholly owned subsidiary of the Company. Further details in this regard are provided in the Annual Report on CSR activities forming part of the Annual Report for FY 2023-24.

**Principle 5: Businesses should respect and promote human rights**

**Essential Indicators**

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	15	15	100%	64	34	53%
Other than permanent	-	-	-			
<b>Total Employees</b>	<b>15</b>	<b>15</b>	<b>100%</b>	<b>64</b>	<b>34</b>	<b>53%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24				FY 2022-23					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Permanent</b>										
Male	9	-	-	9	100%	48	-	-	48	100%
Female	6	-	-	6	100%	16	-	-	16	100%
<b>Other than permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category

Board of Directors (BoD)

Key Managerial Personnel (KMP) For details, please refer the 'Disclosure pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forming part of the Annual Report for FY 2023-24.

Employees other than BoD and KMP

b. Gross wages paid to females as % of Total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of Total wages	21%	17.50%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has established a Disciplinary Committee which handles any human rights impacts or issues that could potentially surface in the workplace.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is steadfast in its commitment to respecting and safeguarding human rights. We firmly believe in upholding the social and economic dignity and freedom of all employees, regardless of factors such as nationality, gender, race, economic status or religion. This conviction is deeply embedded in our policies and demonstrated through our actions. The Company has established a range of platforms that serve as avenues for addressing human rights concerns like - Disciplinary Committee, POSH, Whistleblower Mechanism, Grievance Redressal Mechanism.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment						
Discrimination at workplace						
Child Labour						
Forced Labour/Involuntary Labour						
Wages						
Other human rights related issues						

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company ensures that the complainant, witnesses and the person(s) against whom the complaint has been made are not victimized/discriminated while dealing with the complaints of discrimination and harassment. This is also part of our disciplinary mechanism.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	NIL
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not Applicable

**Leadership Indicators****1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

None

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

Human rights due diligence covers several critical elements, including a well-defined policy commitment that is institutionalised. We ensure that our recruitment policy explicitly prohibits the hiring of anyone below 18 years of age. Moreover, we have mitigation measures, including a grievance redressal mechanism that enables individuals to raise concerns related to human rights.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, our offices are designed to cater to the needs of differently-abled employees and visitors.

**4. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	NIL
Discrimination at workplace Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Not Applicable

**Principle 6: Businesses should respect and make efforts to protect and restore the environment****Essential indicators****1. Details of total energy consumption (in Giga Joules) and energy intensity, in the following format:**

Parameter	FY 2023-24	FY 2022-23
<b>From renewable sources</b>		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	-	-
<b>From non-renewable sources</b>		
Total electricity consumption (D)	416	444
Total fuel consumption (E)		
Energy consumption through other sources (F)		
<b>Total energy consumed from non- renewable sources (D+E+F)</b>	416	444
<b>Total energy consumed (A+B+C+D+E+F)</b>	416	444
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations)	0.01	0.01
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP)	0.00	0.00
<b>Energy intensity in terms of physical output</b>		
Energy intensity (optional) the relevant metric may be selected by the entity	-	-

\*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency- No external agency has been appointed.

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) if yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	7	5
(ii) Groundwater	200	198
(iii) Third party water	26	25
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>233</b>	228
<b>Total volume of water consumption (in kilolitres)</b>	<b>226</b>	223
<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations)	<b>0.01</b>	0.01
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP)	<b>0.00</b>	0.00
<b>Water intensity in terms of physical output</b>	<b>N.A.</b>	N.A.
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	<b>N.A.</b>	N.A.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No external agency has been appointed.

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	N.A.	N.A.
- With treatment – please specify level of treatment	N.A.	N.A.
(ii) To Groundwater		
- No treatment	N.A.	N.A.
- With treatment – please specify level of treatment	N.A.	N.A.
(iii) To Seawater		
- No treatment	N.A.	N.A.
- With treatment – please specify level of treatment	N.A.	N.A.
(iv) Sent to third-parties		
- No treatment	N.A.	N.A.
- With treatment – please specify level of treatment	N.A.	N.A.
(v) Others		
- No treatment	N.A.	N.A.
- With treatment – please specify level of treatment	412	334
<b>Total water discharged (in kilolitres)</b>	<b>412</b>	334

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No independent assessment has been carried out.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	N.A.	N.A.	N.A.
SOx	N.A.	N.A.	N.A.
Particulate matter (PM)	N.A.	N.A.	N.A.
Persistent organic pollutants (POP)	N.A.	N.A.	N.A.
Volatile organic compounds (VOC)	N.A.	N.A.	N.A.
Hazardous air pollutants (HAP)	N.A.	N.A.	N.A.
Others – please specify	N.A.	N.A.	N.A.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No external agency has been appointed.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	N.A.	N.A.
<b>Total scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	N.A.	N.A.
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		N.A.	N.A.
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		N.A.	N.A.
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>		N.A.	N.A.
<b>Total scope 1 and scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity		N.A.	N.A.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No external agency has been appointed.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Not Applicable

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	0.031	0.031
E-waste (B)	0.002	0.059
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>0.033</b>	0.09
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations)	<b>0.00</b>	0.00
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP)	<b>0.00</b>	0.00
<b>Waste intensity in terms of physical output</b>	<b>N.A.</b>	N.A.
<b>Waste intensity (optional) – the relevant metric may be selected by the entity</b>	<b>N.A.</b>	N.A.

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23
(i) Recycled	0.11	0.13
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>0.11</b>	<b>0.13</b>

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency- No independent assessment has been carried out.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We are committed to minimising waste and promoting recycling in our organisation. The types of waste we primarily focus on include food waste, paper, plastic, and e-waste. To reduce plastic waste, we have minimised procuring single use plastic and have implemented the use of glass bottles at our office. We use 100% biodegradable plastic garbage bags to collect and dispose of dry and wet waste.

To reduce paper consumption, we have implemented various measures to digitise processes and minimise the usage of paper across our offices. We have also minimised using paper-based office stationery.

Regarding e-waste management, we dispose of computers, servers, scanners, UPSs, batteries, air conditioners, and other such e-waste through registered vendors.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes/ No)	Relevant Web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				



**Leadership indicators****1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

I. **Name of the area:** None

II. **Nature of operations:** None

III. **Water withdrawal, consumption and discharge in the following format:**

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	7	5
(ii) Groundwater	200	198
(iii) Third party water	26	25
(iv) Seawater / desalinated water	N.A.	N.A.
(v) Others	N.A.	N.A.
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>233</b>	228
<b>Total volume of water consumption (in kilolitres)</b>	<b>226</b>	223
<b>Water intensity per rupee of turnover (Water consumed / turnover) (Mn)</b>	<b>0.01</b>	0.01
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment	N.A.	N.A.
- With treatment – please specify level of treatment	N.A.	N.A.
(ii) Into Groundwater		
- No treatment	N.A.	N.A.
- With treatment – please specify level of treatment	N.A.	N.A.
(iii) Into Seawater		
- No treatment	N.A.	N.A.
- With treatment – please specify level of treatment	N.A.	N.A.
(iv) Sent to third-parties		
- No treatment	N.A.	N.A.
- With treatment – please specify level of treatment	N.A.	N.A.
(v) Others		
- No treatment	N.A.	N.A.
- With treatment – please specify level of treatment	446.38	18,754
<b>Total water discharged (in kilolitres)</b>	<b>446.38</b>	18,754

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No independent assessment has been carried out.

**2. Please provide details of Total scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	0.000	0.092
<b>Total Scope 3 emissions per rupee of turnover (mn)</b>		0.000	0.000
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity		0.000	0.000

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No independent assessment has been carried out.

**3. With respect to the ecologically sensitive areas reported at Question 11 of Essential indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
			Not Applicable

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The Company has Corporate Business Continuity Policy which aims to formalise the business continuity program and provide guidance on developing, implementing, exercising, and maintaining group-specific business continuity plans for respective groups. The Policy's primary objective is to ensure the recovery of critical and significant processes within pre-established timeframes, the restoration of processing sites, and ultimately, the return to a normal operating environment.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Not Applicable

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Not Applicable

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential indicators**

**1. (a) Number of affiliations with trade and industry chambers/ associations.**

The Company is a member of one Industry Association.

**(b) List the top 10 trade and industry chambers/ associations (determined based on the Total members of such body) the entity is a member of/ affiliated to:**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Confederation of Indian Industry (CII)	National

**2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
No corrective actions required since there were no such cases.		

**Leadership indicators**

**1. Details of public policy positions advocated by the entity:**

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ others – please specify)	Web Link, if available
NIL					

**Principle 8: Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

**1. Details of social impact assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
Not Applicable						

**3. Describe the mechanisms to receive and redress grievances of the community.**

The Company has established the mechanism to receive and redress the grievances of the community which can be accessed at the website of the Company at [www.edelweissfin.com](http://www.edelweissfin.com)

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers		Not Applicable in view of the nature of the activities carried on by the Company
Directly from within India		

**5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-24	FY 2022-23
Rural	Nil	Nil
Semi-urban	Nil	Nil
Urban	Nil	Nil
Metropolitan	100%	100%

**Leadership Indicators**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential indicators above):**

Details of negative social impact identified	Corrective action taken
Not applicable	

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational district	Amount spent (in ₹)
During the financial year ended March 31, 2024, the Company contributed an amount of ₹ 125 million towards the Corporate Social Responsibility (CSR) activities, including the amount spent in the designated aspirational districts identified by the Government bodies.			

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

**(b) From which marginalized /vulnerable groups do you procure?**

**(c) What percentage of total procurement (by value) does it constitute?**

Since the Company is engaged in the financial services sector, hence, there is a very limited procurement requirement which relates to the office infrastructure, IT equipment and services. The Company source its requirements from the local and small vendors, where feasible.

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:**

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

**6. Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
	Please refer Annual Report on CSR forming part of the Annual Report for FY 2023-24	18,74,866	100%

**Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The clients of the Company provides the feedback/complaints through emails, letters, through Regulatory Authorities etc. On receipt, queries and the complaints are segregated and analysed and then responded to by the respective teams with the suitable response/resolution as per the TATs defined internally.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	Not Applicable
Recycling and/or safe disposal	

**3. Number of consumer complaints in respect of the following:**

	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy						
Advertising						
Cyber-security						
Delivery of essential services						NIL
Restrictive Trade						
Practices Unfair Trade						
Practices						
Other						

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		Not Applicable

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) if available, provide a web-link of the policy.**

Yes, the Company has a policy and can be accessed by the employees at the intranet.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

None

**7. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches**

None

**b. Percentage of data breaches involving personally identifiable information of customers**

None

**c. Impact, if any, of the data breaches**

None

**Leadership indicators**

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Not Applicable

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Not Applicable

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Not Applicable

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable). If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No).**

Not Applicable

For and on behalf of the Board  
**Edelweiss Financial Services Limited**

**Rashesh Shah**  
Chairman & Managing Director  
DIN: 00008322

August 2, 2024

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Edelweiss Financial Services Limited

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS****Opinion**

We have audited the accompanying Consolidated Financial statements of Edelweiss Financial Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and trusts (the Holding Company, its subsidiaries and its trusts together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2024 the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on Separate Financial Statements and on the other financial information of the subsidiaries and trusts, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, their Consolidated Profit including Other Comprehensive Income, their Consolidated Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

## INDEPENDENT AUDITOR'S REPORT (Continued)

Key audit matters	How our audit addressed the key audit matter
<p><b>Impairment of receivables from financing and other business</b> (as described in note 5.6, 12, 12.1, 13, 13.2 &amp; 56.7 of the Consolidated Financial Statements)</p> <p>The Group's impairment provision for receivables from financing business is based on the expected credit loss approach laid down under Ind AS 109.</p> <p>Ind AS 109 requires the Group to provide for impairment of its financial assets as at the reporting date using the expected credit loss (ECL) approach. ECL involves an estimation of probability - weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Group's financial assets (loan portfolio).</p> <p>In the process, a significant degree of judgement has been applied by the management for:</p> <p>a) Staging of financial assets (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories);</p> <p>b) Grouping of the loan portfolio under homogenous pools in order to determine probability of default on a collective basis;</p> <p>c) Assigning internal rating grades to customers for which external rating is not available;</p> <p>d) Calibrating external ratings-linked probability of default to align with past default rates;</p> <p>e) Applying assumptions regarding the probability of various scenarios and discounting rates for different loan products;</p> <p>f) Estimation of management overlay for macro- economic factors bearing a correlation with the credit quality of the loans.</p> <p>In view of such high degree of management's judgement involved in estimation of ECL, it is considered as a key audit matter.</p>	<p>The audit procedures, including those reported in the auditor's report of respective subsidiary companies, comprised the following:</p> <p>a) Read and assessed the Group's accounting policy for impairment of financial assets and its compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020.</p> <p>b) Tested the design and operating effectiveness of the controls for staging of loans based on their past-due status. Tested samples of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3.</p> <p>c) Performed procedures to test the inputs used in the ECL computation, on a sample basis.</p> <p>d) Tested assumptions used by the management in determining the overlay for macro- economic factors.</p> <p>e) Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of Company's policy on OTR.</p> <p>f) Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.</p> <p>g) Read the report on ECL model reviewed by external consultant during the year.</p>

## INDEPENDENT AUDITOR'S REPORT (Continued)

Key audit matters	How our audit addressed the key audit matter
<p><b>IT systems and controls</b></p> <p>The reliability and security of IT systems play a key role in the financial reporting process of the Group. The Group's key financial accounting and reporting processes are highly automated, whereby any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.</p> <p>Therefore, the assessment of the general IT controls and the application controls specific to the accounting and preparation of financial information is considered to be a key audit matter.</p>	<p>The audit procedures assisted by our IT specialists, including those reported in the auditor's report of respective subsidiary companies, comprised the following:</p> <p>a) Tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls.</p> <p>b) Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorized.</p> <p>c) Tested the periodic review of access rights. Also tested requests of changes to systems for approval and authorization.</p> <p>d) In addition to the above, tested the design and operating effectiveness of certain automated controls that were considered as key internal controls.</p> <p>e) We have relied on SOC-2 type II report provided by vendor for oracle fusion to ensure compliance with audit trail.</p> <p>f) Tested the design and operating effectiveness of compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.</p>

## INDEPENDENT AUDITOR'S REPORT (Continued)

Key audit matters	How our audit addressed the key audit matter
<p><b>Valuation of Investments in Security Receipts (SR) for Edelweiss Assets Reconstruction Company Limited</b> (as described in note 5.11, 13 &amp; 55 of the Consolidated Financial Statements)</p> <p>The fair value of SRs is determined through discounted cash flow method which involves management judgement using level 3 inputs such as projection of future cash flows and expenses.</p> <p>The management has involved credit rating agencies for valuation of SR.</p> <p>Considering the fair valuation of investments is significant to overall consolidated financial statements and the degree of management's judgment involved in the estimate, any error in the estimate could lead to material misstatement in the consolidated financial statements.</p> <p>Accordingly, it is considered as a key audit matter.</p>	<p>The audit procedures those reported in the auditor's report of a subsidiary company, comprised the following:</p> <ol style="list-style-type: none"> <li>Assessment of internal controls over measurement of fair value and evaluating the methodologies, inputs, judgments made and assumptions used by management in determining fair values.</li> <li>Evaluated rationale of the models and accounting treatment applied. Compared observable inputs against independent sources and externally available market data for sample cases.</li> <li>Performed testing on a sample basis of key inputs as mentioned above to validate the reasonableness of the input values.</li> <li>Assessed disclosures included in the Financial Statements with respect to such fair valuation.</li> </ol>
<p><b>Consolidation of Trusts</b> (as described in note 4 of the Consolidated Financial Statements)</p> <p>The Group sets up trusts to acquire stressed assets for the purpose of carrying on the activity of Securitisation and Asset Reconstruction. These Trusts issue SRs which represent the beneficial undivided right, title and interest in the assets of the respective trust to the beneficiaries. The Group acts as assets manager in respect of these trusts and consolidates and trusts which it controls.</p> <p>As per Ind-AS 110 Consolidated Financial Statements, the Company needs to consolidate the entity when it controls it. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To assess control various factors need to be considered based on relevant facts and circumstances.</p> <p>Considering the significant management judgement and estimate involved in assessing control, we have considered this a key audit matter.</p>	<p>The audit procedures those reported in the auditor's report of a subsidiary company, comprised the following:</p> <ol style="list-style-type: none"> <li>We have understood the structure of all the trusts managed by the Company and reviewed the beneficial interest, the waterfall mechanism of distribution of returns and other relevant clauses of the trust deeds.</li> <li>We have obtained and reviewed the workings made by the management to assess the variability of returns from the recovery in the trusts based on estimated recovery in the trusts.</li> <li>We have read and understood the management's policy on the assessment of the percentage of variability for the Company to be classified from agent to principal for the purpose of consolidation, in accordance with Ind AS110.</li> <li>We have verified the consolidation of these trusts done by the Company.</li> <li>We have assessed disclosures included in the Consolidated Ind AS Financial Statements with respect to these assets in accordance with Ind AS 107 and Ind AS 110.</li> </ol>

## INDEPENDENT AUDITOR'S REPORT (Continued)

Key audit matters	How our audit addressed the key audit matter
<p><b>Valuation of Purchase or originated credit impaired assets (POCI)</b> (as described in note 12.1 of the Consolidated Financial Statements)</p> <p>The trusts that are consolidated, have assets on their books which are impaired and accordingly in accordance with Ind AS 109 classified as purchased or originated credit impaired assets ("POCI"). The Company has POCI (net of impairment) assets amounting to ₹ 36,293.95 millions as disclosed in the Consolidated Financial Statements as at March 31, 2024.</p> <p>These assets are measured using projected cash flows based on management estimates of recovery and then discounted at the credit adjusted effective interest rate.</p> <p>Further, the management has made an assessment on each POCI asset to ascertain future recoverability estimates. In making this assessment, the management has used several estimates, assumptions and sources of information (both internal and external), including but not limited to quality of collateral available, external credit reports, economic forecasts for future expected performance of the underlying companies etc. The assumptions and estimates used by the management may vary and actual results may differ from the estimates and assumptions.</p> <p>Considering the significant management estimate and judgement involved in assessing cash flows and the discount rate, we have considered this as a key audit matter.</p>	<p>The procedures conducted by the subsidiary's auditors, as reported by them, focused on assessing the adequacy of the valuation of purchased or originated credit-impaired assets. This assessment involved undertaking the following procedures:</p> <ol style="list-style-type: none"> <li>For POCI assets, understood methodology applied by the management to value these assets including the key inputs in that process which included future cash flow projections and the calculation of credit adjusted effective interest rate for discounting those cash flows and tested for samples these key inputs and estimates used.</li> <li>Tested the operating effectiveness of the controls for collating the information for future recovery estimates and past collections records.</li> <li>Verified on a sample basis the calculation of the credit adjusted effective interest rate used for the purpose of discounting these assets.</li> <li>Verified the arithmetical accuracy of the valuation of the POCI assets using the expected cash flow and discount rate performed by the Company using spreadsheets.</li> </ol>

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report and Annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon. The Board report and Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## INDEPENDENT AUDITOR'S REPORT (Continued)

### Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## INDEPENDENT AUDITOR'S REPORT (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- a) We did not audit the financial statements and other financial information, in respect of:
  - 27 subsidiaries, whose financial statements include total assets of ₹ 455,102.16 million as at March 31, 2024 and total revenues of ₹ 71,219.36 million and net cash inflow of ₹ 62.95 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management.

Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries companies, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries companies, is based solely on the report(s) of such other auditors.
- b) The actuarial valuation of liabilities of Edelweiss Tokio Life Insurance Company Limited (ETLIFE) for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2024 is the

## INDEPENDENT AUDITOR'S REPORT (Continued)

responsibility of ETLIFE's Appointed Actuary ("the Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2024 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", Ind AS 109 "Financial Instruments", the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ('IRDAI') and the Institute of Actuaries of India in concurrence with IRDAI. The auditors have relied upon the Appointed Actuary's certificate in this regard for forming their opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists in financial statement of the ETLIFE.

- c) The actuarial valuation of liabilities Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited (ZGIL)) for Incurred but Not Reported and Incurred but Not Enough Reported claims of ZGIL as at March 31, 2024 is the responsibility of ZGIL's Appointed Actuary. The actuarial valuation of these liabilities has been duly certified by the ZGIL's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with IRDAI. The auditors have relied on the ZGIL's Appointed Actuary's Certificate for expressing their conclusion in this regard.

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

The comparative financial information of the Company for year ended March 31, 2023 were audited by predecessor auditor who expressed an unmodified opinion on those consolidated financial statements dated May 26, 2023 Accordingly, we do not express any opinion, as the case may be, on the figures reported in the consolidated financial statements for the year ended March 31, 2023.

Our opinion is not modified in respect of these matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xx) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

## INDEPENDENT AUDITOR'S REPORT (Continued)

- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representation received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls refer to our separate Report in "Annexure 2";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other statutory auditors of the Subsidiaries incorporated in India, the remuneration paid by the Holding Company, its subsidiaries incorporated in India to their directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations on its Consolidated financial position of the Group in its Consolidation Financial Statements – Refer Note 51.1 (a) to the Consolidated Financial Statements.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 81 to the Consolidated Financial Statements in respect of such items as it relates to the Group;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2024.
  - iv.
    - a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief as disclosed in the note 66(A) to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The respective managements of the Holding Company and its subsidiaries and its which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief,



## INDEPENDENT AUDITOR'S REPORT (Continued)

as disclosed in the note 66(B) to the Consolidate Financial Statements, no funds have been received by the respective Holding Company or any of such subsidiaries from any persons(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The final dividend paid by the Holding Company, its subsidiaries companies incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 73.1 to the Consolidated Financial Statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and subsidiaries have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Trusts incorporated in India and included in the consolidated financial statements are not Companies under the Act and provision of Rule 11 (g) is not applicable to Trusts.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

### For Nangia & Co. LLP

Chartered Accountants  
FRN No. 002391C/N500069

### Jaspreet Singh Bedi

Partner  
Membership No.: 601788  
UDIN: 24601788BKFMVK9633

Place : Mumbai  
Date : May 14, 2024

## INDEPENDENT AUDITOR'S REPORT (Continued)

### ANNEXURE 1 REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF EDELWEISS FINANCIAL SERVICES LIMITED

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

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

S. No.	Name	CIN	Holding / Subsidiary	Clause number of the Caro Report which is unfavorable or adverse
1.	Edelweiss Asset Reconstruction Company Limited	U67100MH2007PLC174759	Subsidiary	iii (c) and iii (d)
2.	Nido Home Finance Limited (formerly Edelweiss Housing Finance Limited)	U65922MH2008PLC182906	Subsidiary	iii (c) and iii (d)
3.	Ecap Securities & Investments Limited	U67190TG2008PLC057122	Subsidiary	ix (d) and xvii
4.	Edelcap Securities Limited	U67120TG2008PLC057145	Subsidiary	xvii
5.	Ecap Equities Limited (formerly Edel Land Limited)	U74900MH2008PLC287466	Subsidiary	iii (c), iii (d) and xvii
6.	Edelweiss Global Wealth Management Limited	U67100TG2007PLC112499	Subsidiary	xvii
7.	Edelweiss Investment Adviser Limited	U74140TG2008PLC120334	Subsidiary	iii (c), iii (d), and xvii
8.	Edelweiss Retail Finance Limited	U67120MH1997PLC285490	Subsidiary	iii (c) and iii(d)
9.	ECL Finance Limited	U65990MH2005PLC154854	Subsidiary	iii (c), iii(d) and xvii
10.	Edelweiss Securities and Investments Private Limited	U65990TG2009PTC113078	Subsidiary	iii (c), iii (d), ix (d) and xvii
11.	Edelweiss Rural & Corporate Services Limited	U45201TG2006PLC078157	Subsidiary	iii (c), iii (d), vii (a) and xvii
12.	Comtrade Commodities Services Limited	U66990GJ1995PLC025267	Subsidiary	xvii
13.	Edel Finance Company Limited	U65920MH1989PLC053909	Subsidiary	xvii
14.	Sekura India Management Limited	U74999MH2021PLC362906	Subsidiary	xvii

### For Nangia & Co. LLP

Chartered Accountants  
FRN No. 002391C/N500069

### Jaspreet Singh Bedi

Partner  
Membership No.: 601788  
UDIN: 24601788BKFMVK9633

Place : Mumbai  
Date : May 14, 2024

## INDEPENDENT AUDITOR'S REPORT (Continued)

### “ANNEXURE 2” TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF EDELWEISS FINANCIAL SERVICES LIMITED

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

To the Members of Edelweiss Financial Services Limited

In conjunction with our audit of the Consolidated Financial Statements of Edelweiss Financial Services Limited (hereinafter referred to as the “Holding Company”) as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements.

#### Meaning of Internal Financial Controls over Financial Reporting

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

## INDEPENDENT AUDITOR'S REPORT (Continued)

### “Annexure 2” To the Independent Auditor's Report Of Even Date On The Consolidated Financial Statements Of Edelweiss Financial Services Limited (Continued)

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

#### Opinion

In our opinion, the Group which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, in so far as it relates to these 22 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting includes only the Company. The trust forming part of the Consolidated Financial Statements are not Companies as defined as per the Act and accordingly reporting on the adequacy and operating effectiveness of the internal control is not applicable to trusts.

#### For Nangia & Co. LLP

Chartered Accountants  
FRN No. 002391C/N500069

#### Jaspreet Singh Bedi

Partner  
Membership No.: 601788  
UDIN: 24601788BKFMVK9633

Place : Mumbai  
Date : May 14, 2024

## CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2024

CIN-L99999MH1995PLC094641

(Currency: Indian rupees in millions)	Note	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	8	23,732.18	27,458.60
(b) Bank balances other than cash and cash equivalents	9	9,575.76	9,532.13
(c) Derivative financial instruments	10	1,192.41	779.00
(d) Trade Receivables	11	3,575.37	4,133.08
(e) Loans	12	148,040.32	173,536.28
(f) Investments	13	184,914.75	171,622.24
(g) Other financial assets	14	10,962.94	9,187.09
<b>Total financial assets</b>		<b>381,993.73</b>	<b>396,248.42</b>
<b>Non-financial assets</b>			
(a) Reinsurance assets		3,273.99	3,013.36
(b) Current tax assets (net)		7,761.32	8,227.34
(c) Deferred tax assets (net)	15	15,464.78	12,115.65
(d) Investment property	16	1,550.67	1,822.13
(e) Property, Plant and Equipment	17	9,154.93	9,879.87
(f) Capital work in progress	18	36.55	7.09
(g) Intangible assets under development	19	324.65	240.60
(h) Goodwill on consolidation	20	236.60	236.60
(i) Other Intangible assets	17	1,424.17	1,285.06
(j) Right to use (ROU) assets	17	530.62	448.13
(k) Other non-financial assets	21	7,443.70	7,118.42
<b>Total non-financial assets</b>		<b>47,201.98</b>	<b>44,394.25</b>
<b>TOTAL ASSETS</b>		<b>429,195.71</b>	<b>440,642.67</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Financial liabilities</b>			
(a) Derivative financial instruments	10	1,155.83	775.72
(b) Trade Payables	22		
i. total outstanding dues of micro enterprises and small enterprises		38.21	25.96
ii. total outstanding dues of creditors other than micro enterprises and small enterprises		16,701.66	14,096.20
(c) Insurance claims payable		373.82	509.76
(d) Debt securities	23	143,980.51	154,030.34
(e) Borrowings (other than debt securities)	24	47,408.57	49,947.02
(f) Deposits	25	16.98	16.25
(g) Subordinated liabilities	26	11,078.12	13,366.87
(h) Lease liabilities	51	1,094.83	554.08
(i) Other financial liabilities	27	52,195.96	53,516.37
<b>Total financial liabilities</b>		<b>274,044.49</b>	<b>286,838.57</b>
<b>Non-financial liabilities</b>			
(a) Current tax liabilities (net)		364.14	249.21
(b) Provisions	28	619.25	623.96
(c) Policyholders' liabilities		83,042.84	66,135.11
(d) Deferred tax liabilities (net)	15	2,050.94	1,827.60
(e) Other non-financial liabilities	29	8,581.20	6,505.91
<b>Total non-financial liabilities</b>		<b>94,658.37</b>	<b>75,341.79</b>
<b>TOTAL LIABILITIES</b>		<b>368,702.86</b>	<b>362,180.36</b>
<b>EQUITY</b>			
(a) Equity Share capital	30	898.89	898.38
(b) Other equity	31	46,724.72	66,542.74
Equity attributable to owners of the Company		47,623.61	67,441.12
Equity attributable to Non-Controlling Interests		12,869.24	11,021.19
<b>TOTAL EQUITY</b>		<b>60,492.85</b>	<b>78,462.31</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>429,195.71</b>	<b>440,642.67</b>

The accompanying notes are an integral part of the Consolidated Financial Statements. 1 to 82

As per our report of even date attached

**For Nangia & Co. LLP**  
Chartered Accountants  
ICAI Firm's Registration Number: 002391C/N500069

**Jaspreet Singh Bedi**  
Partner  
Membership No: 601788

**For and on behalf of the Board of Directors of**  
Edelweiss Financial Services Limited

**Rashesh Shah**  
Chairman & Managing Director  
DIN: 00008322

**Ananya Suneja**  
Chief Financial Officer

14 May 2024

**Venkatchalam Ramaswamy**  
Vice Chairman & Executive Director  
DIN: 00008509

**Tarun Khurana**  
Company Secretary  
Membership No: 12344

Mumbai 14 May 2024

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2024

CIN-L99999MH1995PLC094641

(Currency: Indian rupees in millions)	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Revenue from operations</b>			
Interest income	32	28,537.93	29,458.64
Dividend Income		309.67	318.86
Fee and commission income	33	12,269.70	12,443.43
Net gain on fair value changes	34	30,906.97	23,038.52
Premium from insurance business (net)		22,783.09	19,278.13
Other operating revenue	35	188.24	272.78
<b>Total revenue from operations</b>		<b>94,995.60</b>	<b>84,810.36</b>
Other income	36	1,020.15	1,515.55
<b>Total income</b>		<b>96,015.75</b>	<b>86,325.91</b>
<b>Expenses</b>			
Finance costs	37	27,865.03	25,745.63
Impairment on financial instruments	38	148.55	3,618.82
Change in valuation of credit impaired loans		7,328.20	8,852.26
Employee benefits expense	39	12,100.85	10,651.74
Depreciation, amortisation and impairment on investment property	16 & 17	1,261.26	1,381.60
Change in insurance policy liability - actuarial		16,647.10	11,266.18
Policy benefits paid		9,652.70	6,063.94
Other expenses	40	16,638.06	16,216.43
<b>Total expenses</b>		<b>91,641.75</b>	<b>83,796.60</b>
<b>Profit before share in profit of associates and tax</b>		<b>4,374.00</b>	<b>2,529.31</b>
Share in profit of associates		-	1,317.94
<b>Profit before tax</b>		<b>4,374.00</b>	<b>3,847.25</b>
<b>Tax expense:</b>	41		
Current tax		2,151.08	1,640.48
Deferred tax		(3,057.55)	(1,848.80)
<b>Profit for the year</b>		<b>5,280.47</b>	<b>4,055.57</b>
<b>Other Comprehensive Income / (loss)</b>			
(A) (i) Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit liability		(18.15)	(12.57)
Fair value changes on equity Instruments through Other Comprehensive Income		(15.02)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		142.97	3.40
<b>Subtotal (A)</b>		<b>109.80</b>	<b>(9.17)</b>
(B) (i) Items that will be reclassified to profit or loss			
Fair value changes on debt Instruments through Other Comprehensive Income		1,411.61	18.32
Exchange differences on translating the financial statements of foreign operations		(62.46)	162.56
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Subtotal (B)</b>		<b>1,349.15</b>	<b>180.88</b>
<b>Share in profit of associate (C)</b>		<b>-</b>	<b>14.06</b>
<b>Other comprehensive income (A+B+C)</b>		<b>1,458.95</b>	<b>185.77</b>
<b>Total comprehensive income</b>		<b>6,739.42</b>	<b>4,241.34</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company		4,207.00	3,441.63
Non-controlling interests		1,073.47	613.94
<b>Other comprehensive income / (loss) for the year attributable to:</b>			
Owners of the Company		1,097.43	197.73
Non-controlling interests		361.52	(11.96)
<b>Total comprehensive income (loss) for the year attributable to:</b>			
Owners of the Company		5,304.43	3,639.36
Non-controlling interests		1,434.99	601.98
<b>Earnings per share (₹) (Face value ₹ 1 each)</b>			
- Basic (₹)	43	4.68	3.83
- Diluted (₹)		4.68	3.83

The accompanying notes are an integral part of the Consolidated Financial Statements. 1 to 82

As per our report of even date attached

**For Nangia & Co. LLP**  
Chartered Accountants  
ICAI Firm's Registration Number: 002391C/N500069

**Jaspreet Singh Bedi**  
Partner  
Membership No: 601788

**For and on behalf of the Board of Directors of**  
Edelweiss Financial Services Limited

**Rashesh Shah**  
Chairman & Managing Director  
DIN: 00008322

**Ananya Suneja**  
Chief Financial Officer

14 May 2024

**Venkatchalam Ramaswamy**  
Vice Chairman & Executive Director  
DIN: 00008509

**Tarun Khurana**  
Company Secretary  
Membership No: 12344

Mumbai 14 May 2024

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2024

CIN-L99999MH1995PLC094641

(Currency : Indian rupees in millions)	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A Cash flow from operating activities</b>		
Profit / (Loss) before tax	4,374.00	3,847.25
<b>Adjustments for:</b>		
Depreciation, amortisation and impairment on investment property	1,261.26	1,381.60
Expense on employee stock option plans and stock appreciation rights	13.89	87.28
Derecognition of Goodwill	-	426.75
Impairment on financial instruments	148.55	3,618.82
Change in valuation of credit impaired loans	7,328.20	8,852.26
Interest on income tax refund	(234.52)	(191.49)
Dividend Income	(309.67)	(318.86)
(Profit) / loss on sale of property, plant and equipment (net) <sup>1</sup>	4.42	3.30
(Profit) / loss on sale of investment property (net) <sup>1</sup>	-	(801.67)
Fair value (gain) / loss on financial instruments	(30,906.97)	(23,038.52)
Provision for policyholders liability	16,647.10	11,266.18
Finance costs	11,344.91	8,141.03
<b>Operating cash flow before working capital changes</b>	<b>9,671.17</b>	<b>13,273.93</b>
<b>Adjustments for:</b>		
Decrease / (increase) in trade receivables	310.80	(4,188.00)
Decrease / (increase) in Other financial/non financial assets	(2,361.70)	(384.40)
Decrease / (increase) in Derivative Financial Instruments	(33.30)	(2,246.80)
Decrease / (increase) in loans	18,185.40	19,740.70
Increase / (decrease) in trade payables	2,617.70	1,220.90
Increase / (decrease) in insurance claim payable	(136.00)	164.50
Increase / (decrease) in other financial liabilities	(227.40)	414.40
Increase / (decrease) in Provisions	(23.00)	116.00
Increase / (decrease) in provision for policyholders' liabilities	260.60	(421.40)
Increase / (decrease) in other non-financial liabilities	2,075.40	1,865.05
<b>Cash generated from / (used in) operations</b>	<b>30,339.67</b>	<b>29,554.88</b>
Income taxes paid (net of refund)	(1,403.90)	(648.40)
<b>Net cash generated from / (used in) operating activities - A</b>	<b>28,935.77</b>	<b>28,906.48</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangibles	(875.80)	(818.60)
Proceeds from sale of property, plant and equipment	-	46.20
(Purchase) / sale of investment property <sup>1</sup>	271.40	2,012.76
(Purchase) / sale of investments <sup>1</sup>	(4,477.38)	(6,780.45)
Dividend on investments	309.67	318.86
(Investment) / Maturity of Bank deposits	(43.70)	971.20
<b>Net cash generated from / (used in) investing activities - B</b>	<b>(4,815.81)</b>	<b>(4,250.03)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from exercise of ESOP & SAR	2.76	1.65
Proceeds / (repayment) from Debt securities <sup>1</sup>	(10,049.83)	1,073.17
Proceeds / (repayment) from Borrowings (other than debt securities) <sup>1</sup>	(2,538.45)	(6,603.64)
Proceeds / (repayment) from Deposits <sup>1</sup>	0.73	0.65
Proceeds / (repayment) from Subordinated Liabilities <sup>1</sup>	(2,288.75)	(2,119.66)

## CONSOLIDATED STATEMENT OF CASH FLOW (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

CIN-L99999MH1995PLC094641

(Currency : Indian rupees in millions)	For the year ended 31 March 2024	For the year ended 31 March 2023
Dividend paid	(1,403.59)	(1,376.06)
Lease payment	(41.59)	(38.49)
Effect of change in group interest	-	(42.56)
Interest paid	(11,303.26)	(8,102.54)
Proceeds / (repayment) on ESOP / SAR charge / (reversal)	(224.40)	124.00
<b>Net cash generated from / (used in) financing activities - C</b>	<b>(27,846.38)</b>	<b>(17,083.48)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(3,726.42)</b>	<b>7,572.97</b>
Cash and cash equivalents as at the beginning of the year	27,458.60	19,885.63
Cash and cash equivalents as at the end of the year (Refer note 5)	23,732.18	27,458.60

<sup>1</sup> Net figures have been reported on account of volume of transactions.

### Notes:

- Cash receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows.
- Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.
- Net cash generated from/(used in) operating activities includes interest received ₹ 28,537.93 million (previous year ₹ 29,458.64 million) and interest paid ₹ 16,520.12 million (previous year ₹ 17,604.60 million).
- Refer note 50 for changes in liabilities arising from financing activities.
- Components of cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash in hand	37.85	34.86
Cheques in hand	353.94	385.74
Balances with banks:		
- in Current accounts	16,849.10	20,891.69
- in fixed deposits with original maturity less than 3 months	6,491.29	6,146.31
<b>Total</b>	<b>23,732.18</b>	<b>27,458.60</b>

The accompanying notes are an integral part of the Consolidated Financial Statements.

1 to 82

As per our report of even date attached

**For Nangia & Co. LLP**

Chartered Accountants

ICAI Firm's Registration Number: 002391C/N500069

**Jaspreet Singh Bedi**

Partner

Membership No: 601788

**For and on behalf of the Board of Directors of**

Edelweiss Financial Services Limited

**Rashesh Shah**

Chairman & Managing Director

DIN: 00008322

**Ananya Suneja**

Chief Financial Officer

14 May 2024

**Venkatchalam Ramaswamy**

Vice Chairman & Executive Director

DIN: 00008509

**Tarun Khurana**

Company Secretary

Membership No: 12344

Mumbai 14 May 2024

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

CIN-L99999MH1995PLC094641

(Currency : Indian rupees in millions)

### A. Equity share capital

Particulars	As at	
	31 March 2024	31 March 2023
<b>Balance at the beginning of the year</b>	898.38	898.20
Changes in Equity Share Capital due to prior period errors	-	-
<b>Restated balance at the beginning of the current year</b>	898.38	898.20
Changes in equity share capital during the year on account of allotment of shares	0.51	0.18
<b>Balance at the end of the year</b>	898.89	898.38

Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Edelweiss Financial Services Limited standalone financial statements, these trusts are holding 44,896,780 number of equity shares amounting to ₹ 44.90 million (previous year ₹ 44.90 million). These are treasury shares and deducted from total outstanding equity shares.

Refer note 30 for detailed quantitative information including investors holding more than 5% of equity share capital.

The above two Welfare Trust (s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.

### B. Other equity

Particulars	Reserves and Surplus						Other Comprehensive Income			Total attributable to owners of the parent	Non-Controlling Interest	Total						
	Share application money pending allotment	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Employee Stock Options Plan (ESOP)	Special Reserve under section 29C of the National Housing Bank Act, 1987	Reserve under section 29C of the National Housing Bank Act, 1987	General reserve	Debt redemption reserve				Impairment Reserve	Retained earnings	Exchange differences on translating the financial statements of a foreign operation	Revaluation Reserve through Other Comprehensive Income	Fair value changes on equity instruments through Other Comprehensive Income	Fair value changes on debt instruments through Other Comprehensive Income
<b>Balance as at 31 March 2022</b>	-	8,026.45	187.87	29,597.82	761.58	7,046.56	575.42	717.15	3,543.64	2,079.49	9,955.45	(97.82)	3,721.28	(1,700.00)	39.07	64,475.96	10,549.04	75,025.00
Profit or loss	-	-	-	-	-	-	-	-	-	-	3,441.63	-	-	-	-	3,441.63	613.94	4,055.57
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	6.04	162.55	-	-	-	168.59	(11.96)	156.63
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	3,447.67	162.55	-	-	-	3,610.22	601.98	4,212.20
Dividends to equity shareholders exercise of ESOP & SAR	-	-	-	23.28	(23.28)	-	-	-	-	-	(1,325.35)	-	-	-	-	(1,325.35)	-	(1,325.35)
Issue of equity instruments on ESOP & SAR	(1.65)	-	-	1.47	-	-	-	-	-	-	-	-	-	-	-	(0.18)	-	(0.18)
Share application money received ESOP charge	1.65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.65	-	1.65
SAR charge	-	-	-	-	32.21	-	-	-	-	-	32.21	-	-	-	-	32.21	-	32.21
Reversal on account of lapses of ESOP & SAR	-	-	-	-	(79.94)	-	-	-	-	-	(79.94)	-	-	-	-	(79.94)	-	(79.94)
ESOP & SAR charges transferred to reserves	-	-	-	-	(100.66)	-	-	-	-	-	100.66	-	-	-	-	-	-	-
Transfer Under 45-IC of the Reserve Bank of India Act, 1934	-	-	-	-	-	415.42	-	-	-	-	(415.42)	-	-	-	-	-	-	-
Transfer Under 29C of the National Housing Bank Act, 1987	-	-	-	-	-	-	32.13	-	-	-	(32.13)	-	-	-	-	-	-	-
Transfer under Impairment Reserve	-	-	-	-	-	-	-	-	-	262.77	(262.77)	-	-	-	-	-	-	-
Transfer under Debt Redemption Reserve	-	-	-	-	-	-	-	-	(469.63)	-	469.63	-	-	-	-	-	-	-
Transfer under Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	96.09	-	(96.09)	-	-	-	-	-
Transfer under Capital Redemption Reserve	-	-	100.00	-	-	-	-	-	-	-	(100.00)	-	-	-	-	-	-	-
Effect of changes in group's interest	-	-	-	-	-	-	-	-	-	-	(905.57)	(4.21)	-	-	-	(909.78)	(129.63)	(1,039.41)
<b>Balance as at 31 March 2023</b>	-	8,026.45	287.87	29,597.82	698.72	7,463.98	607.55	717.15	3,074.01	2,942.26	11,628.26	120.52	3,625.19	(1,700.00)	68.21	66,542.74	11,021.19	77,563.93

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

CIN-L99999MH1995PLC094641

(Currency : Indian rupees in millions)

### B. Other equity (Continued)

Particulars	Reserves and Surplus						Other Comprehensive Income			Total attributable to owners of the parent	Non-Controlling Interest	Total						
	Share application money pending allotment	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Employee Stock Options Plan (ESOP)	Special Reserve under section 29C of the National Housing Bank Act, 1987	Reserve under section 29C of the National Housing Bank Act, 1987	General reserve	Debt redemption reserve				Impairment Reserve	Retained earnings	Exchange differences on translating the financial statements of a foreign operation	Revaluation Reserve through Other Comprehensive Income	Fair value changes on equity instruments through Other Comprehensive Income	Fair value changes on debt instruments through Other Comprehensive Income
<b>Balance as at 31 March 2023</b>	-	8,026.45	287.87	29,597.82	698.72	7,463.98	607.55	717.15	3,074.01	2,942.26	11,628.26	120.52	3,625.19	(1,700.00)	68.21	66,542.74	11,021.19	77,563.93
Profit or loss	-	-	-	-	-	-	-	-	-	-	4,207.00	-	-	-	-	4,207.00	1,073.47	5,280.47
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	(16.17)	(62.47)	-	125.41	1,050.66	1,087.43	361.52	1,448.95
Dividends to equity shareholders exercise of ESOP & SAR	(17.14)	-	-	16.63	-	-	-	-	-	-	(1,110.47)	(62.47)	-	125.41	1,050.66	5,304.43	1,434.99	6,739.42
Issue of equity instruments on ESOP & SAR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,110.47)	-	(1,110.47)
Share application money received ESOP charge	19.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19.39	-	19.39
SAR charge	-	-	-	-	9.60	-	-	-	-	-	9.60	-	-	-	-	9.60	-	9.60
Reversal on account of lapses of ESOP & SAR	-	-	-	-	(36.42)	-	-	-	-	-	(36.42)	-	-	-	-	(36.42)	-	(36.42)
ESOP & SAR charges transferred to reserves	-	-	-	-	(226.87)	-	-	-	-	-	226.87	-	-	-	-	(226.87)	-	(226.87)
Transfer Under 45-IC of the Reserve Bank of India Act, 1934	-	-	-	-	-	462.62	-	-	-	-	(462.62)	-	-	-	-	-	-	-
Transfer Under 29C of the National Housing Bank Act, 1987	-	-	-	-	-	-	38.60	-	-	-	(38.60)	-	-	-	-	-	-	-
Transfer under Impairment Reserve	-	-	-	-	-	-	-	-	(125.41)	-	125.41	-	-	-	-	-	-	-
Transfer under Debt Redemption Reserve	-	-	-	-	-	-	-	-	(386.00)	-	386.00	-	-	-	-	-	-	-
Transfer under Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	257.02	-	(257.02)	-	-	-	-	-
Transfer under Capital Redemption Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
On account of Demerger (Refer note 7)	-	-	-	-	-	-	-	-	-	-	(23,531.81)	-	-	-	-	(23,531.81)	-	(23,531.81)
Effect of changes in group's interest	-	-	-	-	-	-	-	-	-	-	(170.85)	(26.19)	-	-	-	(197.04)	413.06	216.02
<b>Balance as at 31 March 2024</b>	2.25	8,026.45	287.87	29,623.85	372.06	7,946.60	646.15	717.15	2,688.01	2,716.85	6,746.93	31.86	3,368.17	(1,574.59)	1,118.87	46,724.72	12,889.24	59,613.96

Refer note 31 for information on nature of reserves maintained at Group level

The accompanying notes are an integral part of the Consolidated Financial Statements. 1 to 82

As per our report of even date attached

**For Nangia & Co. LLP**  
Chartered Accountants

ICAI Firm's Registration Number: 002391C/N500069

**Jaspreet Singh Bedi**  
Partner

Membership No: 601788

**For and on behalf of the Board of Directors of**  
Edelweiss Financial Services Limited

**Rashesh Shah**  
Chairman & Managing Director  
DIN: 00008322

**Ananya Suneja**  
Chief Financial Officer

14 May 2024

**Venkatchalam Ramaswamy**  
Vice Chairman & Executive Director  
DIN: 00008509

**Tarun Khurana**  
Company Secretary  
Membership No: 12344

## ■ NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 1. CORPORATE INFORMATION

Edelweiss Financial Services Limited (the Holding Company), Public Limited company domiciled in India, and incorporated on 21<sup>st</sup> November 1995 under the provision of Companies Act, 1956. The shares of the Holding Company are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE), India. The Holding Company is principally engaged in providing investment banking services and holding company activities comprising of development, managerial and financial support to the business of Edelweiss group entities. The Holding Company has its registered office at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai, India.

### 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements relate to Edelweiss Financial Services Limited ('the Holding Company') and its subsidiaries, consolidating trusts (together 'the Group') and associates. The Group offers wide suite of financial services products to retail and institutional customers. Group is primarily engaged in (a) agency business, which includes advisory and other fee based services, (b) Capital business which includes lending business and investment activities, (c) Life insurance and General insurance business (d) Asset reconstruction business and (e) Treasury business includes income from trading activities.

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). These consolidated financial statements have been approved for issue by the Board of Directors of the Holding Company on 14 May 2024.

These consolidated financial statements have been prepared on a historical cost basis, except for entities under liquidation/ dissolution<sup>1</sup> and certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, fair value through Profit or Loss and other financial assets held for trading, certain property plant and equipment which have been measured at fair value. The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

### 3. PRESENTATION OF FINANCIAL STATEMENTS

The Group prepares and presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (noncurrent) .

### 4. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Holding Company and all its subsidiaries as at 31 March 2024 including any controlled structured entities, being the entities that it controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

<sup>1</sup> Refer note 57

## ■ NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 4. BASIS OF CONSOLIDATION (CONTINUED)

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary. In the event of any change in one or more of the three elements of control, the Group reassess nature of control and stops consolidation if it concludes that the Group has lost the control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

#### Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill, refer note no 5.25
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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

## ■ NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 4. BASIS OF CONSOLIDATION (CONTINUED)

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

Given the level of judgement required regarding consolidation of structured entities, these considerations are described further in the significant accounting judgements .

The financial statements of all subsidiaries incorporated outside India are converted on the following basis: (a) Income and expenses are converted at the average rate of exchange applicable for the period/year and (b) All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of period/year end translation is debited or credited as "Exchange differences on translating the financial statements of a foreign operation" forming part of Other Comprehensive Income and accumulated as a separate component of other equity.

#### Investment in associates:

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

The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. The Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

### 5. MATERIAL ACCOUNTING POLICIES

This note provides the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 5.1 Recognition of Interest, Dividend income and Donation income

##### Interest Income

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

## ■ NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.1 Recognition of Interest, Dividend income and Donation income (Continued)

##### Interest Income (Continued)

The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs attributable to acquisition of a financial instrument. 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 modification gain/loss to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

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

For purchased or originated credit-impaired (POCI) financial assets, the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

##### Dividend Income

Dividend income is recognised in profit or loss when the Group's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

##### Donation/grants received

General donations are recognised as income in the year of receipt in the statement of profit and loss. Amount received with a specific direction from donors towards a particular project for more than a financial year is recognized as income, only to the extent of cost incurred in that financial year and balance is recorded as liability. Amounts received with a specific direction from donors that such amounts shall form a part of Corpus of the Foundation are credited as Corpus Fund and disclosed as a liability in the Balance Sheet.

#### 5.2 Financial Instruments

##### 5.2.1 Date of recognition

Financial assets and financial liabilities, with the exception of debt securities and borrowings are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. The Group recognises borrowings when funds are available for utilisation to the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.2 Financial Instruments (Continued)

##### 5.2.2 Initial measurement of financial instruments

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

##### 5.2.3 Day 1 profit or loss

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

#### 5.3 Classification of financial instruments

##### 5.3.1 Financial assets:

The Group classifies all its financial assets based on the business model for managing the assets and the asset's contractual Terms. Financial Assets are measured at either:

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

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

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

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

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.3 Classification of financial instruments (Continued)

##### 5.3.1 Financial assets: (Continued)

- the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are initially measured at fair value and subsequently measured at FVTPL.

##### 5.3.1.1 Amortised cost and Effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount. On the other hand, the net gross carrying amount of a financial asset is the amortised cost of a financial asset after adjusting for any loss allowance.

##### 5.3.1.2 Financial assets held for trading

The Group classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of pattern of short-term profit taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Such Financial assets are designated at FVTPL.

##### 5.3.1.3 Financial asset measured at FVOCI

Unrealised gains or losses on debt instruments measured at FVOCI are recognised in other comprehensive income, and on derecognition of such instrument accumulated gains or losses are recycled to profit and loss statement. Interest income on such instrument is recognised in profit and loss statements using EIR method.

##### 5.3.1.4 Investment in equity instruments

The Group subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to irrevocably classify some of its strategic equity investments to be measured at FVOCI. Such classification is determined on an instrument-by-instrument basis.

##### 5.3.2 Financial liabilities

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

##### 5.3.2.1 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the instrument.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.3 Classification of financial instruments (Continued)

##### 5.3.2 Financial liabilities (Continued)

##### 5.3.2.1 Debt securities and other borrowed funds (Continued)

The Group issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is separated from the instrument on initial recognition and fair valued at reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

##### 5.3.2.2 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value. An individual instrument is designated at FVTPL upon initial recognition only when one of the following criterias are met.

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities measured at FVTPL are recorded in the balance sheet at fair value and any changes in fair value are recorded in profit and loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, as the case may be, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

##### 5.3.2.3 Financial guarantee:

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

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

##### 5.3.2.4 Loan commitment

Undrawn loan commitments are commitments under which, the Group is required to provide a loan with pre-specified terms to the customer during the duration of commitment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.3 Classification of financial instruments (Continued)

##### 5.3.3 Financial liabilities and equity instruments

Financial instruments issued by the group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

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

##### Derivatives

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Group issues non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Group enters into derivative contracts to effectively mitigate the risk on such exposure by either minimising the loss or earn a minimum committed income (say for example purchased call and put options) with a wide range of strike prices. This risk mitigation plan has been approved by the risk committee.

Derivatives are initially recognised at fair value and are subsequently re-measured at fair value and the resulting gain or loss is recognised in profit or loss immediately.

##### Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, foreign exchange rate, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.3 Classification of financial instruments (Continued)

##### 5.3.3 Financial liabilities and equity instruments (Continued)

###### Embedded derivatives (Continued)

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

#### 5.4 Reclassification of financial assets and financial liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

#### 5.5 Derecognition of financial assets and financial liabilities

##### 5.5.1 Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, it substantially becomes a new financial assets. In these case to the extent that impairment loss has not already been recorded difference is recognised as derecognition gain or loss in the statement of profit and loss. The newly recognised financial asset are treated as Stage 1 for ECL measurement purposes, unless the new financial asset is classified as Purchased Or Originated Credit Impaired (POCI) assets.

While assessing whether or not to derecognise a financial asset, the Group considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Group calculates modified carrying value by discounting modified cash flow at the original EIR and records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

##### 5.5.2 Derecognition of financial assets (other than due to substantial modification)

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.5 Derecognition of financial assets and financial liabilities (Continued)

##### 5.5.2 Derecognition of financial assets (other than due to substantial modification)

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

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

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients

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

A transfer qualifies for derecognition only if either:

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

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

##### 5.5.3 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and a new financial liability is recognised. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, would be recognised in profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.6 Impairment of financial assets

The Group records allowance for expected credit losses for all financial assets, other than financial assets held at FVTPL, together with loan commitment and financial guarantee contracts. Equity instruments are not subjected to impairment allowance.

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

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

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

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

For financial assets, ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The Group recognises an impairment loss or reversal of impairment loss in the profit and loss statement with a corresponding adjustment to their carrying amount through a loss allowance account.

If a financial instrument includes both a loan (i.e. financial asset) and an undrawn commitment (i.e. loan commitment) component and the Group cannot separately identify the ECL on the loan commitment component from those on the financial asset component, the ECL on the loan commitment is recognised together with the loss allowance for the financial asset. To the extent that the combined ECL exceed the gross carrying amount of the financial asset, excess amount is recognised as a provision. For other loan commitments and all financial guarantee contracts, the loss allowance is recognised as provision.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.7 Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Depending on its form, Collateral can have a significant financial effect in mitigating the Group's credit risk and the fair value of collateral affects the calculation of ECLs. Fair value of Collateral is generally assessed, at the inception and re-assessed on a periodical basis. Collateral with frequent changes in underlying value and requiring counterparty to maintain stipulated margin/security cover, is valued daily.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using valuation models.

#### 5.8 Repossessed Collateral

The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Repossessed 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. Other assets are transferred to 'Assets held for sale' at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Group's policy.

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

#### 5.9 Write off

Financial assets are written off either partially or in their entirety only when the Group has no reasonable expectation of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

#### 5.10 Forborne and modified loan

Considering borrower's financial difficulties the Group may sometimes make some concessions or modifications to the original terms of loans. The Group considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group would not have agreed to them if the borrower had been in good financial health. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms are renegotiated, impairment is measured using the original EIR on modified cash flows. Where such concessions are granted Group continue to monitor forborne loans for an observable period for regular payment of renegotiated cash flows. Group evaluates each case for derecognition and classification of loan in Stage 2 or Stage 3. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset, until it is collected or written off.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.11 Determination of fair value

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

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.12 Revenue from contracts with customers

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

- I. Identification of contract
- II. Identification of the separate performance obligation in the contract
- III. Determination of transaction price
- IV. Allocation of transaction price to separate performance obligation and
- V. Recognition of revenue when (or as) each performance obligation is satisfied The Group recognises revenue (net of applicable Goods and Service Tax (GST)) from the following sources:
  - a. Fee income including investment banking, advisory fees and syndication fees, is accounted in accordance with agreement entered into with respective investment managers / advisors.
  - b. Clearing fee income arises, when the performance obligation related to trade is executed and a valid contract is generated for the trade. Fee income is accounted for, at a point in time or over a period of time in accordance with the terms and contracts entered into between the Group and the counterparty.
  - c. Brokerage income including client subscription fees is recognised as per contracted rates at the point in time when transaction's performance obligation is satisfied on behalf of the customers on the trade date.
  - d. Investment management fees are recognised net of GST over the tenure in accordance with the Investment Management Agreement with Investment Manager.
  - e. Management fee from trusts declared by it for acquisition of financial assets and the same is accounted for over the tenure as per terms of the relevant trust deeds and offer document issued by the Trust. Further any upside share in excess realisation over acquisition price of financial asset is recognised in accordance with terms of the relevant trust deed/offer document. Redemption incentive and recovery incentive is accounted over the period on cash basis, i.e. as and when received by the Group as per the terms of the relevant trust deeds and offer document issued by the Trust.
  - f. Portfolio management fees are recognised over the tenure in accordance with portfolio management agreement entered with respective clients.
  - g. Interest on delayed payments and rental income are recognised as revenue on certainty of realisation.
  - h. Agency commission/procurement income is recorded in pursuant to terms and conditions mentioned in scope of work or agreement.
  - i. Real estate advisory fee is recognised as per the terms and conditions mentioned in the agreement.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.12 Revenue from contracts with customers (Continued)

- j. Revenue from fund management services (excluding mutual fund business) is recognised over the tenure in accordance with the terms and conditions of the investment management agreement between the Group and the Fund for which the Group acts as a fund manager.
- k. Revenue from rendering of trustee services is recognised in accordance with the terms and conditions of the Compensation Agreement between the trustee company and the fund.
- l. Sales of Commodities is accounted as per the terms of agreement with parties.
- m. The Group recognises incremental costs of obtaining a contract with a customer as an asset if it expects to recover those costs. This asset is amortised to profit or loss on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.
- n. Lease rentals are recognised as income in Statement of Profit and Loss on a straight-line basis over the lease term. Costs related to operating and maintenance of investment property is recognised as expense.
- o. Insurance and other claims are recognised as revenue on certainty of realisation.
- p. Profit or loss on sale of investments is recognised on trade date basis.

#### 5.13 Leases

##### Group as a lessee

The Group makes an assessment of lease at the time of inception of a contract and if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration, same is recognised as Lease liability. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### Lease Liabilities

At the initial recognition, the Group measures lease liabilities at present value of all lease payments discounted, using the Group's incremental cost of borrowing, 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.

Subsequently, the lease liability is

- increased to reflect the accretion of interest; and
- reduced for the lease payments made and
- remeasured to reflect any change in the lease term, 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 change in option to purchase the underlying asset.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.13 Leases (Continued)

##### Measurement of Right of use assets

The Group recognises 'Right-of-Use' assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). 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.

Subsequently 'Right-of-Use' assets are measured at cost less any accumulated depreciation; and impairment losses; and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term or the estimated useful lives of the assets whichever is short.

##### Short term lease

The Group has elected not to recognise 'Right of Use' asset and lease liabilities for short term leases of 12 months or less. The Group recognises lease payment associated with these leases as expense on a straight-line basis over lease term.

##### Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

#### 5.14 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders of the Holding Company 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 dilutive potential equity shares.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.15 Foreign currency transactions

The Consolidated Financial information are presented in Indian Rupees which is also functional currency of the Parent. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange Translation Reserve (FCTR) thus created is recognised in Other Comprehensive Income.

In respect of monetary assets and liabilities, in ordinary course of business, are translated at exchange rate prevailing at the dates of the transactions and subsequently remeasured at rates prevailing at end of each reporting period. Exchange gain/(loss) arising thereof is recognised in profit or loss in the period in which they arise.

#### 5.16 Retirement and other employee benefit

##### Provident fund and national pension scheme

The Group contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for as expense, when an employee renders the related service in the statement of profit and loss.

##### Gratuity

The Group's gratuity scheme is a defined benefit plan. An independent actuarial valuation is carried out to determine the present value of the obligation under such benefit plan using the Projected Unit Credit Method. Benefits in respect of gratuity are funded with an Insurance company approved by Insurance Regulatory and Development Authority (IRDA). Any deficits in plan assets managed by Insurer as compared to present valuation of obligation, determined by actuary, are recognised as a liability.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

##### Compensated Absences

The eligible employees of the Group are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Group recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.16 Retirement and other employee benefit (Continued)

##### Compensated Absences (Continued)

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

#### 5.17 Share-based payment arrangements

Equity-settled share-based payments to employees are granted by the ultimate Holding Company. These are measured by reference to the fair value of the equity instruments at the grant date. These includes Stock Appreciation Rights (SARs) which grants employees right to receive the difference between the SAR price and the market price of equity shares of the ultimate Holding Company on the date of vesting. Settlement of the difference can be made, either in cash or by issuance of equity shares of the ultimate Holding Company, is at the discretion of the ultimate Holding 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 estimates the number of equity instruments expected to vest. The impact of the revision over the original estimates, 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 tranches over the vesting period, the Group treats each tranche as a separate grant, because of different vesting period and difference in, the fair value of each tranche.

#### 5.18 Property, plant and equipment and right – of – use assets

Property plant and equipment (PPE) is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. PPE is recognised when it is probable that future economic benefits associated with the item is expected to flow to the Company and the cost of the item can be measured reliably. 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. Repairs and maintenance are recognised in profit or loss as cost.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.18 Property, plant and equipment and right – of – use assets (Continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. 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 the statement of profit and loss.

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

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

As per the requirement of Schedule II of the Companies Act, 2013, the Group has evaluated the useful lives of the respective property, plant and equipment which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the property, plant and equipment are as follows:

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated useful life
Building (other than Factory Building)	60 years
Plant and Equipments	15 years
Furniture and fixtures	10 years
Vehicles	8 years
Vessel (Boat)	13 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years
Solar power plant	15 years

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

Subsequent measurement of land and building under revaluation model

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.18 Property, plant and equipment and right – of – use assets (Continued)

Right-of-use assets are depreciated on a straight-line basis over the lease term.

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

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

#### 5.19 Intangible assets

The Group's intangible assets mainly include the value of computer software and management rights. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in a business combination are recognised at their fair value as at the date of acquisition. Subsequently, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognised in the statement of profit and loss when the asset is derecognised.

#### 5.20 Impairment of non-financial assets

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

#### 5.21 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.22 Provisions and other contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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

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

#### 5.23 Income tax

Income tax expense represents the sum of the current tax and deferred tax.

##### 5.23.1 Current tax

The tax payable for the reporting period is computed on taxable profit for the year. The Group's current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.23 Income tax (Continued)

##### 5.23.2 Deferred tax

Deferred tax is recognised using Balance Sheet approach on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the subsidiaries expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.



## ■ NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.23 Income tax (Continued)

##### 5.23.2 Deferred tax (Continued)

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### Minimum alternate tax (MAT)

MAT paid in a year is charged to the statement of profit and loss as current tax. The Group recognises unused MAT credit as a deferred tax asset only to the extent that it is probable that the Group will be able to utilise during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises deferred tax asset (MAT credit) as an asset, the said asset is created by way of credit to the statement of profit and loss. The Group reviews the MAT asset at each reporting date and writes down the asset to the extent that it is not probable that the Group will be able to utilise it during the specified period.

#### 5.24 Investment properties

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

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

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

## ■ NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 5.25 Business Combination

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

#### Business combination under common control

Common control business combinations includes transactions, such as transfer of subsidiaries or businesses, between entities within a group. Group has accounted all such transactions based on pooling of interest method, as follows:-

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities.
- The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve.

### 6. MATERIAL ACCOUNTING POLICIES OF INSURANCE BUSINESS

#### 6.1 Significant accounting policies of insurance business (Edelweiss Tokio Life Insurance Company Limited ("ETLIFE")):

##### a. Product classification

Insurance contract

Insurance contracts are those contracts when ETLIFE has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

## ■ NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 6. MATERIAL ACCOUNTING POLICIES OF INSURANCE BUSINESS (CONTINUED)

#### 6.1 Significant accounting policies of insurance business (Edelweiss Tokio Life Insurance Company Limited (“ETLIFE”)): (Continued)

##### a. Product classification (Continued)

Insurance contract (Continued)

As a general guideline, ETLIFE determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Such contract remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Contracts can be classified as insurance contracts after inception if insurance risk becomes significant.

Investment contract

Investment contracts are those contracts which are not insurance contract. Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant. Some insurance and investment contracts contain a discretionary participation feature (DPF), which is a contractual right to receive additional benefits as a supplement to guaranteed benefits.

Insurance and investment contracts are further classified as with DPF, Linked Business and Others. Insurance contracts and investment contracts with DPF are measured and accounted under existing accounting practices at the date of transition to Ind AS which is in accordance with Ind AS 104.

##### b. Revenue recognition

###### • Premium Income

Premium income on insurance contracts and investment contracts with DPF are recognised as income when due from policyholders. For regular premium contracts, receivables are recognised at the date when payments are due.

In respect of linked business, premium income is recognised when the associated units are allotted. Top up premiums paid by unit-linked policyholders are considered as single premium and recognised as income when the associated units are created.

Where policies lapse due to non-receipt of premiums, then all the related premium income accrued but not received from the date they are deemed to have lapsed is offset against premiums. Premium on lapsed policies is recognised as income on receipt basis on reinstatement or revival of these policies.

Investments contract policyholders are charged fees for policy administration, investment management, surrenders or other contract services. The fees may be fixed amounts or vary with the amounts being managed and will generally be charged as an adjustment to the policyholder's balance.

## ■ NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 6. MATERIAL ACCOUNTING POLICIES OF INSURANCE BUSINESS (CONTINUED)

#### 6.1 Significant accounting policies of insurance business (Edelweiss Tokio Life Insurance Company Limited (“ETLIFE”)): (Continued)

##### b. Revenue recognition (Continued)

###### • Premium Income (Continued)

For investment contract without DPF, deposit accounting in accordance with Ind AS 104 and Ind AS 109 is followed. Consequently only to the extent of charges and fees collected from such investment contract is accounted as income in statement of profit and loss, unless they relate to services to be provided in future periods, in which case they are deferred and recognized as and when the services are provided.

###### • Reinsurance premium ceded

Reinsurance premium ceded is accounted at the time of recognition of premium income in accordance with the treaty or in principle arrangement/agreement with the reinsurers.

###### • Income from Unit Linked Policies

Income from unit-linked policies, which include fund management charges, policy administration charges, mortality charges and other charges, wherever applicable, are recovered from the unit-linked funds in accordance with the terms and conditions of the policies issued and are recognised as and when due.

###### • Fee management charges of investment contract

Investments contract policyholders are charged fees for policy administration, investment management, surrenders or other contract services. The fees may be fixed amounts or vary with the amounts being managed and will generally be charged as an adjustment to the policyholder's balance. The fees are recognised as revenue in the period in which they are collected unless they relate to services to be provided in future periods, in which case they are deferred and recognised as and when the services are provided.

###### • Interest income on policy loans is recognised using effective interest rate method

##### c. Acquisition costs

Acquisition cost which are primarily relatable to the acquisition of insurance and investment contracts with DPF are expensed in the period in which they are incurred.

For investment contracts with or without DPF, acquisition costs that are directly attributable to securing an investment contract are deferred and amortised over the period in which the service is provided.

## ■ NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 6. MATERIAL ACCOUNTING POLICIES OF INSURANCE BUSINESS (CONTINUED)

#### 6.1 Significant accounting policies of insurance business (Edelweiss Tokio Life Insurance Company Limited (“ETLIFE”)): (Continued)

##### c. Acquisition costs (Continued)

###### Benefits paid:

Benefits paid consists of the policy benefit and claim settlement costs, if any.

- Non-linked business

Death, rider, withdrawals and surrender claims are accounted for on receipt of intimation. Maturity, survival benefit and annuities are accounted when due.

- Linked-business

Death and rider are accounted for on receipt of intimation. Maturity claims and survival benefit are accounted for on due basis when the associated units are cancelled. Surrenders and withdrawals are accounted for on receipt of intimation. Amount payable on lapsed/ discontinued policies are accounted for on expiry of lock in period of these policies. Surrenders, withdrawals and lapsation are disclosed at net of charges recoverable.

- Reinsurance

Reinsurance claims receivable are accounted for in the same period as the related claim.

##### d. Reinsurance ceded

ETLIFE cedes reinsurance in the normal course of business, with retention limits varying by line of business. Premiums ceded and claims reimbursed are presented on a gross basis in the statement of profit and loss.

Reinsurance assets primarily include balances due from reinsurance companies for ceded insurance. Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying contract liabilities, outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the company will receive from the reinsurer. The impairment loss is recorded in the statement of Profit or loss.

## ■ NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 6. MATERIAL ACCOUNTING POLICIES OF INSURANCE BUSINESS (CONTINUED)

#### 6.1 Significant accounting policies of insurance business (Edelweiss Tokio Life Insurance Company Limited (“ETLIFE”)): (Continued)

##### e. Liability adequacy test

ETLIFE assesses at the end of each reporting period whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency shall be recognised in the statement of profit or loss.

##### f. Policyholder Liability

Insurance contract and investment contract with DPF.

Under the Ind AS 104 requirement, insurance, and investment contract with DPF claims / liabilities are measured using the accounting policies consistent with those adopted previously under existing accounting practices.

Hence, the policyholder liabilities are calculated in accordance with the accepted actuarial practice, requirements of Insurance Act, 1938 and amendments thereafter, applicable regulations notified by the Insurance Regulatory and Development Authority of India (IRDAI), and Actuarial Practice Standards issued by the Institute of Actuaries of India.

##### g. Investment contracts without DPF

Liability in respect of investment contracts is recognised in accordance with Ind AS, taking into account accepted actuarial practices. Deposits (premium amount) collected are not accounted for through the statement of profit or loss but are accounted for directly through the balance sheet as an addition to the investment contract liability. Amounts paid (benefit amounts) are recorded as reductions of the investment contract liability.

##### h. Unclaimed amount of policyholders

- Assets held for unclaimed amount of policyholders is created and maintained in accordance with the requirement of IRDAI Regulations and Investment Regulations, 2016 as amended from time to time.
- Unclaimed amount of policyholders' assets considered under other financial assets is invested in money market instruments and / or fixed deposits of scheduled banks which are valued at amortized cost.
- Income on unclaimed amount of policyholders is credited to respective unclaimed account and is accounted for on an accrual basis.
- Amount payable on account of income earned on assets held for unclaimed amount of policyholders is accounted for on an accrual basis and is disclosed net of fund management charges.
- Unclaimed amount of policyholders' liability considered is determined on the basis of NAV of the units outstanding as at the valuation date

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 6. MATERIAL ACCOUNTING POLICIES OF INSURANCE BUSINESS (CONTINUED)

#### 6.1 Significant accounting policies of insurance business (Edelweiss Tokio Life Insurance Company Limited (“ETLIFE”)): (Continued)

##### h. Unclaimed amount of policyholders (Continued)

- Amounts remaining unclaimed for a period of 10 years together with all respective accretions to the fund as per the above-mentioned regulations are deposited into the Senior Citizen Welfare Fund (SCWF).

#### 6.2 Significant accounting policies of General insurance business (Zuno General Insurance Limited “ZGIL” (formerly known as Edelweiss General Insurance Company Limited “EGICL”))

##### Revenue recognition in general insurance business

##### • Premium Income

Premium (net of goods and service tax), including reinstatement premium on direct business and reinsurance accepted, other than for Long term motor insurance policies for new cars and new two wheelers (‘Long-term motor insurance policies’) issued on and after September 1, 2018, having term of more than one year, is recognized as income at the commencement of risk over the contract period or the period of risk, whichever is appropriate, on a gross basis and for installment cases, it is recognized on installment due dates.

Own Damage coverage premium in Long-term motor insurance policies is recognized in accordance with the movement IDV (Insured declared value) on a yearly basis over the policy period and Third Party coverage premium is recognized equally on a yearly basis over the policy period at the commencement of risk on 1/n basis where ‘n’ denotes the term of the policy period in years.

Reinstatement premium is recorded as and when such premiums are recovered. Any subsequent revisions to premium are recognized in the year in which they occur over the remaining period of risk or contract period, as applicable. Adjustments to premium income arising on cancellation of policies are recognized in the period in which they are cancelled.

##### • Reinsurance Ceded

Insurance premium on ceding of the risk other than Long-term motor insurance policies is recognized in the period in which the risk commences in accordance with reinsurance arrangements with the reinsurers. In case of Long-term motor insurance policies reinsurance premium is recognized on the insurance premium allocated for the year in accordance with reinsurance arrangements with the reinsurers. Any subsequent revisions to, refunds or cancellations of premiums are recognized in the year in which they occur.

Premium on excess of loss reinsurance cover is accounted as per the terms of the reinsurance arrangements. Adjustment to reinsurance premium arising on cancellation of policies is recognized in the period in which they are cancelled.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 6. MATERIAL ACCOUNTING POLICIES OF INSURANCE BUSINESS (CONTINUED)

#### 6.2 Significant accounting policies of General insurance business (Zuno General Insurance Limited “ZGIL” (formerly known as Edelweiss General Insurance Company Limited “EGICL”)) (Continued)

##### Revenue recognition in general insurance business (Continued)

##### • Commission income from reinsurance ceded

Commission from reinsurance ceded is recognised as income on ceding of reinsurance premium in the period of ceding of risk. Profit commission under reinsurance treaties, wherever applicable, is recognised as income in the year of final determination of profits as confirmed by reinsurers and combined with commission on reinsurance ceded.

##### • Reserve for Unexpired Risk

Reserve for unexpired risk represent that part of net written premium which is attributable to and allocated to the succeeding accounting periods. Reserve for unexpired risk is calculated on net written premium on all unexpired policies at the balance sheet date based on 1/365<sup>th</sup> method for all segments, other than Health insurance policies with Health 241 Add ON cover. In Marine Hull business it is subject to a minimum of 100%.

In Switch product, the unexpired risk for Accidental damage cover is calculated on basis its usages i.e. used premium is accounted as earned premium and unused portion is accounted as unexpired risk reserve and for Fire & theft cover the unexpired risk is calculated on net written premium based on 1/365<sup>th</sup> method.

In Health insurance policies with Health 241 Add ON cover; the unexpired risk is calculated on net written premium on all unexpired policies at the balance sheet date based on:

- 1/730 basis where there is no claim reported in the 1<sup>st</sup> year of policy
- 1/365 basis where the claim is reported in the 1<sup>st</sup> year of policy

##### • Claims Incurred

Claims incurred comprise of claims paid (net of salvage and other recoveries), change in estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER). Further, claims incurred also include specific claim settlement costs comprising survey fees, legal expenses and other directly attributable costs. Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation based on internal management estimates or on estimates from surveyors/insured in the respective revenue account(s).

Estimated liability for outstanding claims at balance sheet date is recorded net of claims recoverable from / payable to co-insurers / reinsurers, salvage to the extent there is certainty of realisation and other recoveries. Estimated liability for outstanding claims is determined by the management on the basis of ultimate amounts likely to be paid on each claim, established by the management in light of past experience and progressively modified for changes as appropriate, on availability of further information and in cases where claim payment period exceeds four years based on actuarial valuation. These estimates include claim settlement costs likely to be incurred to settle outstanding claims.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 6. MATERIAL ACCOUNTING POLICIES OF INSURANCE BUSINESS (CONTINUED)

#### 6.2 Significant accounting policies of General insurance business (Zuno General Insurance Limited "ZGIL" (formerly known as Edelweiss General Insurance Company Limited "EGICL")) (Continued)

##### Revenue recognition in general insurance business (Continued)

- Claims Incurred (Continued)

IBNR reserves are provisions for claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, for claims that have been incurred but are not enough reported (IBNER). The provision for IBNR and IBNER is based on actuarial estimate duly certified by the Appointed Actuary of ZGIL. The actuarial estimate is derived in accordance with relevant IRDAI regulations and Guidance Note GN 21 issued by the Institute of Actuaries of India. The Appointed Actuary has certified that the methodology and assumptions used to estimate the liability are appropriate and in accordance with guidelines and norms issued by the Institute of Actuaries of India in concurrence with the IRDAI regulations.

- Premium deficiency

Premium deficiency ('PDR') is recognised at segmental revenue account level, when the sum of expected net claim costs, related expenses and maintenance costs (related to claims handling) exceed the reserve for unexpired risks. The premium deficiency is calculated and duly certified by the Appointed Actuary.

### 7. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### 7.1. Critical judgements in applying accounting policies

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 7. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

#### 7.1. Critical judgements in applying accounting policies (Continued)

##### a. Business model assessment

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

##### b. Significant increase in credit risk

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

##### c. Consolidation of structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. In the context of the Group, structured entities comprise securitisation trusts in asset reconstruction business, mutual fund schemes and alternative investment funds / schemes thereof. The Group consolidates the structured entities that it controls. When making this judgement, the Group also considers voting and similar rights available to itself and other parties, who may limit the Group's ability to control, including rights to appoint, reassign or remove members of the structured entity's key management personnel who have the ability to direct the relevant activities, the exposure to variability of returns and whether the Group has the ability to use its power to affect the amount of the Group's returns i.e. the variability of returns in relation to the total returns of the investee entity.

##### d. Determining lease term for lease contracts with renewal and termination option

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 7. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

#### 7.1. Critical judgements in applying accounting policies (Continued)

##### d. Determining lease term for lease contracts with renewal and termination option (Continued)

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

#### 7.2 Key sources of estimation uncertainty

The Group based its assumptions and estimates on parameters available all the time consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. 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.

##### a. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets wherever possible, but where this is not feasible, estimation is required in establishing fair values.

For Investments made into Security receipts (SRs), Group uses discounted cash flow model, given that the SRs are less liquid instruments. Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, nature and value of collaterals, manner of resolution and other economic drivers. For any valuation which are based on models, Judgements and estimates are applied, which include considerations of liquidity, credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 7. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

#### 7.2 Key sources of estimation uncertainty (Continued)

##### b. Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

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

- PD calculation includes historical data, assumptions and expectations of future conditions.
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

##### c. Effective interest rate method

The Group's EIR methodology, as explained in Note 5.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### 7. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

#### 7.2 Key sources of estimation uncertainty (Continued)

##### d. Accounting for deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has recognised deferred tax assets on carried forward tax losses with respect to certain subsidiaries where the Group believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried forward to the years in which the Group expects that there will be sufficient taxable profits to offset these losses.

##### e. Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

##### f. Asset liability management

Management has made an assessment of its ability to continue and is satisfied that it has the resources to continue in business for the foreseeable future.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 8. CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Cash in hand	37.85	34.86
Cheques in hand	353.94	385.74
Balances with banks: (refer note 1 below)		
- in Current accounts	16,849.10	20,891.69
- in fixed deposits with original maturity less than 3 months	6,491.29	6,146.31
<b>Total</b>	<b>23,732.18</b>	<b>27,458.60</b>

#### Note 1:

Pledged bank balance/fixed deposits aggregating to ₹ 1,792.95 million ( previous year ₹ 5,053.82 million) against debt securities issued.

### 9. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Fixed deposits with original maturity more than 3 months at amortised cost (refer Note 1 below)	9,565.99	9,522.32
(held as margin money or security against borrowings, debt securities and guarantees)		
Unpaid dividend accounts	9.77	9.81
<b>Total</b>	<b>9,575.76</b>	<b>9,532.13</b>

#### Note 1:

- Pledged fixed deposit aggregating to ₹ 3,012.54 million (previous year ₹ 2,326.63 million) with bank for securing credit facilities, obtaining bank guarantees, securitisation contracts and meeting margin requirement for trading in cross currency swaps and forward margin.
- Pledged fixed deposit aggregating to ₹ 95.18 million (previous year ₹ 66.09 million) with VAT,CST and excise authorities.
- Pledged fixed deposit aggregating to ₹ 13.35 million (previous year ₹16.29 million) with agriculture produce market committee for obtaining Mandi license.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 10. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 March 2024	Notional amount (Units)	Fair value of asset (₹ in millions)	Notional amount (Units)	Fair value of liability (₹ in millions)
<b>(i) Currency derivatives</b>				
Currency Futures	1,839,314	174.44	-	-
Options purchased	100,000,000	53.05	-	-
Options sold	-	-	93,500,000	42.98
Less: amounts offset (refer note 10.1)	(1,839,314)	(174.44)	(93,500,000)	(42.98)
<b>Subtotal (i)</b>		<b>53.05</b>		<b>-</b>
<b>(ii) Interest rate derivatives</b>				
Forwards and Interest Rate Swaps	37,036,154,838	875.53	10,978,188,000	26.82
Futures	-	-	25,058,000	4.71
Less: amounts offset (refer note 10.1)	(16,720,621,049)	(679.92)	(3,203,246,000)	(9.56)
<b>Subtotal (ii)</b>		<b>195.61</b>		<b>21.97</b>
<b>(iii) Equity linked derivatives</b>				
Stock Futures	12,579,286	139.06	6,269,122	34.29
Options purchased	9,326,378	327.85	-	-
Options sold (written)	-	-	9,326,753	231.16
Less: amounts offset (refer note 10.1)	(12,579,286)	(139.06)	(6,269,122)	(34.29)
<b>Subtotal (iii)</b>		<b>327.85</b>		<b>231.16</b>
<b>(iv) Index linked derivatives</b>				
Index Futures	176,590	15.93	78,895	3.54
Options purchased	9,091,005	316.26	111,540	5.02
Options sold (written)	-	-	747,970	248.89
Less: amounts offset (refer note 10.1)	(176,590)	(15.93)	(99,490)	(7.66)
<b>Subtotal (iv)</b>		<b>316.26</b>		<b>249.79</b>
<b>(v) Embedded derivatives</b>				
In market linked debentures	-	299.64	-	652.91
<b>Subtotal (v)</b>		<b>299.64</b>		<b>652.91</b>
<b>(vi) Commodity derivatives</b>				
Commodity Futures	27,000	2.32	-	-
Less: amounts offset (refer note 10.1)	(27,000)	(2.32)	-	-
<b>Subtotal (vi)</b>		<b>-</b>		<b>-</b>
<b>Total</b>		<b>1,192.41</b>		<b>1,155.83</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 10. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

As at 31 March 2023	Notional amount (Units)	Fair value of asset (₹ in millions)	Notional amount (Units)	Fair value of liability (₹ in millions)
<b>(i) Currency derivatives</b>				
Currency Futures	250,000	0.03	7,382,069	485.42
Options purchased	111,401,000	56.48	-	-
Options sold	-	-	139,327,000	49.88
Less: amounts offset (refer note 10.1)	(250,000)	(0.03)	(125,457,069)	(533.45)
<b>Sub total (i)</b>		<b>56.48</b>		<b>1.85</b>
<b>(ii) Interest rate derivatives</b>				
Forwards and Interest Rate Swaps	31,425,263,200	140.62	7,500,000,000	23.96
Futures	-	-	16,220,000	1.42
Less: amounts offset (refer note 10.1)	-	-	(16,220,000)	(1.42)
<b>Subtotal (ii)</b>		<b>140.62</b>		<b>23.96</b>
<b>(iii) Equity linked derivatives</b>				
Stock Futures	7,511,845	82.37	5,444,117	54.55
Options purchased	2,376,300	1.53	3,209,700	16.77
Options sold (written)	-	-	225,000	1.88
Less: amounts offset (refer note 10.1)	(7,511,845)	(82.37)	(5,444,117)	(54.55)
<b>Subtotal (iii)</b>		<b>1.53</b>		<b>18.65</b>
<b>(iv) Index linked derivatives</b>				
Index Futures	70,849	46.27	21,700	6.74
Options purchased	62,447,310	105.23	73,700	5.35
Options sold (written)	-	-	55,158,385	293.75
Less: amounts offset (refer note 10.1)	(70,849)	(46.27)	(53,548,000)	(18.37)
<b>Subtotal (iv)</b>		<b>105.23</b>		<b>287.47</b>
<b>(v) Embedded derivatives</b>				
In market linked debentures	-	475.14	794,600,000	443.79
<b>Subtotal (v)</b>		<b>475.14</b>		<b>443.79</b>
<b>(vi) Commodity derivatives</b>				
Commodity Futures	-	-	21,100	0.27
Less: amounts offset (refer note 10.1)	-	-	(21,100)	(0.27)
<b>Subtotal (vi)</b>		<b>-</b>		<b>-</b>
<b>Total</b>		<b>779.00</b>		<b>775.72</b>

#### Notes

- Notional amounts in the above tables refer to number of underlying equity shares in case of stock futures and options, number of underlying index units in case of index-linked derivatives, number of underlying currency units in case of currency derivatives, number of underlying government securities / bonds in case of interest rate futures, amount of notional currency in case of interest rate swaps.
- Group has designed a risk based strategy to cover exposure on issued Benchmarked Linked Debentures, by entering into a derivative contracts either to minimise the loss or to earn a minimum committed income by entering into a combination of derivative contracts (say for example purchased call and put options) with a wide range of strike prices. Above strategy has been approved by the risk committee of respective subsidiary Companies in the Group and ensures that risk is fully or partially covered, which supports to reduce the risk exposure.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 10. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

#### 10.1 Offsetting:

The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet:

Financial assets subject to offsetting, netting arrangements

As at 31 March 2024:

Financial assets subject to offsetting	Offsetting recognised in the balance sheet		Netting potential not recognised in balance sheet		Assets not subject to netting arrangements		Total assets		Maximum Exposure to Risk	
	Gross asset before offset	Amount offset* in balance sheet	Net asset recognised in balance sheet	Collateral received	Assets after consideration of netting potential	Assets recognised in the balance sheet	Recognised in the balance sheet	After in the consideration of netting potential	Total assets	Maximum Exposure to Risk
Derivative financial assets	2,204.08	1,011.67	1,192.41	21.98	57.00	1,227.43	-	1,192.41	1,227.43	834.67
Margin placed with broker	788.64	(46.03)	834.67	-	-	834.67	-	834.67	834.67	834.67

Financial liabilities subject to offsetting	Offsetting recognised in the balance sheet		Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements		Total liabilities		Maximum Exposure to Risk	
	Gross liability before offset	Net liability recognised in balance sheet	Financial assets recognised in balance sheet	Collateral paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After in the consideration of netting potential	Total liabilities	Maximum Exposure to Risk
Derivative financial liabilities	1,250.32	94.49	1,155.83	21.98	-	1,133.85	-	1,155.83	1,133.85	1,133.85

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 10. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

#### 10.1 Offsetting: (Continued)

As at 31 March 2023:

Financial assets subject to offsetting	Offsetting recognised in the balance sheet		Netting potential not recognised in balance sheet		Assets not subject to netting arrangements		Total assets		Maximum Exposure to Risk	
	Gross asset before offset	Amount offset* in balance sheet	Net asset recognised in balance sheet	Collateral received	Assets after consideration of netting potential	Assets recognised in the balance sheet	Recognised in the balance sheet	After in the consideration of netting potential	Total assets	Maximum Exposure to Risk
Derivative financial assets	907.67	128.67	779.00	23.96	59.40	814.44	-	779.00	814.44	814.44
Margin placed with broker	135.43	-	135.43	-	-	135.43	-	135.43	135.43	135.43

Financial liabilities subject to offsetting	Offsetting recognised in the balance sheet		Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements		Total liabilities		Maximum Exposure to Risk	
	Gross liability before offset	Net liability recognised in balance sheet	Financial assets recognised in balance sheet	Collateral paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After in the consideration of netting potential	Total liabilities	Maximum Exposure to Risk
Derivative financial liabilities	1,383.78	608.06	775.72	23.96	-	751.76	-	775.72	751.76	751.76

\*As at the reporting date the amount of cash margin received that has been offset against gross derivative assets ₹ 1,011.67 million (previous year ₹ 128.67 million). As at the reporting date the amount of cash margin paid that has been offset against gross derivative liability ₹ 94.49 million (previous year ₹ 608.06 million).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 11. TRADE RECEIVABLES

Particulars	As at 31 March 2024	As at 31 March 2023
Receivables considered good - unsecured	3,794.87	2,276.88
Receivables which have significant increase in credit risk	154.04	381.86
Receivables - credit impaired	1,142.22	2,629.59
<b>Gross receivables</b>	<b>5,091.13</b>	<b>5,288.33</b>
Allowance for expected credit losses - Provision for impairment - unsecured	(667.43)	(129.40)
Allowance for expected credit losses - Receivables which have significant increase in credit risk	(71.49)	(45.78)
Allowance for expected credit losses - Provision for impairment - credit impaired	(776.84)	(980.07)
<b>Total allowance for expected credit losses</b>	<b>(1,515.76)</b>	<b>(1,155.25)</b>
<b>Total receivables net of provision</b>	<b>3,575.37</b>	<b>4,133.08</b>

#### 11.1 Trade receivables ageing schedule

As at 31 March 2024 Particulars	Outstanding for following periods from due date of receipt					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3,754.13	37.72	2.40	0.44	0.18	3,794.87
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	32.63	111.94	2.32	7.15	-	154.04
(iii) Undisputed Trade Receivables – credit impaired	53.20	113.10	104.02	112.79	759.11	1,142.22
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Gross receivables (A)</b>	<b>3,839.96</b>	<b>262.76</b>	<b>108.74</b>	<b>120.38</b>	<b>759.29</b>	<b>5,091.13</b>
(i) Undisputed Trade receivables – considered good	(660.53)	(3.88)	(2.40)	(0.44)	(0.18)	(667.43)
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	(18.66)	(43.36)	(2.32)	(7.15)	-	(71.49)
(iii) Undisputed Trade Receivables – credit impaired	(27.44)	(55.73)	(27.99)	(33.89)	(631.79)	(776.84)
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total ECL Provision on receivables (B)</b>	<b>(706.63)</b>	<b>(102.97)</b>	<b>(32.71)</b>	<b>(41.48)</b>	<b>(631.97)</b>	<b>(1,515.76)</b>
<b>Total receivables net of provision = (A)-(B)</b>	<b>3,133.33</b>	<b>159.79</b>	<b>76.03</b>	<b>78.90</b>	<b>127.32</b>	<b>3,575.37</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 11. TRADE RECEIVABLES (CONTINUED)

##### 11.1 Trade receivables ageing schedule (Continued)

As at 31 March 2023 Particulars	Outstanding for following periods from due date of receipt					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2,273.48	2.95	0.27	0.18	-	2,276.88
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	99.42	275.73	6.52	0.19	-	381.86
(iii) Undisputed Trade Receivables – credit impaired	39.08	159.46	402.20	319.13	1,709.72	2,629.59
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Gross receivables (A)</b>	<b>2,411.98</b>	<b>438.14</b>	<b>408.99</b>	<b>319.50</b>	<b>1,709.72</b>	<b>5,288.33</b>
(i) Undisputed Trade receivables – considered good	(126.88)	(2.07)	(0.27)	(0.18)	-	(129.40)
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	(10.70)	(28.37)	(6.52)	(0.19)	-	(45.78)
(iii) Undisputed Trade Receivables – credit impaired	(12.33)	(26.15)	(77.15)	(63.68)	(800.76)	(980.07)
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total ECL Provision on receivables (B)</b>	<b>(149.91)</b>	<b>(56.59)</b>	<b>(83.94)</b>	<b>(64.05)</b>	<b>(800.76)</b>	<b>(1,155.25)</b>
<b>Total receivables net of provision = (A)-(B)</b>	<b>2,262.07</b>	<b>381.55</b>	<b>325.05</b>	<b>255.45</b>	<b>908.96</b>	<b>4,133.08</b>

The unbilled amount is ₹ 15.00 million (previous year ₹ Nil million)

Trade Receivables are generally on term of 0 to 90 days

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

##### 11.2 Reconciliation of impairment allowance on trade receivables:

Particulars	Amount
Impairment allowance measured as per simplified approach	
<b>Impairment allowance as on 31 March 2022</b>	<b>1,828.42</b>
Add/ (less): asset originated or acquired or recovered (net)	(673.17)
<b>Impairment allowance as on 31 March 2023</b>	<b>1,155.25</b>
Add/ (less): asset originated or acquired or recovered (net)	360.51
<b>Impairment allowance as on 31 March 2024</b>	<b>1,515.76</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 12. LOANS

Particulars	As at 31 March 2024				As at 31 March 2023			
	at amortised cost	at FVTPL	at FVOCI	Total	at amortised cost	at FVTPL	at FVOCI	Total
<b>Term Loans</b>								
Corporate and Retail Credit	111,203.78	2,641.83	31,935.23	145,780.84	203,783.10	2,645.09	-	206,428.19
Distressed Credit	14,283.19	-	22,010.76	36,293.95	17,966.05	-	-	17,966.05
Other Credit	522.44	-	-	522.44	373.84	-	-	373.84
<b>Total Gross (A)</b>	<b>126,009.41</b>	<b>2,641.83</b>	<b>53,945.99</b>	<b>182,597.23</b>	<b>222,122.99</b>	<b>2,645.09</b>	<b>-</b>	<b>224,768.08</b>
Less: Impairment loss allowance	25,068.50	-	9,488.41	34,556.91	51,231.80	-	-	51,231.80
<b>Total (Net) (A)</b>	<b>100,940.91</b>	<b>2,641.83</b>	<b>44,457.58</b>	<b>148,040.32</b>	<b>170,891.19</b>	<b>2,645.09</b>	<b>-</b>	<b>173,536.28</b>
Secured by tangible assets (Property including land, building, project receivables and others)	114,002.40	2,641.83	53,018.25	169,662.48	198,929.98	2,645.09	-	201,575.07
Secured by Inventories, fixed deposits, other marketable securities and others	1,284.79	-	870.25	2,155.04	6,565.91	-	-	6,565.91
Unsecured	10,722.22	-	57.49	10,779.71	16,627.10	-	-	16,627.10
<b>Total Gross (B)</b>	<b>126,009.41</b>	<b>2,641.83</b>	<b>53,945.99</b>	<b>182,597.23</b>	<b>222,122.99</b>	<b>2,645.09</b>	<b>-</b>	<b>224,768.08</b>
Less: Impairment loss allowance	25,068.50	-	9,488.41	34,556.91	51,231.80	-	-	51,231.80
<b>Total (Net) (B)</b>	<b>100,940.91</b>	<b>2,641.83</b>	<b>44,457.58</b>	<b>148,040.32</b>	<b>170,891.19</b>	<b>2,645.09</b>	<b>-</b>	<b>173,536.28</b>
<b>Loans in India</b>								
Public sector	-	-	-	-	-	-	-	-
Others	126,009.41	2,641.83	53,945.99	182,597.23	222,122.99	2,645.09	-	224,768.08
<b>Total Gross (C)</b>	<b>126,009.41</b>	<b>2,641.83</b>	<b>53,945.99</b>	<b>182,597.23</b>	<b>222,122.99</b>	<b>2,645.09</b>	<b>-</b>	<b>224,768.08</b>
Less: Impairment loss allowance	25,068.50	-	9,488.41	34,556.91	51,231.80	-	-	51,231.80
<b>Total (Net) (C) (I)</b>	<b>100,940.91</b>	<b>2,641.83</b>	<b>44,457.58</b>	<b>148,040.32</b>	<b>170,891.19</b>	<b>2,645.09</b>	<b>-</b>	<b>173,536.28</b>
<b>Loans outside India</b>								
Less: Impairment loss allowance	-	-	-	-	-	-	-	-
<b>Total (Net) (C) (II)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (C) (I) and (C) (II)</b>	<b>100,940.91</b>	<b>2,641.83</b>	<b>44,457.58</b>	<b>148,040.32</b>	<b>170,891.19</b>	<b>2,645.09</b>	<b>-</b>	<b>173,536.28</b>

Note: Loans including Installment and Interest outstanding due from the directors amounts to ₹ Nil million (previous year ₹ Nil million).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 12. LOANS (CONTINUED)

#### 12.1 Credit Quality

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal grading and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 56.7.

#### Loans at amortised cost & FVOCI

Particulars	As at 31 March 2024			As at 31 March 2023		
	Stage I	Stage II	Stage III <sup>1</sup>	Stage I	Stage II	Stage III <sup>1</sup>
<b>Performing</b>						
High grade	42,771.90	-	-	47,843.81	-	-
Standard grade	-	4,849.17	-	-	24,765.98	-
<b>Non-performing</b>						
Impaired	-	-	96,040.38	-	-	131,547.15
<b>Total</b>	<b>42,771.90</b>	<b>4,849.17</b>	<b>96,040.38</b>	<b>47,843.81</b>	<b>24,765.98</b>	<b>179,666.05</b>

#### Gross carrying amount and corresponding ECL reconciliation – Loans

Particulars	Non-credit impaired		Credit impaired		Total
	Stage I		Stage III		POCI
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL <sup>2</sup>	Carrying amount (Net of Allowance for ECL)
<b>Balance at 31 March 2022</b>	59,440.91	586.54	43,162.84	3,797.47	123,685.28
Effect of acquisitions made during the year	-	-	-	-	36,877.85
Transfers:					
Transfers to 12 Month ECL (Stage 1)	1,272.03	107.74	(828.06)	(47.53)	(443.97)
Transfers to lifetime ECL (Stage 2)	(5,649.88)	(86.43)	6,142.63	157.87	(492.75)
Transfers to lifetime ECL- Credit impaired (Stage 3)	(638.02)	(7.78)	(3,272.95)	(1,092.35)	3,910.97
Net re-measurement of ECL arising from transfer of stage	-	(80.59)	-	990.52	-
Net new and further lending/ (repayments) (including write-off) and sale to ARC / AIF	(6,581.23)	107.98	(20,438.48)	(1,615.55)	4,887.62
<b>Balance at 31 March 2023</b>	<b>47,843.81</b>	<b>627.46</b>	<b>24,765.98</b>	<b>2,190.43</b>	<b>131,547.15</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 12. LOANS (CONTINUED)

#### 12.1 Credit Quality (Continued)

Gross carrying amount and corresponding ECL reconciliation – Loans (Continued)

Particulars	Non-credit impaired			Credit impaired			POCI		Total
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III	POCI	POCI	
	Gross carrying amount for ECL	Gross carrying amount for ECL	Gross carrying amount for ECL	Gross carrying amount for ECL	Gross carrying amount for ECL	Gross carrying amount for ECL	Carrying amount (Net of Allowance for ECL)	Carrying amount for ECL	
<b>Balance at 31 March 2023</b>	47,843.81	627.46	24,765.98	2,190.43	131,547.15	48,413.91	17,966.05	222,122.99	51,231.80
Effect of acquisitions made during the year									
Transfers:									
Transfers to 12 Month ECL (Stage 1)	1,657.63	132.01	(1,609.07)	(123.15)	(48.56)	(8.86)	-	-	-
Transfers to lifetime ECL (Stage 2)	(1,714.90)	(96.59)	1,759.36	105.32	(44.46)	(8.73)	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(1,091.90)	(32.52)	(6,712.52)	(278.71)	7,804.42	311.23	-	-	-
Net re-measurement of ECL arising from transfer of stage	-	(126.16)	-	(31.87)	-	5,787.91	-	-	5,629.88
Net new and further lending/ (repayments) (including write-off) and sale to ARC / AIF	(3,922.74)	(229.74)	(13,354.58)	(1,344.56)	(43,218.17)	(20,730.47)	18,327.90	(42,167.59)	(22,304.77)
<b>Balance at 31 March 2024</b>	<b>42,771.90</b>	<b>274.46</b>	<b>4,849.17</b>	<b>517.46</b>	<b>96,040.38</b>	<b>33,764.99</b>	<b>36,293.95</b>	<b>179,955.40</b>	<b>34,556.91</b>

<sup>1</sup>This also includes stage III assets in EARC on distressed assets book, interest accrued on non-performing assets and stage III assets held by Group entities other than NBFCs on trade and general purpose advances.

<sup>2</sup>Allowance under this category also includes provision on assets as mentioned in note 1 above.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 13. INVESTMENTS

As at 31 March 2024	Amortised cost	FVOCI*	FVTPL	Designated at FVTPL	Total
Security Receipts	-	10,783.80	15,255.45	-	26,039.25
Government Securities	-	23,895.11	31,206.66	12,998.98	68,100.75
Equity Shares	-	-	42,606.82	-	42,606.82
Debt securities	10,393.47	4,957.30	3,738.63	5,459.25	24,548.65
AIF Fund	-	-	11,860.86	-	11,860.86
Mutual Fund	-	-	7,492.05	-	7,492.05
Preference Shares	-	-	970.16	-	970.16
Others	719.13	-	1,741.23	1,452.50	3,912.86
<b>Total</b>	<b>11,112.60</b>	<b>39,636.21</b>	<b>114,871.86</b>	<b>19,910.73</b>	<b>185,531.40</b>
Investments in India	11,112.60	39,636.21	109,054.94	19,910.73	179,714.48
Investments outside India	-	-	5,816.92	-	5,816.92
<b>Total</b>	<b>11,112.60</b>	<b>39,636.21</b>	<b>114,871.86</b>	<b>19,910.73</b>	<b>185,531.40</b>
Less - Impairment Loss allowance	163.54	-	453.11	-	616.65
<b>Total</b>	<b>10,949.06</b>	<b>39,636.21</b>	<b>114,418.75</b>	<b>19,910.73</b>	<b>184,914.75</b>

\* Includes FVOCI equity amounting to ₹ 10,783.8 million which will not reclass to profit and loss account.

As at 31 March 2023	Amortised cost	FVOCI	FVTPL	Designated at FVTPL	Total
Security Receipts	-	-	21,089.05	-	21,089.05
Government Securities	-	18,751.02	27,169.11	11,078.42	56,998.55
Equity Shares	-	-	50,577.53	-	50,577.53
Debt securities	175.91	5,976.24	8,614.66	3,349.90	18,116.71
AIF Fund	-	-	16,437.39	-	16,437.39
Mutual Fund	-	-	3,643.44	-	3,643.44
Preference Shares	-	-	1,105.68	-	1,105.68
Others	1,995.78	-	1,570.76	710.98	4,277.52
<b>Total</b>	<b>2,171.69</b>	<b>24,727.26</b>	<b>130,207.62</b>	<b>15,139.30</b>	<b>172,245.87</b>
Investments in India	2,171.69	24,727.26	126,372.48	15,139.30	168,410.73
Investments outside India	-	-	3,835.14	-	3,835.14
<b>Total</b>	<b>2,171.69</b>	<b>24,727.26</b>	<b>130,207.62</b>	<b>15,139.30</b>	<b>172,245.87</b>
Less - Impairment Loss allowance	3.46	-	620.17	-	623.63
<b>Total</b>	<b>2,168.23</b>	<b>24,727.26</b>	<b>129,587.45</b>	<b>15,139.30</b>	<b>171,622.24</b>

Note: Investments pledged with bank, exchange, brokers and against debts securities issued is amounting to ₹ 41,365.92 million (previous year ₹ 30,997.08 million)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 13. INVESTMENTS (CONTINUED)

#### 13.1 Investments measured at FVOCI

##### Credit quality of assets

The table below shows the gross carrying amount of the Group's investments measured at FVOCI by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether Expected Credit Loss (ECL allowances) are calculated on an individual or collective basis are set out in Note 56.7

##### As at 31 March 2024

Particulars	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 2)	Gross carrying amount (Stage 3)	Gross carrying amount Total
High grade	36,781.68	-	-	36,781.68
Standard grade	2,854.53	-	-	2,854.53
Individually impaired	-	-	-	-
<b>Total</b>	<b>39,636.21</b>	<b>-</b>	<b>-</b>	<b>39,636.21</b>

##### As at 31 March 2023

Particulars	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 2)	Gross carrying amount (Stage 3)	Gross carrying amount Total
High grade	20,794.09	-	-	20,794.09
Standard grade	3,933.17	-	-	3,933.17
Individually impaired	-	-	-	-
<b>Total</b>	<b>24,727.26</b>	<b>-</b>	<b>-</b>	<b>24,727.26</b>

##### Reconciliation of gross carrying amount and corresponding ECL for investments measured at FVOCI

Particulars	As at 31 March 2024			
	Gross Carrying Amount (Stage 1)	12 months ECL allowance (Stage 1)	Gross Carrying Amount (Stage 3)	12 months ECL allowance (Stage 3)
<b>Gross carrying amount - opening balance</b>	<b>24,727.26</b>	<b>-</b>	<b>-</b>	<b>-</b>
New assets originated or purchased	43,926.94	-	-	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon) net	(31,175.52)	-	-	-
Interest income during the year	2,157.53	-	-	-
Foreign Exchange	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Impact of year end ECL of exposures transferred between stages during the year	-	-	-	-
<b>Gross carrying amount - closing balance</b>	<b>39,636.21</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 13. INVESTMENTS (CONTINUED)

#### 13.1 Investments measured at FVOCI (Continued)

##### Reconciliation of gross carrying amount and corresponding ECL for investments measured at FVOCI (Continued)

Particulars	As at 31 March 2023			
	Gross Carrying Amount (Stage 1)	12 months ECL allowance (Stage 1)	Gross Carrying Amount (Stage 3)	12 months ECL allowance (Stage 3)
<b>Gross carrying amount - opening balance</b>	<b>20,563.92</b>	<b>-</b>	<b>-</b>	<b>-</b>
New assets originated or purchased	15,775.49	-	-	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon) net	(13,985.57)	-	-	-
Interest income during the year	2,373.42	-	-	-
Foreign Exchange	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Impact of year end ECL of exposures transferred between stages during the year	-	-	-	-
<b>Gross carrying amount - closing balance</b>	<b>24,727.26</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 13.2 Investments measured at amortised cost

The table below shows the gross carrying amount of the Group's investments measured at amortised cost by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 56.7

##### As at 31 March 2024

Particulars	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 2)	Gross carrying amount (Stage 3)	Gross carrying amount Total
High grade	11,112.60	-	-	11,112.60
Standard grade	-	-	-	-
Individually impaired	-	-	-	-
<b>Total</b>	<b>11,112.60</b>	<b>-</b>	<b>-</b>	<b>11,112.60</b>

##### As at 31 March 2023

Particulars	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 2)	Gross carrying amount (Stage 3)	Gross carrying amount Total
High grade	2,149.02	-	-	2,149.02
Standard grade	-	-	-	-
Individually impaired	-	-	22.67	22.67
<b>Total</b>	<b>2,149.02</b>	<b>-</b>	<b>22.67</b>	<b>2,171.69</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 13. INVESTMENTS (CONTINUED)

##### 13.2 Investments measured at amortised cost (Continued)

###### Reconciliation of gross carrying amount for investments measured at amortised cost

Particulars	As at 31 March 2024			
	Gross carrying amount (Stage 1)	12 months ECL allowance (Stage 1)	Gross carrying amount (Stage 3)	12 months ECL allowance (Stage 3)
<b>Gross carrying amount - opening balance</b>	<b>2,149.02</b>	<b>-</b>	<b>22.67</b>	<b>3.46</b>
New assets originated or purchased	449,997.99	163.54	-	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	(441,098.39)	-	(22.67)	(3.46)
Changes to contractual cash flows due to modifications not resulting in derecognition	63.98	-	-	-
Amounts written off	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
<b>Gross carrying amount - closing balance</b>	<b>11,112.60</b>	<b>163.54</b>	<b>-</b>	<b>-</b>

Particulars	As at 31 March 2023			
	Gross carrying amount (Stage 1)	12 months ECL allowance (Stage 1)	Gross carrying amount (Stage 3)	12 months ECL allowance (Stage 3)
<b>Gross carrying amount - opening balance</b>	<b>1,863.66</b>	<b>-</b>	<b>-</b>	<b>-</b>
New assets originated or purchased	399,240.29	-	-	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	(399,023.86)	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	91.60	-	-	-
Amounts written off	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	(22.67)	-	22.67	3.46
<b>Gross carrying amount - closing balance</b>	<b>2,149.02</b>	<b>-</b>	<b>22.67</b>	<b>3.46</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 14. OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Receivable from Trust	1,128.20	2,780.92
Receivable from exchange / clearing house (net)	179.70	285.33
Deposits placed with/ for exchange/ depositories	236.59	168.99
Margin placed with broker	5,720.17	2,601.13
Rental deposits	146.59	130.95
Deposits- others	40.33	439.52
Reinsurance receivables	2,850.08	1,061.37
Unclaimed amount of policyholders	10.66	62.80
Others	650.62	1,656.08
<b>Total</b>	<b>10,962.94</b>	<b>9,187.09</b>

#### 15. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets (net)	As at 31 March 2024	As at 31 March 2023
Provision for expected credit losses	1,459.09	1,925.77
Unused tax losses / credits	16,734.38	10,407.66
Employee benefits obligations	92.19	67.72
Fair valuation of Financial Assets	(1,562.75)	1,019.16
Fair valuation of Derivatives	(18.62)	(31.91)
Property, Plant and Equipment and Intangible assets	(921.46)	(939.70)
Adjustment of effective interest rate on Borrowings	(315.58)	(333.05)
ESOP Perquisite	4.01	-
Others	(6.48)	-
<b>Total</b>	<b>15,464.78</b>	<b>12,115.65</b>

Deferred tax liabilities (net)	As at 31 March 2024	As at 31 March 2023
Provision for expected credit losses	286.23	106.37
Unused tax losses / credits	(292.77)	-
Employee benefits obligations	(19.05)	(19.44)
ESOP Perquisite	-	(4.01)
Fair valuation of Financial Assets	40.55	410.00
Property, Plant and Equipment and Intangible assets	1,119.27	1,227.57
Adjustment of effective interest rate on Borrowings	8.83	0.45
Special Reserve u/s 36(1)(viii)	112.50	106.66
Others	795.38	-
<b>Total</b>	<b>2,050.94</b>	<b>1,827.60</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 16. INVESTMENT PROPERTY

Particulars	Gross Block		Depreciation and impairment		Net Block			
	As at 01 April 2023	Additions during the year	Deductions/ adjustments during the year	As at 31 March 2024	As at 01 April 2023 (reversals) for the year	Charge for adjustments during the year	As at 31 March 2024	As at 31 March 2024
Investment Property								
Land	191.42	-	-	191.42	-	-	-	191.42
Real Estate	2,117.80	508.99	769.62	1,857.17	487.09	2.76	12.27	497.92
<b>Total</b>	<b>2,309.22</b>	<b>508.99</b>	<b>769.62</b>	<b>2,048.59</b>	<b>487.09</b>	<b>2.76</b>	<b>12.27</b>	<b>497.92</b>
								<b>1,550.67</b>

Particulars	Gross Block		Depreciation and impairment		Net Block			
	As at 01 April 2022	Additions during the year	Deductions/ adjustments during the year	As at 31 March 2023	As at 01 April 2022 (reversals) for the year	Charge for adjustments during the year	As at 31 March 2023	As at 31 March 2023
Investment Property								
Land	1,408.62	-	1,217.20	191.42	18.27	-	18.27	191.42
Real Estate	2,266.44	294.38	443.02	2,117.80	622.53	(136.50)	1.06	487.09
<b>Total</b>	<b>3,675.06</b>	<b>294.38</b>	<b>1,660.22</b>	<b>2,309.22</b>	<b>640.80</b>	<b>(136.50)</b>	<b>1.06</b>	<b>487.09</b>
								<b>1,822.13</b>

#### Fair value of investment property

Property	As at 31 March 2024	As at 31 March 2023
Land	1,215.99	1,213.88
Real estate property	2,835.98	2,610.88
<b>Total</b>	<b>4,051.97</b>	<b>3,824.76</b>

These above fair valuation are based on valuations performed by an duly independent valuer.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 17. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES

Particulars	Gross Block		Depreciation and amortisation		Net Block			
	As at 01 April 2023	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2024	As at 01 April 2023	Charge for adjustments during the year**	As at 31 March 2024	As at 31 March 2024
a) Property, Plant and Equipments								
Land*	236.79	-	-	236.79	-	-	-	236.79
Flat and Building*	11,318.81	201.71	292.53	11,227.99	2,069.45	501.66	(151.57)	2,722.68
Leasehold Premises	59.29	15.15	2.90	71.54	38.80	11.85	2.92	47.73
Plant and Equipment	304.99	63.64	71.34	297.29	242.64	35.89	63.16	215.37
Furniture and Fixtures	313.71	2.40	4.24	311.87	179.12	33.75	3.44	209.43
Vehicles	14.65	-	1.98	12.67	9.20	2.00	2.67	8.53
Office equipment	208.03	16.03	5.43	218.63	178.91	14.42	10.84	182.49
Vessel (Boat)	4.84	-	-	4.84	0.66	0.35	-	1.01
Computers	409.04	143.52	64.11	488.45	290.21	97.83	45.31	342.73
Solar Power Equipment	62.03	-	1.95	60.08	43.32	3.38	1.45	45.25
<b>Total (A)</b>	<b>12,932.18</b>	<b>442.45</b>	<b>444.48</b>	<b>12,930.15</b>	<b>3,052.31</b>	<b>701.13</b>	<b>(21.78)</b>	<b>3,775.22</b>
								<b>9,154.93</b>
b) Intangibles								
Software	2,516.37	469.16	719.32	2,266.21	1,880.36	330.05	719.32	1,491.09
Trademark/ Design and Copyright/ Asset Management Rights	709.05	-	-	709.05	60.00	-	-	60.00
<b>Total (B)</b>	<b>3,225.42</b>	<b>469.16</b>	<b>719.32</b>	<b>2,975.26</b>	<b>1,940.36</b>	<b>330.05</b>	<b>719.32</b>	<b>1,551.09</b>
								<b>1,424.17</b>
c) Right to use (ROU) assets	1,534.13	710.32	498.74	1,745.71	1,086.00	215.05	85.96	1,215.09
<b>Total (C)</b>	<b>1,534.13</b>	<b>710.32</b>	<b>498.74</b>	<b>1,745.71</b>	<b>1,086.00</b>	<b>215.05</b>	<b>85.96</b>	<b>1,215.09</b>
								<b>530.62</b>
<b>Total (A+B+C)</b>	<b>17,691.73</b>	<b>1,621.93</b>	<b>1,662.54</b>	<b>17,651.12</b>	<b>6,078.67</b>	<b>1,246.23</b>	<b>783.50</b>	<b>6,541.40</b>
								<b>11,109.72</b>

\*\* During the year ended 31 March 2024, Flat and building is reclassified from Property, Plant and Equipments to Investment property.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 17. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES (CONTINUED)

Particulars	Gross Block		Depreciation and amortisation		Net Block	
	As at 01 April 2022	Additions/ adjustments during the year	As at 01 April 2022	Charge for the year	As at 31 March 2023	As at 31 March 2023
<b>a) Property, Plant and Equipments</b>						
Land*	236.79	-	-	-	-	236.79
Flat and Building*	11,312.42	6.39	1,305.27	764.18	2,069.45	9,249.36
Leasehold Premises	62.66	9.09	12.46	11.43	13.21	38.80
Plant and Equipment	303.27	28.31	26.59	86.05	24.12	242.64
Furniture and Fixtures	279.90	40.06	6.25	33.72	5.63	179.12
Vehicles	11.87	6.00	3.22	3.11	1.18	9.20
Office equipment	235.71	13.83	41.51	15.61	39.03	178.91
Vessel (Boat)	4.84	-	1.27	0.45	1.06	0.66
Computers	442.13	104.77	137.86	3.73	127.31	290.21
Solar Power Equipment	62.03	-	39.18	4.14	-	43.32
<b>Total (A)</b>	<b>12,951.62</b>	<b>208.45</b>	<b>227.89</b>	<b>922.42</b>	<b>211.54</b>	<b>3,052.31</b>
<b>b) Intangibles</b>						
Software	2,048.73	478.17	1,503.61	383.32	6.57	1,880.36
Trademark/ Design and Copyright/ Asset Management Rights	709.05	-	50.00	10.00	-	60.00
<b>Total (B)</b>	<b>2,757.78</b>	<b>478.17</b>	<b>10.53</b>	<b>393.32</b>	<b>6.57</b>	<b>1,940.36</b>
<b>c) Right to use (ROU) assets</b>						
	1,349.56	218.06	33.49	201.30	3.28	1,086.00
<b>Total (C)</b>	<b>1,349.56</b>	<b>218.06</b>	<b>33.49</b>	<b>201.30</b>	<b>3.28</b>	<b>1,086.00</b>
<b>Total (A+B+C)</b>	<b>17,058.96</b>	<b>904.68</b>	<b>271.91</b>	<b>1,517.04</b>	<b>221.39</b>	<b>6,078.67</b>

\*pledged against debt securities and borrowings.

#### Notes

1 The Group management approved revaluation of owned flats and buildings classified under property, plant and equipment after assessing the valuation made by duly appointed independent valuer. These valuations are determined basis open market values of similar property and its intrinsic value.

2 The Group has provided one time accelerated depreciation of ₹ 220 million on land and building during the previous year ended 31 March 2023.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 18. CAPITAL WORK IN PROGRESS (CWIP)

Description of Assets	CWIP			
	As at 01 April 2023	Additions	Capitalisation	As at 31 March 2024
CWIP	7.09	114.81	85.35	36.55
<b>Total</b>	<b>7.09</b>	<b>114.81</b>	<b>85.35</b>	<b>36.55</b>

Description of Assets	CWIP			
	As at 01 April 2022	Additions	Capitalisation	As at 31 March 2023
CWIP	0.57	7.09	0.57	7.09
<b>Total</b>	<b>0.57</b>	<b>7.09</b>	<b>0.57</b>	<b>7.09</b>

#### (a) CWIP ageing schedule

As at 31 March 2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	36.55	-	-	-	36.55
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>36.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36.55</b>

As at 31 March 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7.09	-	-	-	7.09
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>7.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.09</b>

(b) There are no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 19. INTANGIBLE ASSETS UNDER DEVELOPMENT

Description of Assets	Intangible assets under development			
	As at 01 April 2023	Additions	Capitalisation	As at 31 March 2024
Intangible assets under development	240.60	516.60	432.55	<b>324.65</b>
<b>Total</b>	<b>240.60</b>	<b>516.60</b>	<b>432.55</b>	<b>324.65</b>

Description of Assets	Intangible assets under development			
	As at 01 April 2022	Additions	Capitalisation	As at 31 March 2023
Intangible assets under development	195.70	143.74	98.84	240.60
<b>Total</b>	<b>195.70</b>	<b>143.74</b>	<b>98.84</b>	<b>240.60</b>

#### (a) Intangible assets under development ageing schedule

##### As at 31 March 2024

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	
Projects in progress	241.19	82.60	0.86	-	324.65
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>241.19</b>	<b>82.60</b>	<b>0.86</b>	<b>-</b>	<b>324.65</b>

##### As at 31 March 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	
Projects in progress	229.30	11.30	-	-	240.60
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>229.30</b>	<b>11.30</b>	<b>-</b>	<b>-</b>	<b>240.60</b>

(b) There are no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 20. GOODWILL ON CONSOLIDATION

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	236.60	663.35
Add:- Goodwill arising on acquisitions	-	-
Less:- Goodwill derecognised / impaired	-	(426.75)
<b>Balance at the end of year</b>	<b>236.60</b>	<b>236.60</b>

The recoverable amount of subsidiaries/associates is based on its value in use. The value in use is estimated using discounted cash flows. Cash flows is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using pre-tax discount rate. Operating margins and growth rates for the five year cash flow projections have been estimated based on past experience and after considering the financial budgets/ forecasts provided by the management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry and have been based on historical data from both external and internal sources.

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount.

#### 21. OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Input tax credit	2,337.14	2,568.88
Prepaid expenses	4,303.01	4,049.25
Vendor Advances	221.47	288.75
Advances to employees	9.25	11.34
Deposits	18.71	18.86
Other assets	554.12	181.34
<b>Total</b>	<b>7,443.70</b>	<b>7,118.42</b>

#### 22. TRADE PAYABLES

Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises (MSME)	38.21	25.96
Total outstanding dues of creditors other than micro enterprises and small enterprises	16,701.66	14,096.20
<b>Total</b>	<b>16,739.87</b>	<b>14,122.16</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

## 22 TRADE PAYABLES (CONTINUED)

### 22.1 Trade payables ageing schedule

As at 31 March 2024	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	14.32	-	23.89	-	-	-	38.21
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,182.57	1,348.43	12,124.41	23.21	5.05	17.99	16,701.66
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>3,196.89</b>	<b>1,348.43</b>	<b>12,148.30</b>	<b>23.21</b>	<b>5.05</b>	<b>17.99</b>	<b>16,739.87</b>

As at 31 March 2023	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	0.72	-	25.24	-	-	-	25.96
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,275.17	-	10,769.41	15.61	2.34	33.67	14,096.20
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>3,275.89</b>	<b>-</b>	<b>10,794.65</b>	<b>15.61</b>	<b>2.34</b>	<b>33.67</b>	<b>14,122.16</b>

22.2 Trade Payables includes ₹ 38.21 million (previous Year ₹ 25.96 million) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. Interest paid by the Group during the year to "Suppliers" registered under this Act is ₹ 0.33 million (previous year: ₹ 0.15 million). The aforementioned is based on the responses received by the Group to its inquiries with suppliers with regard to applicability under the said Act.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

## 23. DEBT SECURITIES

Particulars	As at	As at
	31 March 2024	31 March 2023
Non-Convertible Debentures (at amortised cost)	124,577.01	130,046.73
Compulsory Convertible Debentures (at amortised cost) (refer Note 1 below)	2,601.51	7,350.18
Non-Convertible Debentures (designated at fair value through profit or loss)	5,006.41	6,282.80
Commercial paper (at amortised cost)	11,795.58	10,350.63
<b>Total (refer Note 2 below)</b>	<b>143,980.51</b>	<b>154,030.34</b>
(i) Debt securities in India	143,980.51	154,030.34
(ii) Debt securities outside India	-	-
<b>Total</b>	<b>143,980.51</b>	<b>154,030.34</b>

### Note:

- During the year, one of the subsidiary Company obtained a fair valuation report for the Compulsorily Convertible Debentures (CCD) issued to Caisse de dépôt et placement du Québec (CDPQ). Based on the conversion price and various conditions stipulated in the Shareholders' Agreement with CDPQ, as well as the minimum conversion price according to the relevant FEMA guidelines, management reviewed the fair valuation of the CCD as of 31 March 2024. Consequently, a fair value gain of ₹ 4,891.57 million on the CCD was recorded in the consolidated financial statement of the Group. Currently, CDPQ is in discussions to sell these CCDs. As part of this process, the subsidiary Company and CDPQ have mutually agreed to extend the CCD conversion tenor. The new tenor will extend from 07 May 2024, to either 25 May 2024 (if the Closing event does not occur before 25 May 2024), or to 15 July 2024 (if the Closing event occurs before 25 May 2024), as applicable.
- Out of the above, ₹ 20,536.08 million as at 31 March 2024 (Previous Year ₹ 19,832.92 million) are unsecured. For secured debt, the Group has provided collateral in the nature of Pari Passu charge of immovable property, receivable from financing business, securities held for trading, investments, property (excluding intangible assets) and other assets.

### Debt Securities - as at 31 March 2024

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
8.00 - 8.99%	2,047.80	1,682.87	1,649.83	5,380.50
9.00 - 9.99%	18,650.98	18,001.49	16,166.08	52,818.55
10.00 - 10.99%	1,011.00	2,386.53	12,434.07	15,831.60
12.00 - 12.99%	-	-	7.71	7.71
14.00 - 14.99%	5,503.75	-	-	5,503.75
17.00 - 17.99%	22.35	2,572.32	-	2,594.67
18.00 - 18.99%	-	-	2,206.02	2,206.02
20.00 - 20.99%	500.13	2,060.10	-	2,560.23
Zero Coupon Debentures	240.77	-	-	240.77
Various (benchmark linked)	6,059.23	30,358.47	12,638.71	49,056.41
Accrued Interest and EIR	-	-	-	5,178.79
<b>Total*</b>	<b>34,036.01</b>	<b>57,061.78</b>	<b>45,102.42</b>	<b>141,379.00</b>

\* Compulsory Convertible Debentures amounting to ₹ 2,601.51 million not considered for maturity pattern.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 23. DEBT SECURITIES (CONTINUED)

Debt Securities - as at 31 March 2023

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
8.00 - 8.99%	1,607.97	771.12	1,649.14	4,028.23
9.00 - 9.99%	26,382.99	12,744.90	23,861.82	62,989.71
10.00 - 10.99%	1,784.34	4,264.66	10,305.79	16,354.79
11.00 - 11.99%	11,250.00	-	-	11,250.00
19.00 - 19.99%	210.00	2,370.00	-	2,580.00
Zero Coupon Debentures	112.26	243.52	-	355.78
Various (benchmark linked)	11,462.39	14,646.00	14,403.64	40,512.03
Accrued Interest and EIR	-	-	-	8,609.62
<b>Total*</b>	<b>52,809.95</b>	<b>35,040.20</b>	<b>50,220.39</b>	<b>146,680.16</b>

\* Compulsory Convertible Debentures amounting to ₹ 7,350.18 million not considered for maturity pattern.

#### 24. BORROWINGS (OTHER THAN DEBT SECURITIES) AT AMORTISED COST

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Secured</b>		
Term loans		
(Secured against investments, charge on receivables of financing business, cash and cash equivalents and other assets)		
from banks	15,139.57	20,196.92
from other parties	4,879.45	2,209.00
Bank overdraft/Cash credit lines	2,589.46	1,799.38
(Secured by pledge of fixed deposits, property, trade receivables and charge on receivables of financing business)		
Tri party REPO - TREPS facilitates borrowing and lending of funds, in Tri party REPO arrangement (Secured by pledge of Government Securities)	19,799.71	18,958.39
Working capital demand loan (secured by charge on receivables from financing business, cash and cash equivalents and property, plant and equipments)	5,000.00	6,700.00
<b>Unsecured</b>		
Loans repayable on demand - from other parties	0.38	83.33
	47,408.57	49,947.02
Borrowings in India	47,408.57	49,947.02
Borrowings outside India	-	-
<b>Total</b>	<b>47,408.57</b>	<b>49,947.02</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 24. BORROWINGS (OTHER THAN DEBT SECURITIES) AT AMORTISED COST (CONTINUED)

Following is the repayment terms of term loans:

Term loans from Banks - Secured as at 31 March 2024

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
9.00 - 9.99%	847.25	219.88	2,186.61	3,253.74
10.00 - 10.99%	2,676.45	2,705.00	4,044.30	9,425.75
11.00 - 11.99%	1,642.25	1,006.25	-	2,648.50
Accrued Interest and EIR	-	-	-	(188.42)
<b>Total</b>	<b>5,165.95</b>	<b>3,931.13</b>	<b>6,230.91</b>	<b>15,139.57</b>

Term loans from Banks - Secured as at 31 March 2023

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
7.00 - 7.99%	451.01	-	-	451.01
8.00 - 8.99%	554.10	547.25	187.50	1,288.85
9.00 - 9.99%	4,433.94	4,089.48	1,383.03	9,906.45
10.00 - 10.99%	5,267.54	1,252.80	75.00	6,595.34
11.00 - 11.99%	803.16	557.02	-	1,360.18
12.00 - 12.99%	-	699.99	-	699.99
Accrued Interest and EIR	-	-	-	(104.90)
<b>Total</b>	<b>11,509.75</b>	<b>7,146.54</b>	<b>1,645.53</b>	<b>20,196.92</b>

Term loans from Others - Secured as at 31 March 2024

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
4.00 - 4.99%	-	157.32	-	157.32
5.00 - 5.99%	-	-	136.80	136.80
6.00 - 6.99%	-	3.85	-	3.85
8.00 - 8.99%	509.58	135.00	-	644.58
9.00 - 9.99%	-	-	798.56	798.56
10.00 - 10.99%	185.00	-	-	185.00
12.00 - 12.99%	3,000.00	-	-	3,000.00
Accrued Interest and EIR	-	-	-	(46.66)
<b>Total</b>	<b>3,694.58</b>	<b>296.17</b>	<b>935.36</b>	<b>4,879.45</b>

Term loans from Others - Secured as at 31 March 2023

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
4.00 - 4.99%	159.04	157.32	-	316.36
6.00 - 6.99%	5.80	3.85	-	9.65
8.00 - 8.99%	132.78	255.35	202.91	591.04
9.00 - 9.99%	-	125.00	-	125.00
10.00 - 10.99%	250.00	100.00	-	350.00
11.00 - 11.99%	750.00	75.00	-	825.00
Accrued Interest and EIR	-	-	-	(8.05)
<b>Total</b>	<b>1,297.62</b>	<b>716.52</b>	<b>202.91</b>	<b>2,209.00</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 25. DEPOSITS (AT AMORTISED COST)

Particulars	As at 31 March 2024	As at 31 March 2023
Inter Corporate Deposits	16.98	16.25
<b>Total</b>	<b>16.98</b>	<b>16.25</b>
Inter Corporate Deposits in India	16.98	16.25
Inter Corporate Deposits outside India	-	-
<b>Total</b>	<b>16.98</b>	<b>16.25</b>

#### 26. SUBORDINATED LIABILITIES (AT AMORTISED COST)

Unsecured	As at 31 March 2024	As at 31 March 2023
Non-convertible subordinated debt	10,098.15	12,303.56
Perpetual debt	979.97	1,042.89
Preference share capital	-	20.42
<b>Total</b>	<b>11,078.12</b>	<b>13,366.87</b>
Subordinated liabilities in India	11,078.12	13,366.87
Subordinated liabilities outside India	-	-
<b>Total</b>	<b>11,078.12</b>	<b>13,366.87</b>

Terms and condition related to subordinate liabilities:

##### Subordinated Liabilities – 31 March 2024

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
9.00 - 9.99%	-	167.21	3,129.74	3,296.95
10.00 - 10.99%	-	2,700.00	557.56	3,257.56
11.00 - 11.99%	-	3,638.00	-	3,638.00
Accrued Interest and EIR	-	-	-	885.61
<b>Total</b>	<b>-</b>	<b>6,505.21</b>	<b>3,687.30</b>	<b>11,078.12</b>

##### Subordinated Liabilities – 31 March 2023

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
9.00 - 9.99%	-	-	2,760.00	2,760.00
10.00 - 10.99%	-	200.00	3,279.00	3,479.00
11.00 - 11.99%	-	3,646.63	-	3,646.63
14.00 - 14.99%	-	-	20.42	20.42
Various (benchmark linked)	1,430.40	50.00	550.00	2,030.40
Accrued Interest and EIR	-	-	-	1,430.42
<b>Total</b>	<b>1,430.40</b>	<b>3,896.63</b>	<b>6,609.42</b>	<b>13,366.87</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 27. OTHER FINANCIAL LIABILITIES (AT AMORTISED COST UNLESS OTHERWISE SPECIFIED)

Particulars	As at 31 March 2024	As at 31 March 2023
Payable to exchange / clearing house (net)	974.28	22.34
Book overdraft	3.97	4.64
Accrued salaries and benefits	3,352.15	3,133.98
Provision for short sale at fair value	246.59	-
Reinsurance payable	3,950.78	1,779.68
Rental deposits	230.52	305.59
Retention money payable	13.16	12.37
Unclaimed dividends	9.77	9.81
Security receipts held by outsiders	14,855.16	6,977.38
Derivative liability	2,257.37	2,585.26
Payable on account of securitisation and assignment	9,015.97	10,648.92
Financial liability associated to financial assets that are not derecognised	12,196.15	23,042.00
Other liabilities	5,090.09	4,994.40
<b>Total</b>	<b>52,195.96</b>	<b>53,516.37</b>

#### 28. PROVISIONS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits and related costs</b>		
Gratuity	228.92	202.40
Compensated absences	114.94	105.77
Others	275.39	315.79
<b>Total</b>	<b>619.25</b>	<b>623.96</b>

#### 29. OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Income received in advance	4,960.85	3,584.60
Statutory dues	1,958.76	947.24
Advances from customers	0.74	0.92
Proposal deposit from insurance business	343.95	240.06
Others	1,316.90	1,733.09
<b>Total</b>	<b>8,581.20</b>	<b>6,505.91</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 30. EQUITY SHARE CAPITAL

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised :</b>				
Equity Shares of ₹ 1 each	1,230,000,000	1,230.00	1,230,000,000	1,230.00
Preference shares of ₹ 5 each	4,000,000	20.00	4,000,000	20.00
	<b>1,234,000,000</b>	<b>1,250.00</b>	<b>1,234,000,000</b>	<b>1,250.00</b>
<b>Issued, Subscribed and Paid up:</b>				
Equity Shares of ₹ 1 each	943,785,026	943.79	943,275,276	943.28
Less: Shares held by Edelweiss Employees Incentives and Welfare Trust (Refer note 1)	(7,301,510)	(7.30)	(7,301,510)	(7.30)
Less: Shares held by Edelweiss Employees Welfare Trust (Refer note 1)	(37,595,270)	(37.60)	(37,595,270)	(37.60)
	<b>898,888,246</b>	<b>898.89</b>	<b>898,378,496</b>	<b>898.38</b>

#### A. Reconciliation of number of shares (Before deducting treasury shares)

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	943,275,276	943.28	943,097,965	943.10
Shares issued during the year:				
- Under Employee Stock Options Plans (ESOPs)	509,750	0.51	177,311	0.18
Outstanding at the end of the year	<b>943,785,026</b>	<b>943.79</b>	943,275,276	943.28

#### Note :

- Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Edelweiss Financial Services Limited standalone financial statements and have been accordingly carried forward in consolidated financial statements. These trusts are holding 44,896,780 number of equity shares amounting to ₹ 44.90 million (previous year ₹ 44.90 million). These are deducted from total outstanding equity shares.
- The above two Employee Welfare Trust(s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.

#### B. Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Holding Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 30. EQUITY SHARE CAPITAL (CONTINUED)

#### C. Details of shares held by promoters in the Company

As at 31 March 2024

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Rashesh Chandrakant Shah	145,601,730	-	145,601,730	15.43%	(0.01)%
Venkatchalam Ramaswamy	58,126,560	1,450,000	59,576,560	6.31%	0.15%
Vidya Rashesh Shah	31,031,200	35,000	31,066,200	3.29%	0.00%
Aparna T Chandrashekar	12,210,000	-	12,210,000	1.29%	0.00%
Kaavya Venkat Arakoni	11,790,000	-	11,790,000	1.25%	0.00%
Neel Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Sneha Sripad Desai	1,025,000	-	1,025,000	0.11%	0.00%
Shilpa Urvish Mody	950,000	-	950,000	0.10%	0.00%
Arakoni Venkatachalam Ramaswamy	50,000	-	50,000	0.01%	0.00%
Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust)	38,750,000	-	38,750,000	4.11%	0.00%
Spire Investment Advisors LLP	3,200,000	-	3,200,000	0.34%	0.00%
Sejal Premal Parekh	950,000	-	950,000	0.10%	0.00%
Avanti Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
<b>Total</b>	<b>307,684,490</b>	<b>1,485,000</b>	<b>309,169,490</b>	<b>32.76%</b>	<b>0.14%</b>

As at 31 March 2023

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Rashesh Chandrakant Shah	145,601,730	-	145,601,730	15.44%	0.00%
Venkatchalam Ramaswamy	58,126,560	-	58,126,560	6.16%	0.00%
Vidya Rashesh Shah	31,031,200	-	31,031,200	3.29%	0.00%
Aparna T Chandrashekar	12,210,000	-	12,210,000	1.29%	0.00%
Kaavya Venkat Arakoni	11,790,000	-	11,790,000	1.25%	0.00%
Neel Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Sneha Sripad Desai	1,025,000	-	1,025,000	0.11%	0.00%
Shilpa Urvish Mody	950,000	-	950,000	0.10%	0.00%
Arakoni Venkatachalam Ramaswamy	50,000	-	50,000	0.01%	0.00%
Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust)	38,750,000	-	38,750,000	4.11%	0.00%
Spire Investment Advisors LLP	3,200,000	-	3,200,000	0.34%	0.00%
Sejal Premal Parekh	950,000	-	950,000	0.10%	0.00%
Avanti Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
<b>Total</b>	<b>307,684,490</b>	<b>-</b>	<b>307,684,490</b>	<b>32.62%</b>	<b>0.00%</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 30. EQUITY SHARE CAPITAL (CONTINUED)

##### D. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	No of shares	% holding	No of shares	% holding
Rashesh Shah	145,601,730	15.43%	145,601,730	15.44%
Venkatchalam Ramaswamy	59,576,560	6.31%	58,126,560	6.16%
	<b>205,178,290</b>	<b>21.74%</b>	<b>203,728,290</b>	<b>21.60%</b>

#### 31. OTHER EQUITY

Particulars	As at 31 March 2024	As at 31 March 2023
Share application money pending allotment	2.25	-
Capital reserve	8,026.45	8,026.45
Capital redemption reserve	287.87	287.87
Securities premium reserve	29,623.85	29,582.57
ESOP/SAR reserve	372.06	698.72
Special reserve under section 45-IC of the Reserve Bank of India Act, 1934	7,946.60	7,463.98
Reserve under section 29C of the National Housing Bank Act, 1987	646.15	607.55
General reserve	717.15	717.15
Debenture redemption reserve	2,688.01	3,074.01
Impairment reserve	2,216.85	2,342.26
Retained earnings	(8,746.83)	11,628.26
Foreign exchange translation reserve	31.86	120.52
Revaluation reserve through other comprehensive income	3,368.17	3,625.19
Equity instruments through other comprehensive income	(1,574.59)	(1,700.00)
Debt instruments through other comprehensive income	1,118.87	68.21
<b>Total</b>	<b>46,724.72</b>	<b>66,542.74</b>

##### Nature and Purpose

##### 31.1 Capital reserve

Capital reserve represents the gains of capital nature which is not freely available for distribution.

##### 31.2 Capital redemption reserve

The Group has recognised capital redemption reserve on buy back of equity share capital.

##### 31.3 Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 31. OTHER EQUITY (CONTINUED)

##### Nature and Purpose (Continued)

##### 31.4 ESOP/SAR reserve

ESOP and SAR options outstanding represents the amount transferred to reserves pursuant to the "ESOP 2011" and "SAR 2019" schemes.

##### 31.5 Statutory reserve u/s 45-IC of The Reserve Bank of India Act, 1934

Every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

##### 31.6 Statutory reserve u/s 29C of The National Housing Bank Act, 1987

In terms of Section 29C of the National Housing Bank Act, 1987 every housing finance institution which is a company is required to create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account before any dividend is declared. Housing Finance Companies (HFCs), are permitted to withdraw from the said reserve fund, the excess amount credited (in excess of the statutory minimum of 20%) in the previous years for any business purposes subject to suitable disclosure in the balance sheet and in the case of HFCs which have transferred only the statutory minimum in the previous years to selectively permit them to withdraw from the reserve fund only for the purpose of provisioning for non-performing assets subject to the conditions that there is no debit balance in the profit and loss account and that the reason for such withdrawal are stated explicitly in the balance sheet.

##### 31.7 General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Holding Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

##### 31.8 Debenture redemption reserve

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The Group, except for entities exempted from the requirement, is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings.

##### 31.9 Impairment reserve

RBI notification on Implementation of Indian Accounting Standards, dated 13 March 2020 requires NBFC/ARC subsidiaries within Group are to recognised impairment reserves where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 31. OTHER EQUITY (CONTINUED)

Nature and Purpose (Continued)

##### 31.10 Retained earnings

Retained earnings comprises of the Group's undistributed earnings after taxes.

##### 31.11 Foreign exchange translation reserve

The exchange differences arising out of year end translation of Group entities having functional currency other than Indian Rupees is debited or credited to this reserve.

##### 31.12 Revaluation Reserve through other comprehensive income

For a class of Fixed asset (i.e. flats and building) Group has adopted revaluation model of accounting over cost model. The Revaluation Reserve represents the cumulative gains and losses arising from the revaluation of these assets as at the end of the reporting period.

##### 31.13 FVOCI equity investments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments within equity. The Group reclassified this reserve to retained earnings on derecognition of concerned equity securities.

##### 31.14 FVOCI debt investments

The Group recognises changes in the fair value of debt instruments held with business objective of collection and/or sell, in other comprehensive income. These changes are accumulated within the FVOCI debt investments within equity. The Group reclassifies amounts from this reserve to the statement of profit and loss when the debt instrument is sold/repaid.

##### 31.15 Share application money pending allotment

Share application money pending allotment means the amount received on the application on which allotment is not yet made (pending allotment).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 32. INTEREST INCOME

For the year ended 31 March 2024

Particulars	Amortised cost	FVTPL	FVOCI	Total
Interest on loans	20,663.11	-	129.54	20,792.65
Interest income from investments	789.04	3,282.09	2,427.13	6,498.26
Interest on deposits with banks	1,107.57	-	-	1,107.57
Other interest income	119.06	20.39	-	139.45
<b>Total</b>	<b>22,678.78</b>	<b>3,302.48</b>	<b>2,556.67</b>	<b>28,537.93</b>

For the year ended 31 March 2023

Particulars	Amortised cost	FVTPL	FVOCI	Total
Interest on loans	23,727.38	221.32	-	23,948.70
Interest income from investments	282.82	2,081.26	1,875.10	4,239.18
Interest on deposits with banks	853.08	-	-	853.08
Other interest income	417.68	-	-	417.68
<b>Total</b>	<b>25,280.96</b>	<b>2,302.58</b>	<b>1,875.10</b>	<b>29,458.64</b>

#### 33. FEE AND COMMISSION INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Income from broking	16.27	16.04
Advisory and other fees	12,253.43	12,427.39
<b>Total</b>	<b>12,269.70</b>	<b>12,443.43</b>

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Service transferred at a point in time	1,430.63	2,034.18
Service transferred over time	10,839.07	10,409.25
<b>Total revenue from contract with customers</b>	<b>12,269.70</b>	<b>12,443.43</b>

Geographical Markets	For the year ended 31 March 2024	For the year ended 31 March 2023
India	11,382.78	11,648.42
Outside India	886.92	795.01
<b>Total revenue from contract with customers</b>	<b>12,269.70</b>	<b>12,443.43</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 34. NET GAIN ON FAIR VALUE CHANGES

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Net gain /(loss) on financial instruments at fair value through profit or loss</b>		
<b>On trading portfolio</b>		
Investment at FVTPL	19,563.61	12,326.66
Derivatives at FVTPL	3,260.90	4,954.99
<b>Others</b>		
Other financial instruments	8,082.46	5,756.87
<b>Total Net gain/(loss) on fair value changes</b>	<b>30,906.97</b>	<b>23,038.52</b>
<b>Fair Value changes:</b>		
Realised gain/(loss)	8,309.22	7,744.04
Unrealised gain/(loss)	22,597.75	15,294.48
<b>Total</b>	<b>30,906.97</b>	<b>23,038.52</b>

#### 35. OTHER OPERATING REVENUE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Income from training centre	53.50	61.56
Rental income	134.74	211.22
<b>Total</b>	<b>188.24</b>	<b>272.78</b>

#### 36. OTHER INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Donation income	365.89	393.97
Interest on income tax refund	234.52	191.49
Miscellaneous income <sup>1</sup>	419.74	930.09
<b>Total</b>	<b>1,020.15</b>	<b>1,515.55</b>

<sup>1</sup> Includes profit of ₹ 760 million on account of sale of investment property during the previous year ended 31 March 2023.

#### 37. FINANCE COST (AT AMORTISED COST UNLESS OTHERWISE STATED)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on deposits	6.67	89.12
Interest on borrowings (other than debt securities)	5,671.99	5,377.94
Interest on debt securities	16,729.29	16,835.84
Interest on debt securities (at fair value through profit or loss)	1,119.10	1,089.69
Interest on subordinated liabilities	1,316.27	1,328.47
Other interest expense	3,021.71	1,024.57
<b>Total</b>	<b>27,865.03</b>	<b>25,745.63</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 38. IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
On loans	229.73	3,327.59
On investments	(18.22)	333.97
On trade receivables	(62.96)	(42.74)
<b>Total</b>	<b>148.55</b>	<b>3,618.82</b>

#### 39. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages	11,274.75	9,892.36
Contribution to provident and other funds	505.94	506.58
Expense on employee stock option scheme/stock appreciation rights	13.89	87.28
Staff welfare expenses	306.27	165.52
<b>Total</b>	<b>12,100.85</b>	<b>10,651.74</b>

#### 40. OTHER EXPENSES

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Advertisement and business promotion	1,634.23	2,086.06
Auditors' remuneration	108.13	109.98
Commission and brokerage	4,288.12	2,844.94
Communication	220.16	192.39
Computer software and other expenses	1,036.71	1,103.84
Commission to non-executive directors	62.61	15.50
Contribution towards donations and corporate social responsibility	539.48	610.88
Dematerialisation charges and stock exchange expenses	324.49	293.83
Directors' sitting fees	39.89	26.65
Insurance	35.38	28.24
Legal and professional fees	3,399.16	5,128.79
Membership and subscription	203.25	267.58
Mutual fund expenses	258.16	95.18
Office expenses	441.74	372.12
Printing and stationery	59.42	52.90
Rates and taxes	1,256.79	924.91
Rent and electricity charges	218.41	207.68
Repairs and maintenance - others	121.19	142.01
Security transaction tax	231.91	191.35
Seminar and conference expenses	254.05	192.00
Stamp duty	242.88	133.99
Travelling and conveyance	454.75	375.53
Warehousing charges	2.23	4.64
Selling and distribution expenses	595.31	421.98
Miscellaneous expenses	605.18	390.16
Loss on sale/ write-off of property, plant and equipments (net)	4.43	3.30
<b>Total</b>	<b>16,638.06</b>	<b>16,216.43</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 41. INCOME TAX

The components of income tax expense recognised in profit or loss for the years ended 31 March 2024 and 31 March 2023 are:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax	2,260.86	1,617.24
Adjustment in respect of current income tax of prior years	(109.78)	23.24
Deferred tax relating to origination and reversal of temporary differences	(3,057.55)	(1,848.80)
<b>Total tax expense</b>	<b>(906.47)</b>	<b>(208.32)</b>
<b>Total current tax</b>	<b>2,151.08</b>	<b>1,640.48</b>
<b>Total deferred tax</b>	<b>(3,057.55)</b>	<b>(1,848.80)</b>

#### 41.1 Reconciliation of the total tax expense

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit / (Loss) before tax	4,374.00	2,529.31
Tax rate	25.17%	25.17%
Income tax expense calculated based on above tax rate	1,100.85	636.58
Adjustment in respect of income tax of prior years	(109.78)	23.24
Effect of income not subject to tax	(2,194.58)	(1,819.33)
Effect of non-deductible expenses	7.64	(300.98)
Impact of certain items being taxed at different rates	(1,420.77)	(87.45)
Impact of tax rate changes	0.07	4.05
Write-down / reversal of write down of deferred tax assets on unused tax credits and unused tax losses (net)	(7.06)	215.58
Effect of non-recognition of deferred tax asset on current-year losses	1,523.29	1,786.37
Different tax rates of subsidiaries	109.09	(362.78)
Others	84.78	(303.60)
<b>Tax expense recognised in profit and loss</b>	<b>(906.47)</b>	<b>(208.32)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 42. COMPONENTS OF DEFERRED TAX

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

	Opening deferred tax asset/ (liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total Movement	Closing deferred tax asset/ (liability)
<b>As at 31 March 2024</b>							
Provision for expected credit losses	1,819.40	(646.54)	-	-	-	(646.54)	1,172.86
Unused tax losses / credits	10,407.66	6,619.49	-	-	-	6,619.49	17,027.15
Employee benefits obligations	87.16	21.76	2.32	-	-	24.08	111.24
ESOP Perquisite	4.01	-	-	-	-	-	4.01
Fair valuation of Financial Assets	609.16	(2,353.11)	140.65	-	-	(2,212.46)	(1,603.30)
Fair valuation of Derivatives	(31.91)	13.29	-	-	-	13.29	(18.62)
Property, Plant and Equipment and Intangible assets	(2,167.27)	126.54	-	-	-	126.54	(2,040.73)
Adjustment of effective interest rate on Borrowings	(333.50)	9.09	-	-	-	9.09	(324.41)
Special Reserve u/s 36(1)(viii)	(106.66)	(5.84)	-	-	-	(5.84)	(112.50)
Others	-	(727.13)	-	-	(74.73)	(801.86)	(801.86)
<b>Total</b>	<b>10,288.05</b>	<b>3,057.55</b>	<b>142.97</b>	<b>-</b>	<b>(74.73)</b>	<b>3,125.79</b>	<b>13,413.84</b>
<b>As at 31 March 2023</b>							
Provision for expected credit losses	2,215.50	(396.10)	-	-	-	(396.10)	1,819.40
Unused tax losses / credits	8,848.33	1,559.33	-	-	-	1,559.33	10,407.66
Employee benefits obligations	77.61	6.15	3.40	-	-	9.55	87.16
ESOP Perquisite	4.01	-	-	-	-	-	4.01
Fair valuation of Financial Assets	50.40	602.11	-	-	(43.35)	558.76	609.16
Fair valuation of Derivatives	(22.50)	(9.41)	-	-	-	(9.41)	(31.91)
Property, Plant and Equipment and Intangible assets	(2,305.65)	138.38	-	-	-	138.38	(2,167.27)
Adjustment of effective interest rate on Borrowings	(287.48)	(46.02)	-	-	-	(46.02)	(333.50)
Special Reserve u/s 36(1)(viii)	(101.02)	(5.64)	-	-	-	(5.64)	(106.66)
<b>Total</b>	<b>8,479.20</b>	<b>1,848.80</b>	<b>3.40</b>	<b>-</b>	<b>(43.35)</b>	<b>1,808.85</b>	<b>10,288.05</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 42. COMPONENTS OF DEFERRED TAX (CONTINUED)

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

As at 31 March 2024

Financial Year to which the loss related to	Deductible temporary differences		Unused tax losses						Unused tax credits			
	Amount	Expiry year-financial year	Unabsorbed depreciation		Unabsorbed long term capital losses		Unabsorbed short term capital losses		Unabsorbed business losses		MAT Credit	Expiry year-financial year
			Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year		
FY 2023-24	188.96	Not applicable	204.50	No expiry	-	-	-	4,928.42	FY 2031-32	5,132.92	61.39	No expiry
FY 2023-24	-	-	-	-	-	-	-	12.35	No expiry	12.35	-	-
FY 2022-23	2,383.68	Not applicable	212.43	No expiry	-	131.51	FY 2030-31	5,637.42	FY 2030-31	5,981.36	136.31	No expiry
FY 2021-22	416.26	Not applicable	208.32	No expiry	-	-	-	4,883.56	FY 2029-30	5,091.88	57.49	No expiry
FY 2021-22	-	-	-	-	-	-	-	7.17	FY 2026-27	7.17	-	-
FY 2020-21	9,609.25	Not applicable	49.22	No expiry	3,425.06	FY 2028-29	526.02	FY 2028-29	5,828.57	FY 2028-29	9,828.87	No expiry
FY 2019-20	1,773.80	Not applicable	39.91	No expiry	-	-	-	5,098.41	FY 2027-28	5,138.32	18.90	No expiry
FY 2018-19	55.32	Not applicable	46.89	No expiry	47.24	FY 2026-27	-	3,215.51	FY 2026-27	3,309.64	-	-
FY 2018-19	-	-	-	-	-	-	-	551.74	FY 2023-24	551.74	-	-
FY 2017-18	84.56	Not applicable	18.00	No expiry	-	-	-	2,664.03	FY 2025-26	2,682.03	-	-
FY 2017-18	-	-	-	-	-	-	-	364.80	No expiry	364.80	-	-
FY 2016-17	-	-	4.93	No expiry	-	-	-	2,598.18	FY 2024-25	2,603.11	-	-
FY 2014-15	-	-	0.09	No expiry	-	-	-	-	-	0.09	-	-
FY 2013-14	-	-	0.74	No expiry	-	-	-	-	-	0.74	-	-
<b>Total</b>	<b>14,511.83</b>		<b>785.03</b>		<b>3,472.30</b>		<b>657.53</b>	<b>35,790.16</b>		<b>40,705.02</b>	<b>297.68</b>	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 42. COMPONENTS OF DEFERRED TAX (CONTINUED)

42.1 Deductible temporary differences, unused tax losses and unused tax credits on which deferred tax asset is not recognised in balance sheet (Continued)

As at 31 March 2023

Financial Year to which the loss related to	Deductible temporary differences		Unused tax losses						Unused tax credits			
	Amount	Expiry year-financial year	Unabsorbed depreciation		Unabsorbed long term capital losses		Unabsorbed short term capital losses		Unabsorbed business losses		MAT Credit	Expiry year-financial year
			Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year		
FY 2022-23	2,663.68	Not applicable	111.48	No expiry	-	131.51	FY 2030-31	6,138.43	FY 2030-31	6,381.42	136.31	No expiry
FY 2022-23	-	-	-	-	-	-	-	15.52	FY 2027-28	15.52	-	-
FY 2021-22	416.26	Not applicable	276.62	No expiry	-	-	-	4,952.63	FY 2029-30	5,229.25	57.49	No expiry
FY 2021-22	-	-	-	-	-	-	-	34.41	FY 2026-27	34.41	-	-
FY 2020-21	9,914.55	Not applicable	161.93	No expiry	3,425.06	FY 2028-29	526.02	FY 2028-29	5,860.68	FY 2028-29	9,973.69	No expiry
FY 2020-21	-	-	-	-	-	-	-	22.45	FY 2025-26	22.45	-	-
FY 2019-20	1,773.80	Not applicable	214.54	No expiry	-	-	-	5,098.41	FY 2027-28	5,312.95	18.90	No expiry
FY 2019-20	-	-	-	-	-	-	-	13.76	FY 2024-25	13.76	-	-
FY 2018-19	55.32	Not applicable	164.97	No expiry	47.24	FY 2026-27	-	3,508.91	FY 2026-27	3,721.12	-	-
FY 2018-19	-	-	-	-	-	-	-	10.37	FY 2023-24	10.37	-	-
FY 2018-19	-	-	-	-	-	-	-	428.92	No expiry	428.92	-	-
FY 2017-18	84.56	Not applicable	16.07	No expiry	-	-	-	2,707.20	FY 2025-26	2,723.27	-	-
FY 2017-18	-	-	-	-	-	-	-	656.58	No expiry	656.58	-	-
FY 2016-17	-	-	9.90	No expiry	-	-	-	2,574.26	FY 2024-25	2,584.16	-	-
FY 2016-17	-	-	-	-	-	-	-	449.71	FY 2021-22	449.71	-	-
FY 2015-16	-	-	0.12	No expiry	-	-	-	1,686.27	FY 2023-24	1,686.39	-	-
FY 2014-15	-	-	6.74	No expiry	-	-	-	-	FY 2022-23	6.74	-	-
FY 2013-14	-	-	0.74	No expiry	-	-	-	-	-	0.74	-	-
<b>Total</b>	<b>14,928.17</b>		<b>963.11</b>		<b>3,472.30</b>		<b>657.53</b>	<b>34,158.51</b>		<b>39,251.45</b>	<b>236.29</b>	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 43. EARNINGS PER SHARE (EPS)

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

Particulars	31 March 2024	31 March 2023
Profit /(loss) for the year attributable to owners of the parent	4,207.00	3,441.63
Number of equity shares for calculating basic EPS	898,888,246	898,378,496
Weighted average number of shares outstanding at the end of the year for basic EPS	898,871,130	898,207,466
Number of dilutive potential equity shares	2,088,781	115,119
Weighted average number of shares outstanding at the end of the year for diluted EPS	900,959,911	898,322,585
Earnings per share (EPS) (Face value ₹ 1 each)		
Basic earnings share (in ₹)	4.68	3.83
Dilutive earning per share (in ₹)	4.68	3.83

### 44. SEGMENT INFORMATION

The Group has made its consolidated segment reporting to meaningfully represent its business lines Agency business, Capital business, Asset reconstruction business, Insurance & Treasury business. Agency business includes advisory and other fee based businesses; Capital business represents lending business and investment activities; Asset reconstruction business represents purchase and resolution of distress assets; Insurance business represents life insurance business and general insurance business. Treasury business represents income from trading activities.

The management is the Chief Operating Decision Maker (CODM).

The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the CODM.

Since the business operations of the Group are primarily concentrated in India, the Group is considered to operate only in the domestic segment.

31 March 2024

Particulars	Agency	Capital based	Insurance business	Asset reconstruction business	Treasury	Unallocated	Total
Segment Revenue	8,369.05	15,717.05	35,520.40	24,123.06	11,523.98	762.21	96,015.75
Inter Segment Revenue	(371.22)	2,187.76	-	-	(1,635.53)	(181.01)	-
Revenue from External Customers	7,997.83	17,904.81	35,520.40	24,123.06	9,888.45	581.20	96,015.75
Segment Expenditure	6,643.64	18,829.30	38,314.52	19,347.10	7,644.98	862.21	91,641.75
Segment results (Profit/ (loss) before tax)	1,354.19	(924.49)	(2,794.12)	4,775.96	2,243.47	(281.01)	4,374.00
Tax expense							(906.47)
Net profit / (loss) for the year							5,280.47
Segment assets	16,044.83	160,647.38	108,630.26	68,817.38	49,230.95	25,824.91	429,195.71
Segment liabilities	7,460.03	175,957.98	98,955.26	37,606.11	46,231.52	2,491.96	368,702.86

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 44. SEGMENT INFORMATION (CONTINUED)

31 March 2023

Particulars	Agency	Capital based	Insurance business	Asset reconstruction business	Treasury	Unallocated	Total
Segment Revenue <sup>1</sup>	10,030.14	31,833.63	23,876.59	14,631.06	6,414.74	857.69	87,643.85
Inter Segment Revenue	(314.10)	1,171.26	-	-	(658.90)	(198.26)	-
Revenue from External Customers	9,716.04	33,004.89	23,876.59	14,631.06	5,755.84	659.43	87,643.85
Segment Expenditure	6,308.61	35,292.67	27,122.38	9,726.64	4,388.18	958.12	83,796.60
Segment results (Profit/ (loss) before tax)	3,407.43	(2,287.78)	(3,245.79)	4,904.42	1,367.66	(298.69)	3,847.25
Tax expense							(208.32)
Net profit / (loss) for the year							4,055.57
Segment assets	14,512.18	223,247.75	85,062.28	66,878.71	28,324.76	22,616.99	440,642.67
Segment liabilities	6,953.14	215,738.00	76,545.17	39,224.53	21,347.02	2,372.50	362,180.36

- Segment revenue includes share in profit/(loss) in associates.
- Non-cash expenditure aggregated to ₹ 2,801.25 million for the year ended 31 March 2024 (previous Year ₹ 10,338.41 million)

### 45. TRANSFER OF FINANCIALS ASSET

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Securitisations</b>		
Carrying amount of transferred assets measured at amortised cost (Held as collateral )	15,828.02	15,278.21
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	15,389.61	14,194.38
Fair value of assets	15,801.58	14,790.02
Fair value of associated liabilities	14,709.77	13,308.22
Net position at fair value	1,091.81	1,481.80

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 46. UNCONSOLIDATED STRUCTURED ENTITIES

The Group has exposure to certain unconsolidated structured entities being securitisation trusts, alternative investment funds and similar funds. The Group is involved in setting up of these structured entities and generally, acts as the investment manager. However, the Group can be removed by certain specified majority of the investors. Further, the Group does not have significant exposure to variability of returns and its remuneration is commensurate to the services provided. Therefore, these structured entities are not consolidated by the Group.

The following tables show the carrying amount of the Group's recorded interest in its consolidated balance sheet as well as the maximum exposure to risk (as defined in below) due to these exposures in the unconsolidated structured entities:

Particulars	As at 31 March 2024			Maximum exposure <sup>1</sup>
	Securitisation trusts	Alternative Investment Funds	Total	
Loans	338.67	-	338.67	338.67
Trade Receivables	458.72	585.97	1,044.69	1,044.69
Investments	15,258.48	14,512.63	29,771.11	29,771.11
<b>Total Assets</b>	<b>16,055.87</b>	<b>15,098.60</b>	<b>31,154.47</b>	<b>31,154.47</b>
Off-balance sheet exposure	131.88	3,986.60	4,118.48	4,118.48
Size of the structured entity <sup>1</sup>	222,865.09	363,267.73	586,132.82	-
Income from the structured entity	5,526.09	3,056.96	8,583.05	-

Particulars	As at 31 March 2023			Maximum exposure <sup>1</sup>
	Securitisation trusts	Alternative Investment Funds	Total	
Loans	459.75	-	459.75	459.75
Trade Receivables	2,272.57	403.36	2,675.93	2,675.93
Investments	23,805.88	3,619.76	27,425.64	27,425.64
<b>Total Assets</b>	<b>26,538.20</b>	<b>4,023.12</b>	<b>30,561.32</b>	<b>30,561.32</b>
Off-balance sheet exposure	131.88	10,133.37	10,265.25	10,265.25
Size of the structured entity <sup>1</sup>	316,671.81	333,047.32	649,719.13	-
Income from the structured entity	3,425.71	2,594.00	6,019.71	-

<sup>1</sup> In the above table, the size of the structured entity refers to the corpus in case of securitisation trusts and to the assets under management in case of alternative investment funds. For loans, trade receivables and investments in structured entities, the carrying value reflects the Group's maximum exposure to loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 47. DISCLOSURE OF INTEREST IN OTHER ENTITIES:

#### 1. Details of non wholly owned subsidiaries that have material non-controlling interests.

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests held by non-controlling interests	Profit/(loss) allocated to non-controlling interests	
			31 March 2024	31 March 2023
Edelweiss Asset Reconstruction Company Limited	India	40.18%	1,427.17	1,279.30
Edelweiss Tokio life insurance Company Limited	India	24.92%	(390.24)	(589.32)

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

Edelweiss Asset Reconstruction Company Limited	As at 31 March 2024	As at 31 March 2023
Financial assets	51,863.29	58,716.35
Non-financial assets	1,720.78	752.68
Financial liabilities	20,186.95	29,674.63
Non-financial liabilities	1,898.58	1,853.12
Equity attributable to owners of the company	18,842.43	16,714.49
Non-controlling interest	12,656.11	11,226.79

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from operations	10,685.08	10,006.99
Total income	10,685.08	10,006.99
Total expenses	5,909.11	5,716.46
Profit / (loss) before tax	4,775.97	4,290.53
Tax expense	1,224.02	1,106.60
Profit / (loss) for the year	3,551.95	3,183.93
Total comprehensive income / (loss)	3,551.14	3,181.73
Profit / (loss) for the year attributable to owners of the Company	2,124.78	1,904.63
Profit / (loss) for the year attributable non-controlling interests	1,427.17	1,279.30
Cash flows (used) / generated from operating activities	3,387.43	5,273.32
Cash flows (used) / generated from investing activities	7,082.72	5,152.25
Cash flows (used) / generated from financial activities	(13,291.96)	(8,231.74)
Net cash inflow/(outflow)	(2,821.81)	2,193.83

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 47. DISCLOSURE OF INTEREST IN OTHER ENTITIES: (CONTINUED)

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

Edelweiss Tokio life insurance Company Limited	As at 31 March 2024	As at 31 March 2023
Financial assets	87,516.53	71,956.42
Non-financial assets	5,643.37	4,187.66
Financial liabilities	4,193.71	4,229.74
Non-financial liabilities	81,779.69	65,133.48
Equity attributable to owners of the company	5,395.62	5,091.07
Non-controlling interest	1,790.88	1,689.79

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from operations	29,467.51	19,992.04
Total income	29,476.48	19,999.93
Total expenses	31,042.44	21,990.82
Profit / (loss) before tax	(1,565.96)	(1,990.89)
Tax expense	-	-
Profit / (loss) for the year	(1,565.96)	(1,990.89)
Total comprehensive income / (loss)	(112.30)	(1,922.79)
Profit / (loss) for the year attributable to owners of the Company	(1,175.72)	(1,401.57)
Profit / (loss) for the year attributable non-controlling interests	(390.24)	(589.32)
Cash flows (used) / generated from operating activities	2,917.94	5,673.17
Cash flows (used) / generated from investing activities	(2,076.22)	(7,850.16)
Cash flows (used) / generated from financial activities	396.40	2,402.19
Net cash inflow/(outflow)	1,238.12	225.20

#### 2. Details of associate\*

Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited - (Consolidated upto 30 March 2023))	As at 31 March 2024	As at 31 March 2023
Financial assets	-	124,257.73
Non-financial assets	-	5,310.19
Financial liabilities	-	105,781.16
Non-financial liabilities	-	1,229.04
Total equity	-	22,557.72
Share of commitments and contingent liabilities	-	5,891.51

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 47. DISCLOSURE OF INTEREST IN OTHER ENTITIES: (CONTINUED)

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

#### 2. Details of associate\* (Continued)

Particulars	For the year ended 31 March 2024	For the year ended 30 March 2023
Revenue from operations	-	22,023.89
Total income	-	22,154.00
Total expenses	-	18,141.12
Profit / (loss) before tax	-	4,012.88
Other exceptional items	-	9.40
Profit / (loss) before tax and after exceptional items	-	4,022.28
Tax expense	-	1,000.96
Profit / (loss) for the year	-	3,021.32
Total comprehensive income / (loss)	-	3,053.44
Share in profit / (loss) of associates	-	1,317.94
Share in profit / (loss) of associates in other comprehensive income	-	14.06
Cash flows (used) / generated from operating activities	-	(17,483.30)
Cash flows (used) / generated from investing activities	-	(1,792.46)
Cash flows (used) / generated from financial activities	-	18,844.73
Change in foreign exchange translation reserve	-	47.81
Net cash inflow/ (outflow)	-	(383.22)

\*Refer Note 75

### 48. RETIREMENT BENEFIT PLAN

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

Amount of ₹ 420.78 million (previous year: ₹ 389.00 million) is recognised as expenses and included in "Employee benefits expense" in the statement of profit and loss.

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

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

#### Statement of profit and loss

#### Expenses recognised in the Statement of Profit and Loss:

Particulars	31 March 2024	31 March 2023
Current service cost	81.50	87.89
Interest on defined benefit obligation	(1.91)	7.63
Past service cost	-	(1.69)
Exchange rate adjustment	79.61	0.18
<b>Total included in 'Employee benefits expense'</b>	<b>159.20</b>	<b>94.01</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 48. RETIREMENT BENEFIT PLAN (CONTINUED)

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

###### Movement in Other Comprehensive Income:

Particulars	31 March 2024	31 March 2023
Balance at start of year (Loss)/ Gain		
Re-measurements on define benefit obligation (DBO)	(98.46)	(87.22)
a. Actuarial (Loss)/ Gain from changes in financial assumptions	2.99	33.79
b. Actuarial (Loss)/ Gain from experience over the past year	(19.43)	(25.68)
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	28.56	(4.41)
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	(36.47)	(14.94)
<b>Balance at end of year (Loss)/ Gain</b>	<b>(122.81)</b>	<b>(98.46)</b>

###### Balance sheet

###### Reconciliation of defined benefit obligation (DBO):

Particulars	31 March 2024	31 March 2023
Present value of DBO at the beginning of the year	528.46	538.84
Interest cost	35.35	28.85
Current service cost	81.49	87.89
Benefits paid	(88.56)	(88.83)
Past service cost	-	(1.69)
Actuarial (gain)/loss	16.45	(37.20)
Transfer (out)/in	(21.77)	0.42
Exchange Rate Adjustment	0.02	0.18
<b>Present value of DBO at the end of the year</b>	<b>551.44</b>	<b>528.46</b>

###### Reconciliation of fair value of plan assets:

Particulars	31 March 2024	31 March 2023
Fair value of plan assets at the beginning of the year	509.29	453.11
Contributions by Employer	77.90	128.66
Benefits paid	(88.56)	(88.83)
Interest income	44.56	26.13
Return on plan asset excluding amount included in net interest on the net defined benefit liability/ (asset)	28.56	(9.78)
<b>Fair value of plan assets at the end of the year</b>	<b>571.75</b>	<b>509.29</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 48. RETIREMENT BENEFIT PLAN (CONTINUED)

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

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

Particulars	2023-24	2022-23
Present value of DBO	(551.44)	(528.46)
Fair value of plan assets at the end of the year	571.75	509.29
<b>Net Liability</b>	<b>20.31</b>	<b>(19.17)</b>
Less: Effect of limiting net assets to asset ceiling	(143.04)	(102.98)
<b>Liability recognised in the balance sheet</b>	<b>(122.73)</b>	<b>(122.15)</b>

###### Experience adjustments:

Particulars	2024	2023	2022	2021	2020
On plan liabilities: loss / (gain)	19.43	25.68	35.86	6.74	(34.66)

###### Principal actuarial assumptions at the balance sheet date:

Particulars	31 March 2024	31 March 2023
Discount rate	7.00%	7.10%
Salary escalation	7.00%	7.00%
Employees attrition rate	16.00%	16.00%
Mortality Rate	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)

###### Percentage Break-down of Total Plan Assets

	2023-24	2022-23
Investment Funds with Insurance Company and Cash	99%	99%
Cash and cash equivalents	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

###### Sensitivity Analysis for 31 March 2024:

Assumptions	Discount rate		Future salary increases	
	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit obligation	(21.71)	23.32	23.05	(21.86)

###### Sensitivity Analysis for 31 March 2023:

Assumptions	Discount rate		Future salary increases	
	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit obligation	(21.18)	22.71	22.46	(21.36)

###### Maturity profile

The weighted average duration of the obligation is 4 years (31 March 2023 : 4 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 49. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the effective interest rate. Issued debt reflect the contractual coupon amortisations.

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>Financial assets</b>						
(a) Cash and cash equivalents	23,732.18	-	23,732.18	27,458.60	-	27,458.60
(b) Bank balances other than cash and cash equivalents	7,582.24	1,993.52	9,575.76	6,165.20	3,366.93	9,532.13
(c) Derivative financial instruments	1,192.41	-	1,192.41	779.00	-	779.00
(d) Trade Receivables	3,222.34	353.03	3,575.37	3,637.40	495.68	4,133.08
(e) Loans	7,489.91	140,550.41	148,040.32	54,795.57	118,740.71	173,536.28
(f) Investments	55,275.56	129,639.19	184,914.75	65,536.68	106,085.56	171,622.24
(g) Other financial assets	9,332.94	1,630.00	10,962.94	7,840.83	1,346.26	9,187.09
<b>Total financial assets (A)</b>	<b>107,827.58</b>	<b>274,166.15</b>	<b>381,993.73</b>	<b>166,213.28</b>	<b>230,035.14</b>	<b>396,248.42</b>
<b>Non-financial assets</b>						
(a) Reinsurance assets	0.01	3,273.98	3,273.99	-	3,013.36	3,013.36
(b) Current tax assets (net)	432.51	7,328.81	7,761.32	188.32	8,039.02	8,227.34
(c) Deferred tax assets (net)	-	15,464.78	15,464.78	-	12,115.65	12,115.65
(d) Investment property	-	1,550.67	1,550.67	-	1,822.13	1,822.13
(e) Property, Plant and Equipment	8.47	9,146.46	9,154.93	2.81	9,877.06	9,879.87
(f) Capital work in progress	36.55	-	36.55	1.63	5.46	7.09
(g) Intangible assets under development	92.41	232.24	324.65	43.20	197.40	240.60
(h) Goodwill	-	236.60	236.60	-	236.60	236.60
(i) Other Intangible assets	60.92	1,363.25	1,424.17	10.46	1,274.60	1,285.06
(j) Right to Use (ROU) assets	12.47	518.15	530.62	-	448.13	448.13
(k) Other non- financial assets	2,681.60	4,762.10	7,443.70	1,913.29	5,205.13	7,118.42
<b>Total non-financial assets (B)</b>	<b>3,324.94</b>	<b>43,877.04</b>	<b>47,201.98</b>	<b>2,159.71</b>	<b>42,234.54</b>	<b>44,394.25</b>
<b>TOTAL ASSETS (C = A+B)</b>	<b>111,152.52</b>	<b>318,043.19</b>	<b>429,195.71</b>	<b>168,372.99</b>	<b>272,269.68</b>	<b>440,642.67</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 49. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONTINUED)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
(a) Derivative financial instruments	1,155.83	-	1,155.83	775.72	-	775.72
(b) Trade Payables	15,704.40	1,035.47	16,739.87	13,820.78	301.38	14,122.16
(c) Insurance claims payable	373.82	-	373.82	509.76	-	509.76
(d) Debt securities	34,036.15	109,944.36	143,980.51	55,559.95	98,470.39	154,030.34
(e) Borrowings (other than debt securities)	36,249.70	11,158.87	47,408.57	40,265.14	9,681.88	49,947.02
(f) Deposits	16.98	-	16.98	16.25	-	16.25
(g) Subordinated Liabilities	738.22	10,339.90	11,078.12	1,430.40	11,936.47	13,366.87
(h) Lease liabilities	507.20	587.63	1,094.83	-	554.08	554.08
(i) Other financial liabilities	10,452.14	41,743.82	52,195.96	9,475.44	44,040.93	53,516.37
<b>Total financial liabilities (D)</b>	<b>99,234.44</b>	<b>174,810.05</b>	<b>274,044.49</b>	<b>121,853.44</b>	<b>164,985.13</b>	<b>286,838.57</b>
<b>Non-financial liabilities</b>						
(a) Current tax liabilities (net)	316.35	47.79	364.14	223.18	26.03	249.21
(b) Provisions	226.47	392.78	619.25	279.56	344.40	623.96
(c) Provision for policyholders' liabilities	-	83,042.84	83,042.84	-	66,135.11	66,135.11
(d) Deferred tax liabilities (net)	-	2,050.94	2,050.94	-	1,827.60	1,827.60
(e) Other non-financial liabilities	8,374.32	206.88	8,581.20	6,350.23	155.68	6,505.91
<b>Total non-financial liabilities (E)</b>	<b>8,917.14</b>	<b>85,741.23</b>	<b>94,658.37</b>	<b>6,852.97</b>	<b>68,488.82</b>	<b>75,341.79</b>
<b>TOTAL LIABILITIES (F = D+E)</b>	<b>108,151.58</b>	<b>260,551.28</b>	<b>368,702.86</b>	<b>128,706.41</b>	<b>233,473.95</b>	<b>362,180.36</b>
<b>NET TOTAL ASSETS / (LIABILITIES) (C-F)</b>	<b>3,000.94</b>	<b>57,491.91</b>	<b>60,492.85</b>	<b>39,666.58</b>	<b>38,795.73</b>	<b>78,462.31</b>

#### 50. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	As at	Cash flows	Others**	As at
	01 April 2023			31 March 2024
Borrowings*	217,914.56	(14,917.89)	582.35	203,579.02
<b>Total liabilities from financing activities</b>	<b>217,914.56</b>	<b>(14,917.89)</b>	<b>582.35</b>	<b>203,579.02</b>

Particulars	As at	Cash flows	Others**	As at
	01 April 2022			31 March 2023
Borrowings*	227,675.84	(7,687.97)	(2,073.31)	217,914.56
<b>Total liabilities from financing activities</b>	<b>227,675.84</b>	<b>(7,687.97)</b>	<b>(2,073.31)</b>	<b>217,914.56</b>

\* Comprises of Debt securities, Deposits, Subordinated Liabilities, other borrowings and lease liabilities.

\*\* Refers to interest expense for the year incurred by entities other than non-banking financial companies in the group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 51. CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS:

##### 51.1 Contingent liabilities and commitments

###### a) Contingent liabilities

- Taxation matters in respect of which appeal is pending ₹ 1,590.49 million (previous year: ₹ 1,108.10 million).
- Litigation pending against Group amounts to ₹ 183.22 million (previous year: ₹ 347.63 million).

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

(ii) Pursuant to the Income Tax Authorities ("the ITA") investigation, after 31 March 2024, the Company and a subsidiary in the Group have received assessment orders cum demand notices from ITA for AY 2022-23. Based on the legal opinion obtained by the Group, management believes that the demand is not sustainable. The Group has filed an appeal against the said assessment orders. Thus, no adjustment has been made or is required in the Consolidated Financial Statement of the Group.

(iii) The Group's pending litigations mainly comprise of claims against the Group pertaining to proceedings pending with Income Tax, Excise, Custom, Sales/VAT tax/GST and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Group believes that the outcome of these proceedings will not have a materially adverse effect on the Group financial position and results of operations.

###### Corporate/other guarantee not acknowledged as debt:

Corporate/other guarantee given by the Company on behalf of its associate companies and to third party which is outstanding as at 31 March 2024 and 31 March 2023 is given below:

Particulars	As at 31 March 2024	As at 31 March 2023
Guarantee to trustees and others for non convertible debentures and other borrowings	-	138.27
Guarantee for meeting margin requirements	-	4,000.00
<b>Total</b>	<b>-</b>	<b>4,138.27</b>

###### b) Commitments

- Undrawn committed credit lines subject to meeting of conditions, ₹ 2,509.83 million as at balance sheet date (previous year: ₹ 2,611.20 million).
- Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 92.43 million (previous year: ₹ 96.25 million).
- Uncalled liabilities on investments ₹ 4,004.49 million (previous year: ₹ 11,196.11 million).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 51. CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS: (CONTINUED)

##### 51.2 LEASES

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

Set out below are the carrying amounts of lease liabilities and the movements	As at 31 March 2024	As at 31 March 2023
Opening balance as at	554.08	566.01
Addition / disposal during year	755.27	174.63
Accretion of interest	74.59	70.40
Lease payment for the year	(289.11)	(256.96)
<b>Closing balance as at</b>	<b>1,094.83</b>	<b>554.08</b>

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on ROU of assets	215.05	201.30
Reversal of lease pre-closure	(6.56)	(7.79)
Interest cost	74.60	70.39
Expenses related to short term lease	52.53	125.42

The maturity analysis of lease liability is disclosed in other financial liabilities in note 49.

#### 52. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE”:

- (A) **Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise**

Mr. Rashesh Shah  
Mr. Venkatchalam Ramaswamy  
Ms. Vidya Shah  
Ms. Aparna T.C.

- (B) **Key Management Personnel**

Mr. Rashesh Shah - Chairman and Managing Director  
Mr. Venkatchalam Ramaswamy - Vice Chairman & Executive Director  
Mr. Himanshu Kaji - Executive Director (upto 26 September 2023)  
Mr. Rujan Panjwani - Executive Director (upto 2 September 2022)  
Ms. Ananya Suneja – Chief Financial Officer  
Mr. Tarun Khurana - Company Secretary



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 52. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE”: (CONTINUED)

**(C) Relatives of individuals exercising significant influence and relatives of KMP, with whom transactions have taken place**

Ms. Kaavya Venkat  
Ms. Shilpa Mody  
Ms. Sejal Premal Parekh  
Mr. A V Ramaswamy  
Ms. Sneha Sripad Desai  
Mr. Neel Shah  
Ms. Avanti Shah  
Ms. Shabnam Panjwani (upto 2 September 2022)

**(D) Enterprises over which Promoter / KMPs / Relatives exercise significant influence, with whom transactions have taken place**

Spire Investment Advisors LLP  
Shah Family Discretionary Trust

**(E) Associates with whom transactions have taken place (upto 30<sup>th</sup> March 2023) (Refer note 75):**

Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)  
**Subsidiaries of Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)**  
Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)  
Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)  
Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)  
Nuvama Investment Advisors (Hongkong) Private Limited (formerly known as Edelweiss Securities (Hong Kong) Private Limited)  
Nuvama Investment Advisors Private Limited (formerly known as Edelweiss Investment Advisors Private Limited)  
Nuvama Financial Services Inc. (Edelweiss Financial Services Inc.)  
Nuvama Financial Services (UK) Limited (formerly known as Edelweiss Financial Services (UK) Limited)  
Nuvama Capital Services (IFSC) Limited (formerly known as Edelweiss Securities (IFSC) Limited)  
Nuvama Asset Management Limited (formerly known as ESL Securities Limited)  
Pickright Technologies Private Limited (w.e.f 13 March, 2023)

**(F) Independent Directors**

Mr. Biswamohan Mahapatra (upto 26 September 2023)  
Mr. Kunnasagaran Chinniah (upto 02 September 2022)  
Mr. Navtej S. Nandra (upto 02 September 2022)  
Mr. P. N. Venkatachalam (upto 02 September 2022)  
Mr. Ashok Kini  
Dr. Ashima Goyal  
Mr. Shiva Kumar (w.e.f 04 August 2022)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 52. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE” (CONTINUED):

Transactions with Related Parties:

Sr. No.	Nature of Transaction	Related Party Name	For the year ended	For the year ended
			31 March 2024	31 March 2023
1	Short term loans given to	Ms. Aparna T. C.	-	21.40
		Mabella Investment Advisor LLP	-	12.81
		Kenai Advisors LLP	-	314.16
2	Short term loans given repaid by	Ms. Aparna T. C.	-	244.47
		Mabella Investment Advisor LLP	-	238.09
		Kenai Advisors LLP	-	358.66
3	Dividend paid on Equity Shares	Mr. Rashesh Shah	218.40	211.12
		Mr. Venkatachalam Ramaswamy	89.00	84.28
		Ms. Vidya Shah	46.59	45.00
		Shah Family Discretionary Trust	58.13	56.19
		Spire Investment Advisors LLP	4.80	4.64
		Ms. Aparna T. C.	18.32	17.70
		Ms. Kaavya Venkat	17.69	17.10
		Mr. Rujan Panjwani	-	14.34
		Mr. Himanshu Kaji	0.74	4.31
		Ms. Sneha Sripad Desai	1.54	1.49
		Ms. Shilpa Mody	1.43	1.38
		Ms. Sejal Premal Parekh	1.43	1.38
		Ms. Shabnam Panjwani	-	0.19
4	Interest income on loan from	Mr. A V Ramaswamy	0.08	0.07
		Mr. Navtej S. Nandra	-	1.99
		Ms. Avanti Shah	3.00	2.90
		Mr. P. N. Venkatachalam	-	0.07
		Mr. Neel Shah	3.00	2.90
		Mr. Tarun Khurana	0.09	0.09
		Mr. Kunnasagaran Chinniah	-	0.05
		Ms. Aparna T. C.	-	12.31
		Mabella Investment Advisor LLP	-	5.80
Kenai Advisors LLP	-	5.93		
5	Remuneration to	Mr. Rashesh Shah	110.03	80.01
		Mr. Rujan Panjwani	-	38.24
		Mr. Himanshu Kaji	23.85	32.50
		Mr. Venkatachalam Ramaswamy	67.15	64.42
		Ms. Vidya Shah	36.53	-
		Mr. Tarun Khurana	13.05	11.11
Ms. Ananya Suneja	30.98	25.11		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 52. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE” (CONTINUED):

Transactions with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2024	For the year ended 31 March 2023
6	Sitting fees paid to	Mr. Biswamohan Mahapatra	2.03	1.95
		Mr. Kunnasagaran Chinniah	-	0.60
		Mr. Navtej S. Nandra	-	0.44
		Mr. P N Venkatachalam	-	1.04
		Mr. Dr. Ashima Goyal	0.83	0.48
		Mr. Ashok Kini	2.28	1.21
		Mr. Shiva Kumar	4.03	2.06
7	Commission paid to	Mr. Biswamohan Mahapatra	2.50	2.00
		Mr. Kunnasagaran Chinniah	-	2.00
		Mr. Navtej S. Nandra	-	2.00
		Mr. P N Venkatachalam	-	3.00
		Dr. Ashima Goyal	2.50	2.00
		Mr. Ashok Kini	2.50	2.00
		Ms. Vidya Shah	2.50	2.00
		Mr. Shiva Kumar	3.89	-
		Mr. Venkatchalam Ramaswamy	40.00	-
		Ms. Ananya Suneja	1.00	-
Mr. Tarun Khurana	0.30	-		
8	Loan given to KMP	Mr. Tarun Khurana	5.00	-
9	Loan repaid by KMP	Mr. Tarun Khurana	5.00	-
10	Interest income received from loan given to KMP	Mr. Tarun Khurana	0.27	-
11	Share Application money received from KMP	Ms. Ananya Suneja	0.41	-
12	Donations given by	Mr. Rashesh Shah	58.00	-
		Ms. Vidya Shah	15.50	-
13	Branding fees received from	Nuvama Wealth Management Limited	-	40.11
14	Commission and brokerage paid to	Nuvama Wealth Management Limited	-	13.07
		Nuvama Wealth and Investment Limited	-	767.52

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 52. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE” (CONTINUED):

Transactions with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2024	For the year ended 31 March 2023
15	Other service charges paid to	Nuvama Clearing Services Limited	-	130.45
		Nuvama Wealth Management Limited	-	0.00
		Nuvama Wealth and Investment Limited	-	99.90
16	Shared Premises Cost paid to	Nuvama Wealth and Investment Limited	-	0.11
17	Commission and brokerage received from	Nuvama Wealth Finance Limited	-	16.04
18	Insurance Premium Income	Nuvama Wealth and Investment Limited	-	74.49
		Nuvama Clearing Services Limited	-	4.68
		Nuvama Wealth Finance Limited	-	13.18
		Nuvama Capital Services (IFSC) Limited	-	0.23
		Nuvama Wealth Management Limited	-	17.19
		Nuvama Asset Management Limited	-	3.42
		Nuvama Financial Services Inc.	-	0.03
19	Business support service charges from	Nuvama Wealth and Investment Limited	-	3.52
		Nuvama Clearing Services Limited	-	0.14
		Nuvama Wealth Finance Limited	-	0.71
		Nuvama Wealth Management Limited	-	244.73
		Nuvama Asset Management Limited	-	0.03
20	Investments in Debt securities	Nuvama Asset Management Limited	-	475.52
21	Purchase of Securities	Nuvama Wealth Finance Limited	-	456.47
22	Redemption of investment	Nuvama Wealth Finance Limited	-	338.90
		Nuvama Wealth and Investment Limited	-	1,713.63
23	Corporate Guarantee support fee income	Nuvama Wealth Finance Limited	-	1.41
		Nuvama Wealth and Investment Limited	-	0.85

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 52. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE” (CONTINUED):

Transactions with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2024	For the year ended 31 March 2023
24	Rental income from	Nuvama Wealth and Investment Limited	-	1.44
		Nuvama Clearing Services Limited	-	173.78
		Nuvama Wealth Finance Limited	-	0.17
		Nuvama Wealth Management Limited	-	12.57
		Nuvama Asset Management Limited	-	0.01
25	Cost reimbursement received from	Nuvama Wealth and Investment Limited	-	8.45
		Nuvama Clearing Services Limited	-	14.14
		Nuvama Wealth Finance Limited	-	0.37
		Nuvama Wealth Management Limited	-	4.84
		Nuvama Asset Management Limited	-	0.04
		Nuvama Investment Advisors Private Limited	-	8.93
26	Cost reimbursement paid to	Nuvama Wealth and Investment Limited	-	412.87
		Nuvama Clearing Services Limited	-	173.27
		Nuvama Wealth Management Limited	-	209.93
		Nuvama Wealth Finance Limited	-	0.09
		Nuvama Asset Management Limited	-	13.12
27	Equity segment payin	Nuvama Wealth Management Limited	-	138.26
		Nuvama Wealth Finance Limited	-	31,100.54
28	Equity segment payout	Nuvama Wealth Finance Limited	-	32,515.43
29	ESOP/SAR charges received from	Nuvama Investment Advisors Private Limited	-	1.65
30	ESOP/SAR charges paid to	Nuvama Clearing Services Limited	-	1.24
		Nuvama Wealth Management Limited	-	5.81
		Nuvama Asset Management Limited	-	1.50
		Nuvama Wealth and Investment Limited	-	17.87
		Nuvama Wealth Finance Limited	-	1.57
		Nuvama Financial Services Inc.	-	0.08

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 52. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE” (CONTINUED):

Transactions with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2024	For the year ended 31 March 2023
31	Fee & commission expenses paid to	Nuvama Wealth and Investment Limited	-	241.79
		Nuvama Financial Services Inc.	-	90.54
		Nuvama Wealth Management Limited	-	34.50
		Nuvama Clearing Services Limited	-	26.51
		Nuvama Investment Advisors (Hongkong) Private Limited	-	25.36
		Nuvama Financial Services (UK) Limited	-	18.67
		Nuvama Investment Advisors Private Limited	-	71.35
32	Financial charges paid to	Nuvama Wealth and Investment Limited	-	897.05
		Nuvama Asset Management Limited	-	53.52
		Nuvama Wealth Management Limited	-	47.35
33	Purchase of property, plant and equipments	Nuvama Wealth and Investment Limited	-	0.00
		Nuvama Clearing Services Limited	-	0.01
		Nuvama Wealth Finance Limited	-	0.00
		Nuvama Wealth Management Limited	-	1.04
34	Sale of property, plant and equipments	Nuvama Wealth and Investment Limited	-	0.04
		Nuvama Wealth Management Limited	-	0.00
		Nuvama Wealth Finance Limited	-	0.00
35	Donation received from	Nuvama Clearing Services Limited	-	27.88
		Nuvama Wealth Finance Limited	-	6.72
		Nuvama Wealth Management Limited	-	2.50
		Nuvama Wealth and Investment Limited	-	6.91
36	Interest income on loan from	Nuvama Wealth and Investment Limited	-	11.36
37	Interest income on margin placed with	Nuvama Clearing Services Limited	-	10.72

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 52. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE” (CONTINUED):

##### Transactions with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2024	For the year ended 31 March 2023
38	Interest expense on debt & securities	Nuvama Wealth Finance Limited	-	0.53
		Nuvama Wealth Management Limited	-	2.71
39	Loans and advances given that are repaid	Nuvama Wealth and Investment Limited	-	1,000.00
40	Loans and advances given during the year	Nuvama Wealth and Investment Limited	-	1,000.00
41	Margin placed with	Nuvama Clearing Services Limited	-	69,910.64
42	Margin repaid by	Nuvama Clearing Services Limited	-	70,136.58
43	Margin repaid to	Nuvama Wealth Finance Limited	-	257.93
		Nuvama Clearing Services Limited	-	0.15
44	Sale of securities to	Nuvama Wealth Finance Limited	-	483.91

0.00 million indicates amount less than ₹ 0.01 million

##### Notes:

Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and provision made for bonus which are provided for group of employees on an overall basis. These are included on cash basis.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 53. CAPITAL MANAGEMENT

The Group manages the capital structure by a balanced mix of debt and equity. The Group's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The Group maintains sound capitalisation both from an economic and regulatory perspective. The Group continuously monitors and adjusts overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives. These perspectives include specific capital requirements from rating agencies.

Capital structure includes infusion in the form of equity and structured debt from strategic business partners in certain of Group's subsidiaries to fund expansion and assist in achieving expected growth in the competitive market.

No changes were made in the objectives, policies or processes during the financial years ended 31 March 2024 and 31 March 2023.

This framework is adjusted based on underlying the macro-economic factors affecting business environment, financial market conditions and interest rates environment. Group monitors capital using debt-equity ratio, which is total debt divided by total equity.

Particulars	As at 31 March 2024	As at 31 March 2023
Total Debt	202,484.18	217,360.48
Equity	60,492.85	78,462.31
<b>Net Debt to Equity</b>	<b>3.35</b>	<b>2.77</b>

Total debt = Debt securities + Borrowings (other than debt securities) + Deposits + Subordinated Liabilities

#### 54. SHARE BASED PAYMENTS: EMPLOYEE STOCK OPTION PLANS AND STOCK APPRECIATION RIGHTS PLANS

Edelweiss Financial Services Limited ("EFSL" hereafter), has recognised share based payment expenses for the years ended 31 March 2024 and 31 March 2023 based on fair value as on the grant date calculated as per option pricing model. The grants represent equity-settled options under the Employee Stock Option Plans and Stock Appreciation Rights Plans (hereafter referred to as, "ESOP 2011" and "SAR 2019" or "ESOPs" "SARs" ).

The EFSL has granted ESOPs under the two plans viz., ESOP 2011 & SAR 2019 to its employees on an equity-settled basis as tabulated below. The ESOPs/SARs provide a right to its holders (i.e., Edelweiss group employees) to purchase one EFSL share for each option at a pre-determined strike price on the expiry of the vesting period. The ESOP/SAR hence represents an European call option that provides a right but not an obligation to the employees of the Edelweiss group to exercise the option by paying the strike price at any time on completion of the vesting period, subject to an outer boundary on the exercise period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 54. SHARE BASED PAYMENTS: EMPLOYEE STOCK OPTION PLANS AND STOCK APPRECIATION RIGHTS PLANS (CONTINUED)

EFSL has granted stock options to employees of the Edelweiss group on an equity-settled basis as tabulated below.

Particulars	SAR 2019	ESOP 2011
Dates of grant	Varying	Varying
Option Type	Equity settled	Equity settled
No. of outstanding options at 31 March 2024	4,859,570	2,254,725
No. of outstanding options at 31 March 2023	8,057,420	4,592,500
No. of Equity shares represented by an option	1 share for 1 option	1 share for 1 option
Fair Value per option	Varies as per the grant date	Varies as per the grant date
Exercise Price	Varies as per the grant date	Varies as per the grant date
Vesting Period	2-6 years	1-4 years
Vesting Conditions	Service	Service

The vesting of options is subject to the employee's continued employment with the Edelweiss group. The ESOPs and SARs shall vest as follows:

Particulars	SAR 2019	ESOP 2011
Duration from grant date	% options vesting	% options vesting
12 months from the grant date	-	25.00%
24 months from the grant date	33.33%	25.00%
36 months from the grant date	-	25.00%
48 months from the grant date	33.33%	25.00%
60 months from the grant date	-	-
72 months from the grant date	33.34%	-
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

#### Plan description

Plan Name	Grant Date	Vesting Conditions	Term of Options	Payout
ESOP Plan 2011	Various	As specified in tables above	1-4 years	Equity settled
SAR Plan 2019	Various	As specified in tables above	2-6 years	Equity settled

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 54. SHARE BASED PAYMENTS: EMPLOYEE STOCK OPTION PLANS AND STOCK APPRECIATION RIGHTS PLANS (CONTINUED)

Movement of number of Options for 31 March 2024 and 31 March 2023

Number of options	31 March 2024			31 March 2023		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Outstanding at the start of the year	8,057,420	4,592,500	12,649,920	10,914,200	7,182,488	18,096,688
Granted during the year*	-	-	-	-	-	-
Exercised during the year	(99,000)	(556,500)	(655,500)	(1,034,220)	(25,000)	(1,059,220)
Lapsed/ cancelled during the year	(3,098,850)	(1,781,275)	(4,880,125)	(1,822,560)	(2,564,988)	(4,387,548)
Outstanding at the end of the year*	4,859,570	2,254,725	7,114,295	8,057,420	4,592,500	12,649,920
Exercisable at the end of the year	-	1,946,725	1,946,725	-	3,263,050	3,263,050

\*Includes, SAR 2019 345,050, ESOP 2011 Nil approved but not granted.

Weighted Average Exercise Price for 31 March 2024 and 31 March 2023

Weighted Average Exercise Price (₹)	31 March 2024*		31 March 2023	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Outstanding at the start of the year	136.20	166.84	123.38	172.77
Granted during the year	-	-	-	-
Exercised during the year	52.36	34.79	61.00	60.75
Lapsed/ cancelled during the year	88.24	182.01	104.55	184.47
Outstanding at the end of the year	50.74	69.58	136.20	166.84
Exercisable at the end of the year	NA	76.25	NA	187.44
Weighted Average Share price at the exercise date	78.30	58.59	58.85	58.98

\* During the year, there is reduction in strike price on account of demerger (refer note 75).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 54. SHARE BASED PAYMENTS: EMPLOYEE STOCK OPTION PLANS AND STOCK APPRECIATION RIGHTS PLANS (CONTINUED)

Outstanding Options as at 31 March 2024 and 31 March 2023

Particulars	31 March 2024		31 March 2023	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options outstanding	4,859,570	2,254,725	8,057,420	4,592,500
Weighted average strike price (₹)	50.74	69.58	136.20	166.84
Weighted average remaining lifetime of options (in years)	1.35	0.07	1.65	0.16
Number of employees covered under the scheme	111	143	122	166

Options granted during the year 31 March 2024 and 31 March 2023

Particulars	31 March 2024		31 March 2023	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options granted	-	-	-	-
Weighted average strike price (in ₹)	NA	NA	NA	NA
Weighted average remaining lifetime of options (in years)	NA	NA	NA	NA
Number of employees covered under the scheme	NA	NA	NA	NA
Weighted Average Fair value per option (in ₹)	NA	NA	NA	NA
Weighted Average Intrinsic value per option (in ₹)	NA	NA	NA	NA

Assumptions for Fair Value for the year 31 March 2024 and 31 March 2023

Particulars	31 March 2024		31 March 2023	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Weighted average share price (in ₹)	112.17	157.75	136.33	169.52
Weighted average strike price (in ₹)	50.74	69.58	136.20	166.84
Weighted average remaining lifetime of options (in years)	1.35	0.07	1.65	0.16
Expected volatility (% p.a.)	56% p.a. - 72% p.a.	41% p.a. - 72% p.a.	56% p.a. - 72% p.a.	41% p.a. - 72% p.a.
Risk-free discount rate (% p.a.)	5.1% p.a. - 6.9% p.a.	4.8% p.a. - 7.8% p.a.	5.1% p.a. - 6.9% p.a.	4.3% p.a. - 7.8% p.a.
Expected dividend yield (% p.a.)	0.7% p.a. - 2.4% p.a.	0.4% p.a. - 2.4% p.a.	0.7% p.a. - 2.4% p.a.	0.4% p.a. - 2.4% p.a.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 54. SHARE BASED PAYMENTS: EMPLOYEE STOCK OPTION PLANS AND STOCK APPRECIATION RIGHTS PLANS (CONTINUED)

Other Disclosure

Particulars	31 March 2024			31 March 2023		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Charges during the year due to share based payments *	10.28	3.61	13.89	71.17	16.11	87.28
Liability due for share based payments	191.24	180.82	372.06	343.65	355.07	698.72
Intrinsic value of the liability above	1.93	10.40	12.33	4.83	20.36	25.19

\* includes all group companies including associates

#### 55. FAIR VALUE MEASUREMENT

##### 55.1 Valuation Principles :

Fair value is the price that would be received against sale of 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 explained in Note 55.4

##### 55.2 Valuation governance :

The Group's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Group including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However Finance department is responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 55. FAIR VALUE MEASUREMENT (CONTINUED)

##### 55.3 Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy. Exchange traded and OTC derivatives are at gross amount i.e. before offsetting margin money. The impact of offsetting is explained in note 10.1.

Particulars	As at 31 March 2024			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments (assets)</b>				
Exchange-traded derivatives	802.55	-	-	802.55
OTC derivatives	-	1,101.89	-	1,101.89
Embedded derivatives in market-linked debentures issued	-	-	299.64	299.64
<b>Total derivative financial instruments (assets)</b>	<b>802.55</b>	<b>1,101.89</b>	<b>299.64</b>	<b>2,204.08</b>
<b>Investments</b>				
Government securities	28,349.08	39,751.67	-	68,100.75
Debt securities	15.70	14,010.54	128.94	14,155.18
Mutual fund units	7,492.05	-	-	7,492.05
Security receipts	-	-	26,039.25	26,039.25
AIF Fund	-	797.60	11,063.26	11,860.86
Equity instruments*	21,857.24	20,067.94	577.37	42,502.55
Preference Shares	-	-	968.90	968.90
Others	957.09	1,889.06	-	2,846.15
<b>Total investments measured at fair value</b>	<b>58,671.16</b>	<b>76,516.81</b>	<b>38,777.72</b>	<b>173,965.69</b>
<b>Loans and other financial assets measured at fair value</b>	<b>-</b>	<b>-</b>	<b>47,099.41</b>	<b>47,099.41</b>
<b>Property, Plant and equipment</b>	<b>-</b>	<b>-</b>	<b>11,894.49</b>	<b>11,894.49</b>
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>59,473.71</b>	<b>77,618.70</b>	<b>98,071.26</b>	<b>235,163.67</b>

\*Equity instruments includes investment in Nuvama Wealth Management Limited (NWML), a former associate of the Company which is subject to lock-in till September 2024 in accordance with Securities and Exchange Board of India regulations. This investment is reported under Level 2 in fair value disclosure in accordance with Ind AS 113 - Fair Value measurement as at 31 March 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 55. FAIR VALUE MEASUREMENT (CONTINUED)

##### 55.3 Assets and liabilities by fair value hierarchy (Continued)

Particulars	As at 31 March 2023			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments (assets)</b>				
Exchange-traded derivatives	176.42	38.18	-	214.60
OTC derivatives	-	217.93	-	217.93
Embedded derivatives in market-linked debentures issued	-	-	475.14	475.14
<b>Total derivative financial instruments (assets)</b>	<b>176.42</b>	<b>256.11</b>	<b>475.14</b>	<b>907.67</b>
<b>Investments</b>				
Government securities	25,757.12	31,241.43	-	56,998.55
Debt securities	128.32	13,169.40	4,643.08	17,940.80
Mutual fund units	3,643.44	-	-	3,643.44
Security receipts	-	-	21,089.05	21,089.05
AIF Fund	-	743.52	15,520.25	16,263.77
Equity instruments	14,207.13	1,196.73	35,083.81	50,487.67
Preference Shares	-	-	1,105.68	1,105.68
Others	1,043.84	881.21	-	1,925.05
<b>Total investments measured at fair value</b>	<b>44,779.85</b>	<b>47,232.29</b>	<b>77,441.87</b>	<b>169,454.01</b>
<b>Loans and other financial assets measured at fair value</b>	<b>-</b>	<b>-</b>	<b>2,645.09</b>	<b>2,645.09</b>
<b>Property Plant and equipment</b>	<b>-</b>	<b>-</b>	<b>11,780.83</b>	<b>11,780.83</b>
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>44,956.27</b>	<b>47,488.40</b>	<b>92,342.93</b>	<b>184,787.60</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 55. FAIR VALUE MEASUREMENT (CONTINUED)

##### 55.3 Assets and liabilities by fair value hierarchy (Continued)

Particulars	As at 31 March 2024			
	Level 1	Level 2	Level 3	Total
<b>Liabilities measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments (liabilities):</b>				
Exchange-traded derivatives	522.00	4.40	-	526.40
OTC derivatives	-	71.01	-	71.01
Embedded derivative liabilities in market-linked debentures	-	-	652.91	652.91
Non convertible debentures issued	-	-	5,006.41	5,006.41
Short sales	246.59	-	-	246.59
<b>Total financial liabilities measured at fair value on a recurring basis</b>	<b>768.59</b>	<b>75.41</b>	<b>5,659.32</b>	<b>6,503.32</b>

Particulars	As at 31 March 2023			
	Level 1	Level 2	Level 3	Total
<b>Liabilities measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments (liabilities):</b>				
Exchange-traded derivatives	315.11	67.45	-	382.56
OTC derivatives	-	557.43	-	557.43
Embedded derivative liabilities in market-linked debentures	-	-	443.79	443.79
Non convertible debentures issued	-	-	6,282.80	6,282.80
Short sales	-	-	-	-
<b>Total financial liabilities measured at fair value on a recurring basis</b>	<b>315.11</b>	<b>624.88</b>	<b>6,726.59</b>	<b>7,666.58</b>

##### 55.4 Fair valuation techniques :

###### Government debt securities

Government debt securities are generally highly liquid and traded in active markets; fair value of these securities is determined under Level 1 classification. For insurance business, security level prices published by CRISIL are considered for valuation and is determined under Level 2 classification.

###### Debt securities

Fair value of these debt securities is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. Wherever debt securities are traded actively, Group has used price quoted at Stock Exchanges; in other cases Group has used CRISIL Corporate Bond Valuation model for measuring fair value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 55. FAIR VALUE MEASUREMENT (CONTINUED)

##### 55.4 Fair valuation techniques : (Continued)

###### Security receipts

There is no active market for Security Receipts; Group determines fair value of these securities using discounted cash flow models. Under this method expected cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Since valuation of Securities receipts involves significant unobservable valuation inputs, fair value is classified at Level 3.

###### Equity instruments

Fair valuation of equity instruments, which are listed and actively traded on recognised stock exchanges with readily available active prices on a regular basis, are classified at Level 1. Equity instruments in non-listed entities are initially measured at transaction price and re-measured at each reporting date at valuation determined by external valuer at instrument level. Fair value of unlisted equity securities are classified at Level 3.

###### Units of Alternative Investment Funds (AIFs) and Mutual Fund

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

Open-ended funds that are redeemable at any time, and reports daily Net Asset Value (NAV) and for which sufficient subscriptions and redemptions occur at NAV, are measured at NAV and classified as level 1.

###### Loans measured at fair value through profit or loss

Loans are segregated, as far as possible, into portfolios of similar characteristics. Fair values are based on observable market transactions, when available. When they are unavailable, fair values are estimated using valuation models incorporating range of input assumptions. Group determines fair value of loans with help of internal valuation team and independent valuer on case-to-case basis. Valuation is based on discounted cash flow, comparable transaction market price, market research and marked trend as considered appropriate.

###### Derivatives

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

###### OTC derivatives

Under Interest rate swap contract, the Company agrees to exchange the difference between fixed and floating rate of interest amount calculated on agreed notional principal. Such contracts enable the Company to mitigate the risk of changing interest rate. The fair value of interest rate swap is determined by discounting the future cash flows using the curves at the end of year and the credit risk inherent in the contract. Company classify the Interest rate swaps at level 2 valuation.

###### Exchange traded derivatives

Exchange traded derivatives includes index/stock options, index/stock futures, company uses exchange traded prices to value these derivative and classify valuation of these instrument at level 1



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 55. FAIR VALUE MEASUREMENT (CONTINUED)

##### 55.4 Fair valuation techniques : (Continued)

###### Embedded derivatives

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

Group determines valuation using valuation models taking Inputs from observable market (Indices) data wherever possible, including prices available from exchanges, dealers, brokers. Group classify valuation of these embedded derivative at level 3.

##### 55.5 Transfer between Level 1 and level 2

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

##### 55.6 Financial instruments measured at amortised cost

The following table sets out the fair values and fair value hierarchy of financial instruments measured at amortised cost. The information given with respect to financial instruments for which the fair value differs from the carrying amount. Carrying amounts of cash and cash equivalents, trade receivables, trade and other payables as on 31 March 2024 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financials assets and other financial liabilities is not significant in each of the years presented.

Particulars	As at 31 March 2024				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Loans	100,940.91	107,804.37	-	-	107,804.37
<b>Financial liabilities</b>					
Debt securities	138,974.10	140,697.06	36,592.77	89,997.03	14,107.26
Borrowing (other than debt securities)	47,408.57	47,409.05	1,605.88	8,927.90	36,875.27
Subordinated liabilities	11,078.12	11,320.94	-	11,320.94	-
<b>Off-balance sheet items</b>					
Loan commitments	3,127.53	2,071.79	-	-	2,071.79

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 55. FAIR VALUE MEASUREMENT (CONTINUED)

##### 55.6 Financial instruments measured at amortised cost (Continued)

Particulars	As at 31 March 2023				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Loans	170,891.19	174,548.09	-	-	174,548.09
<b>Financial liabilities</b>					
Debt securities	147,747.54	150,265.12	38,893.11	94,937.69	16,434.32
Borrowing (other than debt securities)	49,947.02	49,774.63	1,822.63	10,595.35	37,356.65
Subordinated liabilities	13,366.87	13,106.63	-	13,086.21	20.42
<b>Off-balance sheet items</b>					
Loan commitments	6,233.79	4,903.32	-	-	4,903.32

##### 55.7 Valuation methodologies of financial instruments measured at Amortised Cost:

The Group has used below methodologies and assumptions to estimate fair values of the financial instruments, measured at Amortised cost, only for the purpose of disclosure. These methodologies and assumptions may differ from the methodology and assumptions explained in Notes 55.4

###### Financial assets at amortised cost

The fair values of these financial assets is determined by discounting contractual cash flows at actual/estimated yields, by current yields incorporating the counterparties' credit risk.

###### Issued Debt

The fair value of issued debt is estimated using discounted cash flow model.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 55. FAIR VALUE MEASUREMENT (CONTINUED)

#### 55.8 Movement in level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value.

Particulars	Financial assets					Financial liabilities			
	Security Receipts	Equity & Preference	Debt Securities	AIFs	Loans classified at fair value	Derivative financial assets	Others	Derivative financial liabilities	Non-convertible debentures issued
<b>As at 31 March 2023</b>	21,089.05	36,189.49	4,643.08	15,520.25	2,645.09	475.14	-	443.79	6,282.80
Net new purchases and sales including issuance	8,184.86	(222.18)	(4,402.80)	(7,061.10)	481.64	232.26	-	98.36	-
Settlements	15.75	(4,136.47)	-	-	-	(10.50)	-	(214.23)	(961.97)
Gain / Loss	(3,250.41)	(84.55)	(111.34)	2,604.11	(444.40)	(397.26)	-	324.99	(314.42)
Transferred (from)/to Level 3 and amortised cost	-	(30,200.02)	-	-	44,417.08	-	-	-	-
<b>As at 31 March 2024</b>	26,039.25	1,546.27	128.94	11,063.26	47,099.41	299.64	-	652.91	5,006.41
Unrealised Gain / Loss	(5,618.09)	(64.85)	(111.34)	532.29	(444.40)	(397.26)	-	324.99	1,020.24
<b>As at 31 March 2022</b>	33,406.65	4,217.61	3,023.81	8,629.24	3,361.82	20.80	63.87	1,556.41	7,887.95
Net new purchases and sales including issuance	(1,425.52)	5,507.53	1,625.32	5,354.13	(1,138.33)	434.03	-	168.79	-
Settlements	(10,151.30)	-	-	(335.48)	-	(0.03)	(63.87)	(897.22)	(1,253.63)
Gain / Loss	(740.78)	26,464.35	(6.05)	1,872.36	421.60	20.34	-	(384.19)	(351.52)
<b>As at 31 March 2023</b>	21,089.05	36,189.49	4,643.08	15,520.25	2,645.09	475.14	-	443.79	6,282.80
Unrealised Gain / Loss	(2,921.08)	26,433.68	1,054.37	2,994.22	24.57	20.34	-	(129.47)	2,143.38

\*includes financial assets derecognised

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 55. FAIR VALUE MEASUREMENT (CONTINUED)

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

As at 31 March 2024

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Investments in security receipts	Net asset value method	NAV per security receipt	₹ 48,025.60 million	5%	857.87	5%	(857.87)
	Discounted projected cash flow	Cash Flow	₹ 96,290.34 million	5%	112.17	5%	(150.52)
	Discount rates		12% to 14.8%	50 basis point	(11.09)	50 basis point	11.03
Investments in units of AIF	Net Asset approach	Fair value of underlying investments	₹ 542.01 million	5%	27.10	5%	(27.10)
			₹ 136.92 million	5%	2.13	5%	(2.13)
			NAV per unit ₹ 378.36 - ₹ 24,443.02	5%	13.13	5%	(13.13)
			NAV per unit ₹ 8,366- ₹ 100,305	5%	122.67	5%	(122.67)
			NAV per unit ₹ 9,542- ₹ 193,480	5%	348.42	5%	(348.42)
			₹ 14 per Unit	5%	0.20	5%	(0.20)
Investments in unquoted equity shares and preference shares categorised at Level 3	Comparable transaction and P/E	Fair value per share	₹ 124,864 per share	5%	15.75	5%	(15.75)
			₹ 0 to ₹ 278 per share	5%	27.35	5%	(27.35)
			₹ 0 to ₹ 124.64 per share	5%	3.51	5%	(3.51)
			₹ 100 to ₹ 214,140 per share	5%	15.76	5%	(15.76)
			₹ 384 to ₹ 387 per share	5%	0.02	5%	(0.02)
			₹ 59,07 per share	5%	7.39	5%	(7.39)
			₹ 1 to ₹ 10 per share	5%	0.02	5%	(0.02)
			Fair value per Unit ₹ 2,974 per unit	5%	9.16	5%	(9.16)
				5%	7.91	5%	(7.91)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 55. FAIR VALUE MEASUREMENT (CONTINUED)

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

As at 31 March 2024 (Continued)

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Loans classified as Fair Value	Comparable transaction and P/E	Discounting rate	15% - 20%	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets docs not have a significant impact in its value	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets docs not have a significant impact in its value
Debt investments classified at FVTPL	Comparable transaction and P/E	Fair value per instrument	₹ 0 to ₹ 6,957 per NCD ₹ 100 to ₹ 214,140 per NCD	5%	2.00	5%	(2.00)
Embedded derivatives in market-linked debentures issued (Assets/liability) (net)	Fair value of index Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Index levels Nifty level	- -	5%	(17.66)	5%	17.66
Debt Securities (Liability)	Discounted projected cash flow	Cash Flow Discount rates	- 12%	0.50%	2.56	-	(2.56)
				0.50%	-	0.50%	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 55. FAIR VALUE MEASUREMENT (CONTINUED)

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

As at 31 March 2023

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Investments in security receipts	Net asset value method	NAV per security receipt	₹ 696 to ₹ 1500 per security receipt	5%	808.44	5%	(808.44)
	Discounted projected cash flow	Cash Flow Discount rates	₹ 349,615.97 million 12% to 39.74%	5%	638.02 (695.70)	5%	(1,487.80) (741.51)
Investments in units of AIF	Net Asset approach	Fair value of underlying investments	₹ 11,028.46 million NAV per unit ₹ 10.4 - ₹ 195704.00 NAV per unit ₹ 508.52 - ₹ 107,284.00 ₹ 26 to ₹ 28 per Unit	5%	551.42 11.15 68.60 6.56 451.13	5%	(551.42) (11.15) (68.60) (6.56) (454.04)
Investments in unquoted equity shares and preference shares categorised at Level 3	Comparable transaction and P/E	Fair value per share	₹ 157,330 per share ₹ 42.85 per share ₹ 188 to ₹ 157,330 per share ₹ 1 to ₹ 161 per share ₹ 1 to ₹ 157,330 per share ₹ 100 to ₹ 215,000 per share ₹ 1817 to ₹ 2,239 per share ₹ 3,121 per unit ₹ 2,238 per unit ₹ 1,080 per share	5%	0.79 9.03 25.76 0.00 29.52 20.39 324.45 9.61 1,381.75 0.05	5%	(0.79) (9.03) (25.76) (0.00) (29.52) (20.39) (324.45) (9.61) (1,381.75) (0.05)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 55. FAIR VALUE MEASUREMENT (CONTINUED)

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

As at 31 March 2023 (Continued)

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Loans classified as FVTPL	Comparable transaction and P/E	Discounting rate	15% - 20%	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value
Debt investments classified at FVTPL	Discounted cash flow Comparable transaction and P/E	Expected future cash flows Fair value per instrument	₹ 376,333 to ₹ 10,000,000 per NCD ₹ 6,667 to ₹ 10,000 per NCD	5%	224.82	5%	(224.82)
Embedded derivatives in market-linked debentures issued (Assets/liability) (net)	Fair value of index Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Price per debenture Index levels Nifty level	₹ 100 to ₹ 215,000 per debenture ₹ 79,212.00 million	5%	4.56	5%	(4.56)
Debt Securities (Liability)	Discounted projected cash flow	Cash Flow Discount rates	₹ 96,571 million 12%	-	8.66	0.50%	(8.66)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 56. RISK MANAGEMENT

#### 56.1 Introduction and risk profile

The Edelweiss Group (“The Group”) provides a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. The Group’s products and services span multiple asset classes and consumer segments across domestic and global geographies. The Group’s key lines of business can broadly be classified as below:

- Capital
- Agency
- Insurance (Life and General)
- Asset reconstruction
- Treasury

The Group’s diversified businesses profile acts as an inherent risk management mechanism at an overall level. However, the prevailing market environment and ongoing operations expose the Group to various risks like credit risk, market risk, liquidity risk, compliance risk, and technology risk amongst others. As the Group operates various regulated businesses, it is exposed to regulatory and reputation risks also.

#### 56.2 Risk management strategy:

The strategy at an execution level is supported by -

1. Three-tiered risk management structure to manage and oversee risks
2. Board and Executive Level Committees to review and approve risk exposures
3. Risk Management framework to ensure each risk the Group is exposed to is given due importance and managed through a well-defined framework and guidelines
4. Standard Operating Procedures and Product approval framework to ensure risks are mitigated at operational level
5. Adequate segregation of duties to ensure multi-layered checks and balances
6. Exception reporting framework to ensure process and policy deviations are adequately addressed

#### 56.3 Risk management structure

To support the risk strategy and ensure effective risk management, the Group has a “Three-tiered risk management structure” to ensure that there are enough defences are available to control all types of risk issues. The risk structure is enumerated below:

1. **Three lines of defense** - for accountability, oversight, and assurance
  - **Respective Businesses** - the first line of defence; they own and manage risks and are responsible for implementation of the risk management framework

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.3 Risk management structure (Continued)

- **Business Risk teams** - the second line of defence; they are responsible for overseeing risk events and defining the risk management framework
  - **Internal audit** - the third line of defence; they provide independent assurance of risk management framework implementation
2. **Board and Executive level Committees** - for overseeing the risk management. The current Risk Management Committees are
- Board Risk Committee
  - Investment and Credit Committees

The Board Risk Committee is the overseeing body for Risk Management. The Committee meets at regular intervals to review the risk profile of the Company.

The Investment and Credit Committee serve as the nodal bodies for all credit related decisions. Respective businesses have formulated its own Investment and Credit Committees depending upon the scale of the exposure.

##### Risk management framework

The businesses in the Group have a Risk Framework, which describes the risk management approach and provides clear accountability for managing risk considered appropriate for the Business. The framework is subject to continuous evaluation based on existing internal as well external environment.

The current risk framework covers :

- Business Risk
- Credit Risk
- Market Risk
- Liquidity Risk
- Regulatory Risk
- Reputation Risk
- Technology Risk
- Operational and Process Risk
- Fraud Risk
- People Risk
- Physical Infrastructure Risk

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.3 Risk management structure (Continued)

The Businesses in the Group use different types of tools and techniques for mitigating risk, depending upon the type of risk and quantum. For example:

- Financial risks are mitigated through counterparty and client assessment before any exposure is taken, and defined product/program level risk limits to ensure exposure does not exceed risk appetite. The Committee based approval mechanism is adopted to ensure that high exposures are approved with adequate representation and that there is no bias in approvals.
- Non-financial risks viz technology, operational, fraud, etc. are mitigated through process documentation defining clear ownership for each activity, having adequate system/process level controls like maker-checker, reconciliation, testing and reviews.
- Enterprise level risks viz. reputation, compliance, regulatory, etc. are controlled through policies and framework, educating employees through training and risk socialisation sessions.

##### 56.4 Risk management framework of General Insurance (Zuno General Insurance Limited "ZGIL")

##### Governance framework

The core of the ZGIL risk philosophy lies in the identification, measurement, monitoring and management of risk. ZGIL believe risk management is a continuous, vital process that is an inalienable part of ZGIL DNA. The Governance structure can thus be seen from three focal points:

1. The Business Users would form the First Line of defence. First Line of defence would ensure that risk and control environment is established into their day to day activities.
 

This line of defence would also:

  - A. Implement proactive and reactive risk management tools in their processes
  - B. Review their processes for adequacy of effectiveness of controls
  - C. Report on the level of the risks and effectiveness of controls to the second line of defence on periodic basis
  - D. Respond to Regulatory/ Operational/ Business changes quickly and keep the second line of defence informed on the developments.
2. Risk Management, and Compliance team forms part of the Second Line of Defence. The second line of defence is oversight function and would provide direction and guidance to the first line of defence for implementation of ZGIL's Board driven policies. Second line of defence would also monitor implementation efficiency of these policies and provide overall oversight to the business processes and risks.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.4 Risk management framework of General Insurance (Zuno General Insurance Limited “ZGIL”) (Continued)

###### Governance framework (Continued)

3. Independent consultants/assurance providers like internal auditors, external auditors, statutory auditors, regulatory auditors etc. forms third line of defence and provides independent assurance. consultants/assurance providers will have direct access to the Board of ZGIL. The Statutory and Regulatory auditors would have independence as per Statutory and Regulatory assurance framework of the country.

The Insurance Regulatory and Development Authority (IRDAI) vide its circular number IRDA/F&A/GDL/CG/100/05/2016 dated 18 May 2016 has issued Guidelines on Corporate Governance for the Insurance Sector. Basis the circular, the following committees form part of the overall risk governance framework:

- Risk Management Committee
- Audit Committee
- Investment Committee
- Policyholder protection Committee

The Risk Management Committee is responsible for periodic review of the risk management process to ensure that the process initiatives are aligned to the desired objectives. ZGIL has Chief Risk Officer who is responsible for the implementation and monitoring of the framework. Further, the key policies adopted under the Risk Framework are as under:

- Underwriting Policy
- Investment Policy
- Asset Liability Management Policy
- Reinsurance Program
- Information Security Policy
- Outsourcing Policy
- Anti Fraud Policy
- Financial authority Matrix

###### Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the ZGIL is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that ZGIL maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of ZGIL are subject to regulatory requirement within the jurisdiction it operates.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.4 Risk management framework of General Insurance (Zuno General Insurance Limited “ZGIL”) (Continued)

###### Asset liability management (ALM) framework

The ALM policy adopted by ZGIL helps in:

- Understanding all risks requiring the coordination of assets and liabilities
- Quantify interest rate risks and equity risks
- Quantify the extent of mismatch between the assets and liabilities and thereby prescribe appropriate measures to bridge the gap

###### Asset Valuation:

Asset valuation and bucketing of assets basis the duration will be as per the IRDAI regulations and applicable standards. Assets will be allocated to different lines in the proportion of the net technical reserves for that line of business.

###### Liability profiling:

The technical reserves consist of:

1. Unearned Premium Reserves (UPR)
2. Premium Deficiency Reserve (PDR)
3. Incurred But Not Reported (IBNR) reserves
4. Outstanding claims reserves

UPR and PDR can be apportioned basis the policy term outstanding. Outstanding claims reserves and IBNR will be apportioned basis the expected reserve utilisation. Where data is available the reserving techniques like Chain Ladder method can provide significant inputs on the development profile for the claims. Where data is not available, industry benchmarks or assumptions related to the claims profile will be made to arrive at the suitable run off pattern for the liabilities. The emerging claims experience will be periodically reviewed by the actuarial department to take into account any changes in the same.

###### Insurance risk

The principal risk, ZGIL faces under insurance contracts, is that the actual claims payments or the timing thereof differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of ZGIL is to ensure that sufficient reserves are available to cover these liabilities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.4 Risk management framework of General Insurance (Zuno General Insurance Limited "ZGIL") (Continued)

###### Insurance risk (Continued)

ZGIL has developed a risk strategy to manage the risks appropriately. ZGIL's risk management strategy is to establish measures and controls which will assist in prevention, detection and management of risks for strong risk management system. Such risk management system will identify risk at macro as well as micro level on ongoing basis.

The risk identification, assessment and evaluation activity is followed by defining appropriate action items for ensuring effective management of the risks. ZGIL mitigates the risks by careful selection of the underwriting strategy, reinsure a part of the risk with various reinsurers, diversification of all insurance contracts and acquiring business from all parts of the Country.

The main Insurance Risks that ZGIL is exposed to are as follows:

- I. Product Pricing Risk: The loss ratios are assumed at the time of pricing the product. There is a risk of not pricing the products adequately due to model error/ data selection or biases / lack of relevant data or inadequate underwriting assumptions leading to losses greater than anticipated.
- II. Fraud Risk - Excessive, invalid, duplicate or fraudulent claims
- III. Reinsurance Risk - ZGIL enters into reinsurance agreements in order to mitigate insurance Risk. However, this leads to default Risk from the reinsurer at the time of claim payment or also concentration risk if all the Risk is insured to one reinsurer.
- IV. Investment Risk - Risk of loss arising from actual returns being different than expected. Credit risk due to investee enterprise defaulting on its debt payments.
- V. Expense Risk - Risk of loss arising from expense experience being different than expected
- VI. Concentration Risk - ZGIL faces concentration Risk by selling business to specific geography or by writing only single line business etc.

###### Control Measures:

ZGIL has set up Risk Management framework to continuously monitor ZGIL's experience with regard to parameters like loss ratios and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal.

ZGIL has entered into a separate agreement with reinsurers to cover the catastrophic risks to hedge against catastrophic events leading to higher than expected claim payouts.

ZGIL has been taking efforts so as to mitigate concentration risk through diversification. However, ZGIL may still be exposed to channel concentration risk. The ZGIL business is spread across various key states in India to minimise any geographical concentration, accordingly, it also insulates ZGIL from impact of catastrophic risk.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.5 Risk management framework of Life Insurance business ("ETLIFE")

###### a. Governance framework

The primary objective of the ETLIFE's risk and financial management framework is to protect the ETLIFE's shareholders as well as policyholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

ETLIFE has an effective Risk Management Framework in place which provides for risk identification, risk assessment and evaluation, monitoring, tracking and feedback mechanism framework to identify, evaluate business risks and opportunities.

ETLIFE has a risk balancing approach and follows the process of risk evaluation, monitoring and control. ETLIFE has structured and uniform method of risk monitoring and control through the Risk and Control Self- Assessment (RCSA) Framework.

ETLIFE continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors has overall responsibility for the establishment and oversight of ETLIFE's risk management framework. This is supplemented with the clear organizational structure and documented delegated authorities and responsibilities from the board of directors to various executive management committees.

###### b. Capital management objectives, policies and approach

The primary source of capital used by ETLIFE is Equity. ETLIFE's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analysis. The process is ultimately subject to approval by the Board.

ETLIFE has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To comply with the insurance capital requirements that the IRDAI require. In this respect, the IRDAI has prescribed minimum solvency ratio of 150% (refer note on Capital Management for solvency ratio);
- To maintain the required level of stability of ETLIFE, thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders.
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities, taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.5 Risk management framework of Life Insurance business (“ETLIFE”) (Continued)

###### b. Capital management objectives, policies and approach (Continued)

- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

In reporting, financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. ETLIFE's Capital Management Policy for its business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives and maintain a health solvency ratio.

###### c. Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the ETLIFE is satisfactorily managing affairs for the benefits of policyholders. At the same time, regulators are also interested in ensuring that ETLIFE maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of ETLIFE are subject to regulatory requirement within the jurisdiction it operates.

###### d. Asset liability management (ALM) framework

Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The main risk that ETLIFE faces, due to the nature of its investments and liabilities, is interest rate risk. ETLIFE manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance and investment contracts. The principal technique of ETLIFE's ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of liabilities, a separate portfolio of assets is maintained.

###### ETLIFE's ALM is:

- Integrated with the management of the financial risks associated with ETLIFE's other financial assets and liabilities not directly associated with insurance and investment liabilities.
- As an integral part of the insurance risk management policy, to ensure in each period sufficient cash flow is available to meet liabilities arising from insurance and investment contracts.

ETLIFE undertakes Asset Liability Management to reduce interest rate risk. The Company uses expected future cashflows from already written policies and investments to assess the interest rate risk.

The ETLIFE enters into interest rate derivative contracts, solely to hedge the residual interest rate risk.

The Derivatives are financial instruments which attempt to mimic the economic performance of an underlying asset, security or portfolio. Interest rate derivatives include forward rate agreement, interest rate futures and Interest rate swaps.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.5 Risk management framework of Life Insurance business (“ETLIFE”) (Continued)

###### d. Asset liability management (ALM) framework (Continued)

###### ETLIFE's ALM is: (Continued)

ETLIFE uses Interest Rate Derivatives (Forward Rate agreements and Interest rate futures) to minimise the exposure to fluctuations in interest rates on plan assets and liabilities. ETLIFE has a Board approved Derivative policy covering strategic objectives, limits, regulatory and operational framework. It underscores risks inherent in a derivative contract along with a system for measurement and accounting in order to have effective monitoring and control.

Hedge effectiveness is determined based on the principles laid down in the Guidance note on Derivatives issued by The Institute of Chartered Accountants of India and relevant applicable Ind-AS. ETLIFE uses regression analysis to determine Hedge effectiveness. If the hedge is ineffective, then the movement in the Fair Value is charged to the Profit and Loss Account. However, if the hedge is effective, further the effective and ineffective portion of the movement in the Fair Value of the Underlying and the derivative instrument is determined by the currency Offset method. The effective portion is transferred to 'Fair Value change' account in Balance Sheet and Ineffective portion is transferred to Profit and Loss account.

###### a. Insurance risk

ETLIFE's lines of business are Participating Life (Individual), Non-Participating Life (Individual and Company) and Unit Linked Life (Individual and Company). ETLIFE has presence in Non-Participating Health (Individual), Non-participating Non-linked Variable Insurance (Company), Participating Pension (Individual), Unit Linked Pension (Individual) and Non-Participating Annuity (Individual) business as well. By nature of the business, ETLIFE underwrites risks and provides financial protection. In doing so, ETLIFE is exposed to various risks.

The principal risk, ETLIFE faces under insurance contracts, is that the actual claims and benefit payments or the timing thereof differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of ETLIFE is to ensure that sufficient reserves are available to cover these liabilities.

ETLIFE has developed a risk strategy to manage the risks appropriately. ETLIFE's risk management strategy is to establish measures and controls which will assist in prevention, detection and management of risks for strong risk management system. Such risk management system will identify risk at macro as well as micro level on ongoing basis.

The risk identification, assessment and evaluation activity is followed by defining appropriate action items for ensuring effective management of the risks. An action item for all the high risks is defined with clear owners and timelines. ETLIFE mitigates the risks by careful section of the underwriting strategy, reinsure a part of the risk with various reinsurers, diversification of all insurance contracts and acquiring business from all parts of the Country.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.5 Risk management framework of Life Insurance business ("ETLIFE") (Continued)

###### b. Life Insurance Contracts and Investment Contracts with and without Discretionary Participation Features:

Ind AS 104 'Insurance Contracts' requires ETLIFE to separate the Financial Instruments (investment contracts) from insurance contracts under specified conditions.

Insurance contracts are those contracts where ETLIFE has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. Insurance and investment contracts are further classified as being either with or without DPF. DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are likely to be a significant portion of the total contractual benefits.

As a general guideline by IRDAI, ETLIFE classifies contract under insurance contract and investment contracts with DPF, if the benefit payable on death is higher by at least 5% of the premium at any time during the life of the contract for other than unit linked products.

All other contracts are classified under Investment Contracts.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Investment contracts, however, can be reclassified as insurance contracts after inception if insurance risk becomes significant.

###### c. The main Insurance Risks that ETLIFE is exposed to are as follows:

- i. Persistency Risk - Risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected
- ii. Mortality Risk - Risk of loss arising due to policyholder mortality experience being different than expected
- iii. Investment Risk - Risk of loss arising from actual returns being different than expected
- iv. Expense Risk - Risk of loss arising from expense experience being different than expected
- v. Reinsurance Risk – ETLIFE enters into reinsurance agreements in order to mitigate insurance Risk. However, this leads to default Risk from the reinsurer at the time of claim payment or also concentration risk if all the Risk is insured to one reinsurer.
- vi. Concentration Risk - ETLIFE faces concentration Risk by selling business to specific geography or by writing only single line business etc.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.5 Risk management framework of Life Insurance business ("ETLIFE") (Continued)

###### c. The main Insurance Risks that ETLIFE is exposed to are as follows: (Continued)

###### Control Measures:

ETLIFE has set up Risk Management framework to continuously monitor the ETLIFE's experience with regard to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal. Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into re-insurance agreements with multiple re-insurers. ETLIFE has entered into a separate agreement with reinsurers to cover the catastrophic risks under Individual and Group business to hedge against catastrophic events leading to higher than expected claim payouts.

ETLIFE has been taking efforts so as to mitigate concentration risk through diversification however ETLIFE may still be exposed to channel concentration risk as company is in 13<sup>th</sup> year of operation and all the channels are not yet fully developed. ETLIFE has been acquiring business from all the parts of India and thus has little geographical concentration. It also insulates ETLIFE from impact of catastrophic risk. ETLIFE has a Board approved Risk Management Policy covering underwriting, claims and reserving for policy liabilities. ETLIFE has a detailed claims processing manual in place. The large claims are referred to ETLIFE's Claims Committee.

###### Operational risks:

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The ETLIFE, cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the ETLIFE is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the ETLIFE's strategic planning and budgeting process. Operational risk: A risk arising from this category is resultant of inadequate or failed internal processes and controls, poor corporate governance or from external events such as sudden disasters crippling the operations of the ETLIFE.

Operational risks within the Company are categorized into 6 (six) types namely:

- Fraud
- Execution, delivery and process management
- Business disruption and system failures
- Clients, products and business practices
- Damage to physical assets
- Employment practices and workplace safety

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### Operational risks: (Continued)

##### 56.5 Risk management framework of Life Insurance business (“ETLIFE”) (Continued)

Risk control and mitigation plan forms important part of the risk management processes within the ETLIFE. The ETLIFE’s management ensures oversight on the risks by reviewing data, processes and by performing model checks at regular frequencies. The Operational risk impact within the ETLIFE is rated basis frequency and severity matrix. Frequency and severity matrix is further utilized for evaluation of the risk which in turn helps in prioritization. The risk management team conducts an independent root cause analysis of operational risk incidents. Root cause analysis is followed by actual and potential risk exposure assessment. The root cause analysis helps to identify inadequacies in the control measures for known risks or identify new risks which need to be addressed. The resultant learning is then used to improve processes systematically.

##### 56.6 Excessive risk concentration

The relevant businesses in the Group have diversified business model which acts as an inherent mechanism to avoid excessive concentrations of risk.

Single and Group level borrower limits for wholesale lending and program level limits for retail lending have been defined to avoid excess credit concentration. The relevant businesses in the Group monitor these limits as part of its regular monitoring activity. Additionally, the risk team of respective businesses in the Group keep track of Group, Industry, Collateral, Geography level exposure concentrations. These concentrations are periodically reviewed by the business entities in the Group and discussed in their Credit/Risk Committee, so as to avoid further exposures or reduce exposures to sector/industry/ group/geography.

##### 56.7 Credit risk

Credit risk is the risk of financial loss the Group may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial /contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. Group carries out proper due diligence before underwriting creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Business in the Group.

The Business in the Group manages its credit risk through a multi-layered approach as given below:

- 1) Review by the respective Board Risk Committee;
- 2) The Investment Committees (IC) for approving all credit related decisions, beyond certain levels delegated to Credit Committees. Further, individual loan specific limits as well as concentration limits are also approved by the IC and reviewed on a periodic basis;
- 3) Respective Business risk team is responsible for industry and portfolio level monitoring and stress testing;
- 4) Business risk also does day to day client level monitoring; and
- 5) Independent verification of all client accounts, adherence to policies and frameworks are carried out by internal audit team.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.7 Credit risk (Continued)

The counterparty, client assessment is done before any exposure is taken. Assessment covers all the aspects of risk like Borrower profile, financials, and adequacy of collateral, promoter strength, repayment capability and cash flow generation. Discussions are held with independent risk and compliance teams both at Business in the Group before the credit proposals are put forward to the Committees for approval. The Business in the Group have committee-based approval process mechanism to ensure high exposures are approved with adequate representation from Compliance, Credit, Legal and other relevant teams and there is no biasness.

The relevant Business in the Group has separate credit origination and appraisal processes for wholesale, distressed and retail segments. For wholesale and distressed segment, the relevant Business in the Group adopt underwriting standards for different client segment based on risk parameter and availability of security. The relevant Business in the Group for Retail segment, adopt underwriting standards both at product and portfolio level.

The Credit monitoring is very important part of managing credit risk. Accordingly, the Business in the Group have independent monitoring of credit exposures and associated risks.

The asset quality review is also performed on regular basis by the Risk Committees of the relevant Business in the Group. The credit portfolio quality report is presented to the Board Risk Committee on a quarterly basis by the concerned Business in the Group.

The Business in the Group applies the expected credit loss model for recognising impairment loss. For the purpose of measuring lifetime expected credit loss (‘ECL’) the relevant Business in the Group has used practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Business in the Group have devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. Loans are classified into various stages for different type of business. For non-distress credit business they are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. Further, ECL also takes into account forward looking factors like GDP growth, interest rates etc. along with historical trends.

The relevant Business in the Group determine that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit impaired financial assets). Expected Credit Loss computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- 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;

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.7 Credit risk (Continued)

- The 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 is achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

The relevant Business in the Group have internal grading that is based on days past due (dpd) as specified below:

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

##### Significant increase in credit risk (SICR)

In all cases when the borrower becomes 90 days past due, Business in the Group considers a financial instrument as default category and classify such financial instrument as Stage 3 (credit-impaired) for ECL calculations.

Classification of assets from stage 1 to stage 2 is carried out based on SICR criterion. The Financial Instrument (Customer accounts) which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These Financial Instrument (Customer accounts) have been classified as Stage 2 assets. As a part of a qualitative assessment of whether a customer is in default, the Business in the Group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Business in the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

The respective Business in the Group management evaluates the credit situation continuously and the current credit assessment of borrowers is based on the following factors including many factors such as;

- Whether there is actual or expected significant change in the credit situation which entails significant increase in credit risk.
- Whether there is existing or forecasted adverse changes in borrower's business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
- Whether there are any significant changes in the expected performance and behaviour of the borrower.
- Whether there are expected changes in the loan documentation, including an expected breach of contract that might lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the loan.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.7 Credit risk (Continued)

##### Significant increase in credit risk (SICR) (Continued)

Reasonable and supportable information that is forward-looking and that is available without undue cost or effort is used by management to assess changes in credit risk. However, considering that the current economic situation is continuously evolving, the management shall apply on regular basis any favourable or detrimental change to the borrower profiles and accordingly factor in macro/micro variables that shall represent the evolved inherent credit risk.

##### Probability of Default

Probability of Default (PD) is an estimate of likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the relevant Business in the Group. While arriving at PD, the relevant Business in the Group also ensures that the factors that affects the macro-economic trends are considered to a reasonable extent, wherever necessary. The Business in the Group calculates 12 months PD by taking in account the past historical trends of loan portfolio and its credit performance. In case of assets where there is significant increase in credit risk/credit impaired assets, lifetime PD has been applied.

##### Loss Given Default (LGD)

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

##### Exposure at Default (EAD)

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

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

Where,

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

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount Undrawn Credit Line = Difference between the total amount which the Business in the Group has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.7 Credit risk (Continued)

###### Purchased or originated credit impaired (POCI)

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. This population includes the recognition of a new financial instrument following a renegotiation where concessions have been granted for economic or contractual reasons relating to the borrower's financial difficulty, that otherwise would not have been considered.

###### Forward looking adjustments

A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

To fulfil the above requirement Business in the Group have incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. Keeping in mind Ind AS requirements around obtaining reliable and supportable information, without incurring undue cost or effort- based on advice of risk committee members and economic experts and consideration of a variety of external actual and forecast information, the Business in the Group formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

###### Data sourcing

The Group is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long-term average. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.7 Credit risk (Continued)

###### Probability weighted scenario creations

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Business in the Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assess have been developed based on analysing historical data over the past 5 years.

##### 56.7.1 Overview of modified and forborne loans

There are no modified stage 2 and stage 3 assets treated as forborne during the year, with the related modification loss suffered by the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 56. RISK MANAGEMENT (CONTINUED)

#### 56.7 Credit risk (Continued)

##### 56.7.2 Analysis of risk concentration

The following table shows the risk concentration by industry for the components of the balance sheet. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Group's internal grading system and year-end stage classification are further disclosed in Note 12.1.

##### Industry analysis - Risk concentration for 31 March 2024

Components	Financial services	Government	Manufacturing	Retail and wholesale	Oil & gas	Services	Others	Total
Cash and bank balances	33,307.94	-	-	-	-	-	-	33,307.94
Derivative financial instruments	1,192.41	-	-	-	-	-	-	1,192.41
Trade receivables	2,154.01	-	66.77	1,327.02	-	0.18	27.39	3,575.37
Loans	1,480.18	-	6,494.69	138,837.18	-	993.44	234.83	148,040.32
Investments	54,280.76	71,399.14	25,451.32	27,968.44	104.16	1,585.29	4,125.64	184,914.75
Other financial assets	10,846.72	-	3.90	57.85	-	-	54.47	10,962.94
<b>Total</b>	<b>103,262.02</b>	<b>71,399.14</b>	<b>32,016.68</b>	<b>168,190.49</b>	<b>104.16</b>	<b>2,578.91</b>	<b>4,442.33</b>	<b>381,993.73</b>
Other Commitments	493.84	-	-	2,172.00	-	-	-	2,665.84

##### Industry analysis - Risk concentration for 31 March 2023

Components	Financial services	Government	Manufacturing	Retail and wholesale	Oil & gas	Services	Others	Total
Cash and bank balances	36,990.73	-	-	-	-	-	-	36,990.73
Derivative financial instruments	779.00	-	-	-	-	-	-	779.00
Trade receivables	922.51	-	812.11	2,051.44	-	25.97	321.05	4,133.08
Loans	2,974.65	-	8,198.42	137,675.91	-	10,600.88	14,086.42	173,536.28
Investments	61,254.30	59,848.02	22,410.05	19,944.22	81.41	888.99	7,195.25	171,622.24
Other financial assets	8,639.66	-	3.19	503.49	-	0.09	40.66	9,187.09
<b>Total</b>	<b>111,560.85</b>	<b>59,848.02</b>	<b>31,423.77</b>	<b>160,175.06</b>	<b>81.41</b>	<b>11,515.93</b>	<b>21,643.38</b>	<b>396,248.42</b>
Other Commitments	384.95	-	-	1,515.98	-	-	-	1,900.93

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 56. RISK MANAGEMENT (CONTINUED)

#### 56.7 Credit risk (Continued)

##### 56.7.3 Collateral and other credit enhancements

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

Particulars	Maximum exposure to credit risk		Principal type of collateral
	31 March 2024	31 March 2023	
<b>Financial assets</b>			
<b>Loans:</b>			
Retail Loans and Wholesale loans	86,135.28	152,551.30	Equity shares and Mutual fund units, Bonds, Property; book receivables, Land, real estate property securities, and Tangible assets, Inventories, fixed deposits & other marketable securities, Surrender Value of the Policy
Distressed assets	14,283.19	17,966.05	Tangible assets
Other credits	522.44	373.84	
Trade receivables	3,575.37	4,133.08	Equity shares, fixed deposits and bank guarantees, Securities etc.
Debt instruments and other investments at amortised cost	10,949.06	2,168.23	Government security and Book debts (including Highly liquid Central/State Government securities & high rated Corporate Bonds)
<b>Total financial assets at amortised cost</b>	<b>115,465.34</b>	<b>177,192.50</b>	
Derivative financial instruments	1,192.41	779.00	Margin money
Financial assets at FVTPL	117,060.58	132,232.54	Tangible assets, Warrants
Financial instrument designated at fair value through profit or loss	19,910.73	15,139.30	Tangible assets and Highly liquid Central/State Government securities, high rated Corporate Bonds and liquid Mutual fund units
<b>Total financial instruments at fair value through profit or loss</b>	<b>138,163.72</b>	<b>148,150.84</b>	
Debt instruments/Equity instruments at fair value through OCI	39,636.21	24,727.26	Government security and Book debts
Financial assets at FVOCI	44,457.58	-	Tangible assets and Highly liquid Central/State Government securities, high rated Corporate Bonds and liquid Mutual fund units
<b>Total financial instruments at fair value through OCI</b>	<b>84,093.79</b>	<b>24,727.26</b>	
Other commitments (max exposure)	2,395.71	2,294.57	Property, book receivables, Tangible Assets, Equity Shares, Mutual Fund units, Land, Office Space, Flats, Bungalow, Penthouse, Row house and Commodities.
<b>Total (net)</b>	<b>340,118.56</b>	<b>352,365.17</b>	

Above also includes unsecured financial assets.

The Group has not entered in to any credit derivative to mitigate above credit risk.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.7 Credit risk (Continued)

##### 56.7.4 Fair value of collateral held for stage 3 assets

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the expected value of the collateral is greater than the LGD, even in if the future value of collateral is forecast using multiple economic scenarios.

##### As at 31 March 2024

Particulars	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
<b>Financial assets</b>				
Loans	96,040.38	33,764.99	62,275.39	76,105.26
Debt instruments	-	-	-	-
Total financial assets at amortised cost	96,040.38	33,764.99	62,275.39	76,105.26
Loan commitments	-	-	-	-
<b>Total</b>	<b>96,040.38</b>	<b>33,764.99</b>	<b>62,275.39</b>	<b>76,105.26</b>

##### As at 31 March 2023

Particulars	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
<b>Financial assets</b>				
Loans	131,547.15	48,413.91	83,133.24	93,923.64
Debt instruments	22.94	3.46	19.48	19.48
Total financial assets at amortised cost	131,570.09	48,417.37	83,152.72	93,943.12
Loan commitments	128.11	0.54	127.57	4.00
<b>Total</b>	<b>131,698.20</b>	<b>48,417.91</b>	<b>83,280.29</b>	<b>93,947.12</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.8 Liquidity risk and funding management

Liquidity risk emanates from the mismatches existing on the balance sheet due to differences in maturity and repayment profile of assets and liabilities. These mismatches could either be forced in nature due to market conditions or created with an interest rate view. Such risk can lead to a possibility of unavailability of funds to meet upcoming obligations arising from liability maturities. To mitigate liquidity risk

- Group maintains Liquidity Cushion equivalent to 12-15% of the borrowings in the form of Fixed Deposits, Mutual Funds, Cash, G-Sec, etc. These assets carry minimal credit risk and can be liquidated in a very short period of time.
- Secondly, group has undrawn lines of credit from banks which are drawable on notice which further augment the available sources of funds.
- To reduce concentration of funding risk, Group relies on diversified sources including Banks, Retail investors in capital markets, Mutual Funds, ECB, Sub Debt etc.

Group has a Liquidity Contingency Policy in place and various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls considering normal as well as Stress scenario. A detailed set of activities have been defined to be executed during stress scenario.

Group has a Liquidity Contingency Policy in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario. A detailed set of activities have been defined to be executed during stress scenario.

##### 56.8.1 Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial liabilities, financial assets, derivatives and financial commitments as at 31 March.

The tables have been drawn up based on the undiscounted cash flows i.e. the tables include both interest and principal cashflows. The contractual maturity with respect to financial liabilities is based on the earliest date on which the Group may be asked to pay. To the extent that interest flows are at floating rate, the undiscounted amount is derived using interest rates in force at the balance sheet date. Further, with regards to amounts payable in currencies other than Indian Rupees, the amounts are determined based on the spot exchange rates at the balance sheet date. The analysis with respect to financial assets is based on expected maturities. All derivatives which are entered into for trading purposes are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given based on undiscounted cash flows.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 56. RISK MANAGEMENT (CONTINUED)

#### 56.8 Liquidity risk and funding management (Continued)

##### 56.8.1 Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities (Continued)

As at 31 March 2024

Non-derivative financial liabilities	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	11,399.31	1,583.34	2,533.26	1,166.42	41.36	16,723.69
Borrowings (other than debt securities)	23,386.59	5,184.33	9,630.96	7,461.61	3,387.32	49,050.81
Debt securities	19,496.87	6,415.89	19,712.17	70,222.94	44,485.62	160,333.49
Subordinated financial liabilities	620.97	39.76	658.62	8,742.20	4,105.81	14,167.36
Deposits	-	16.98	-	-	-	16.98
Other financial liabilities	16,769.82	2,555.14	8,000.52	8,183.93	20,384.85	55,894.26
<b>Total undiscounted non-derivative financial liabilities</b>	<b>71,673.56</b>	<b>15,795.44</b>	<b>40,535.53</b>	<b>95,777.10</b>	<b>72,404.96</b>	<b>296,186.59</b>

Non-derivative financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	24,466.45	556.59	5,850.58	1,917.00	552.65	33,343.27
Trade receivables	2,452.06	563.82	159.60	436.79	-	3,612.27
Loans	18,485.47	9,436.65	25,902.30	63,106.35	76,245.72	193,176.49
Investments	42,611.63	11,210.30	28,494.21	20,735.39	169,008.83	272,060.36
Other financial assets	8,300.83	743.24	126.19	309.14	1,437.46	10,916.86
<b>Total undiscounted non-derivative financial assets</b>	<b>96,316.44</b>	<b>22,510.60</b>	<b>60,532.88</b>	<b>86,504.67</b>	<b>247,244.66</b>	<b>513,109.25</b>

Derivatives	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Net settled derivatives entered into for trading purposes	335.38	(50.97)	-	-	82.51	366.92
Other net settled derivatives	33.48	(408.61)	13.97	30.82	-	(330.34)
<b>Total</b>	<b>368.86</b>	<b>(459.58)</b>	<b>13.97</b>	<b>30.82</b>	<b>82.51</b>	<b>36.58</b>

Commitments	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Undrawn loan and other commitments	2,077.10	593.91	257.62	279.90	0.49	3,209.02

The Group has undrawn lines of credit available aggregating ₹ 1,066.25 million as at 31 March 2024 to meet any possible liquidity shortfall.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 56. RISK MANAGEMENT (CONTINUED)

#### 56.8 Liquidity risk and funding management (Continued)

##### 56.8.1 Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities (Continued)

As at 31 March 2023

Non-derivative financial liabilities	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	9,368.29	639.30	2,616.06	1,476.13	22.38	14,122.16
Borrowings (other than debt securities)	27,239.88	4,839.62	9,458.34	5,346.79	5,901.26	52,785.89
Debt securities	34,588.34	7,238.29	21,011.82	61,678.85	54,675.28	179,192.58
Subordinated financial liabilities	1,692.30	1,203.40	652.81	6,182.29	7,862.59	17,593.39
Deposits	16.25	-	-	-	-	16.25
Other financial liabilities	9,221.73	3,419.37	3,780.85	6,893.59	31,452.51	54,768.05
<b>Total undiscounted non-derivative financial liabilities</b>	<b>82,126.79</b>	<b>17,339.98</b>	<b>37,519.88</b>	<b>81,577.65</b>	<b>99,914.02</b>	<b>318,478.32</b>

Non-derivative financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	29,215.86	609.12	3,077.87	4,085.96	367.98	37,356.79
Trade receivables	2,252.58	699.68	850.92	1,282.73	-	5,085.91
Loans	22,088.66	14,791.74	19,257.16	55,538.66	103,223.80	214,900.02
Investments	40,635.79	10,315.87	18,893.09	66,394.73	115,781.48	252,020.96
Other financial assets	7,407.55	211.21	106.92	406.04	1,055.37	9,187.09
<b>Total undiscounted non-derivative financial assets</b>	<b>101,600.44</b>	<b>26,627.62</b>	<b>42,185.96</b>	<b>127,708.12</b>	<b>220,428.63</b>	<b>518,550.77</b>

Derivatives	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Net settled derivatives entered into for trading purposes	(260.57)	-	-	-	-	(260.57)
Other net settled derivatives	32.49	0.59	(21.38)	63.58	188.57	263.85
<b>Total</b>	<b>(228.08)</b>	<b>0.59</b>	<b>(21.38)</b>	<b>63.58</b>	<b>188.57</b>	<b>3.28</b>

Commitments	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Undrawn loan and other commitments	5,577.02	8,208.66	541.03	1,779.66	0.38	16,106.75

The Group has undrawn lines of credit available aggregating ₹ 1,924.34 million as at 31 March 2023 to meet any possible liquidity shortfall.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 57.9 Market Risk:

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

##### Exposure to market risk

Interest rate risk - Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

Asset-Liability Committee (ALCO) monitors interest rate gap statement and the mix of floating/fixed rate assets and liabilities and ensure these gaps are managed below defined limits. Balance Sheet Management Unit is in-charge for day to day management of interest rate risk.

Foreign exchange risk – Group's foreign exposure is limited to monetary assets/liabilities held by Group entities outside India and profits/loss generated by these entities. The Treasury Unit aggregates the foreign exchange exposure emerging out of these outflows/inflows and the same is hedged to mitigate foreign exchange risk. Positions are regularly monitored by the Treasury Unit and rebalanced based on the inflow and outflow of funds.

Equity price risk - The Treasury and Balance Sheet Management Units effectively evaluates various risks involved in underlying assets in trading and non-trading books respectively

##### Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following table demonstrates the sensitivity to possible change in interest rates (all other variables being constant) on the Group's statement of profit and loss and equity. The sensitivity to profit before tax is the effect of the assumed changes in interest rates on the profit before tax for the year, based on the floating rate financial assets and financial liabilities held at reporting date. Sensitivity analysis has been prepared assuming the amount of the floating-rate financial liability and financial assets outstanding at the end of the year was outstanding for the whole year. The sensitivity of equity is calculated by revaluing the fixed rate FVOCI, including the effect at reporting date for the effects of the assumed changes in interest rates.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 57.9 Market Risk: (Continued)

##### Interest rate risk (Continued)

Currency of item	31 March 2024					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
INR	25.00	(611.79)	(779.84)	25.00	611.79	779.84
INR	5.00	(92.20)	-	5.00	92.20	-

Currency of item	31 March 2023					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
INR	25.00	(518.49)	(629.26)	25.00	518.50	629.26
INR	5.00	(80.96)	-	5.00	80.96	-

##### Currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign currency risk arise primarily on account of foreign currency borrowings.

The table below indicates the currencies to which the Group had significant exposure at the end of the year.

Currency	31 March 2024					
	Increase in exchange rate (%)	Effect on profit before tax	Effect on Equity	Decrease in exchange rate (%)	Effect on profit before tax	Effect on Equity
US dollar	5.00	174.86	0.10	5.00	(174.86)	(0.10)
Others	5.00	0.12	-	5.00	(0.12)	-

Currency	31 March 2023					
	Increase in exchange rate (%)	Effect on profit before tax	Effect on Equity	Decrease in exchange rate (%)	Effect on profit before tax	Effect on Equity
US dollar	5.00	3.38	-	5.00	(3.38)	-
Others	5.00	2.21	-	5.00	(2.21)	-



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.9 Market Risk (Continued):

###### Equity Price risk:

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of individual investment in equity share prices.

Impact on	31 March 2024					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5.00	464.34	-	5.00	(464.34)	-
Others	5.00	1,742.81	1.82	5.00	(1,742.81)	(1.82)

Impact on	31 March 2023					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5.00	204.20	-	5.00	(204.20)	-
Others	5.00	1,774.35	1.71	5.00	(1,774.35)	(1.71)

###### Index price risk:

Index price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of equity indices.

Impact on	31 March 2024					
	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5.00	273.53	-	5.00	(273.53)	-
Others	5.00	33.99	-	5.00	(33.99)	-

Impact on	31 March 2023					
	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5.00	88.39	-	5.00	(88.39)	-
Others	5.00	33.88	-	5.00	(33.88)	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 56. RISK MANAGEMENT (CONTINUED)

##### 56.9 Market Risk (Continued):

###### Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of market prices other than equity and index prices.

Impact on	31 March 2024					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Security receipts of ARC trusts	5.00	32.78	-	5.00	(32.78)	-
Units of AIFs and Trusts	5.00	174.65	21.97	5.00	(174.65)	(21.97)
Others	5.00	802.22	65.94	5.00	(802.22)	(191.10)

Impact on	31 March 2023					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Security receipts of ARC trusts	5.00	30.01	-	5.00	(30.01)	-
Units of AIFs and Trusts	5.00	127.60	19.11	5.00	(127.60)	(19.11)
Others	5.00	805.03	50.17	5.00	(805.03)	(50.17)

#### 57. COMPOSITION OF THE GROUP

Sr. No.	Name of the Entity	Note	Country of Incorporation	Proportion of ownership interest as at 31 March 2024	Proportion of ownership interest as at 31 March 2023
<b>Subsidiaries</b>					
1	ECL Finance Limited		India	100.00%	100.00%
2	Edelcap Securities Limited		India	100.00%	100.00%
3	Edelweiss Asset Management Limited		India	100.00%	100.00%
4	ECap Securities and Investments Limited (formerly known as ECap Equities Limited)		India	100.00%	100.00%
5	Edelweiss Trusteeship Company Limited		India	100.00%	100.00%
6	Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)		India	100.00%	100.00%
7	Edelweiss Investment Adviser Limited		India	100.00%	100.00%
8	ECap Equities Limited (formerly known as Edel Land Limited)		India	100.00%	100.00%
9	Edel Investments Limited		India	100.00%	100.00%
10	Edelweiss Rural & Corporate Services Limited		India	100.00%	100.00%
11	Comtrade Commodities Services Limited (formerly known as Edelweiss Comtrade Limited)	a	India	100.00%	100.00%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 57. COMPOSITION OF THE GROUP (CONTINUED)

Sr. No.	Name of the Entity	Note	Country of Incorporation	Proportion of ownership interest as at 31 March 2024	Proportion of ownership interest as at 31 March 2023
12	Edel Finance Company Limited		India	100.00%	100.00%
13	Edelweiss Retail Finance Limited		India	100.00%	100.00%
14	Edelweiss Multi Strategy Fund Advisors LLP		India	100.00%	100.00%
15	Edelweiss Resolution Advisors LLP (upto 1 <sup>st</sup> July 2022)	b	India	-	-
16	Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited)		India	100.00%	100.00%
17	Edelweiss Securities and Investments Private Limited		India	100.00%	100.00%
18	EC International Limited	c	Mauritius	100.00%	100.00%
19	Nuvama Investment Advisors LLC (formerly known as EAAA LLC)	d	Mauritius	-	100.00%
20	Edelweiss Alternative Asset Advisors Pte. Limited		Singapore	100.00%	100.00%
21	Edelweiss International (Singapore) Pte. Limited		Singapore	100.00%	100.00%
22	Edelgive Foundation		India	100.00%	100.00%
23	Edelweiss Alternative Asset Advisors Limited	e	India	100.00%	99.05%
24	Edelweiss Private Equity Tech Fund		India	95.60%	95.60%
25	Edelweiss Value and Growth Fund		India	96.05%	96.05%
26	Edelweiss Asset Reconstruction Company Limited		India	59.82%	59.82%
27	EW Special Opportunities Advisors LLC (upto 23 <sup>rd</sup> June, 2022)	f	Mauritius	-	-
28	Edelweiss Tokio Life Insurance Company Limited		India	75.08%	75.08%
29	Allium Finance Private Limited		India	88.28%	88.28%
30	Edelweiss Global Wealth Management Limited		India	100.00%	100.00%
31	Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited)		India	51.00%	51.00%
32	India Credit Investments Fund - II	g	India	-	100.00%
33	Edelweiss Real Assets Managers Limited		India	100.00%	100.00%
34	Sekura India Management Limited		India	100.00%	100.00%
35	India Credit Investments Fund - III	h	India	-	100.00%
36	India Credit Investments Fund - 5	i	India	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 57. COMPOSITION OF THE GROUP (CONTINUED)

##### Group stake in trusts

Sr. No.	Trust Name	Country of Incorporation	Proportion of ownership interest as at 31 March 2024	Proportion of ownership interest as at 31 March 2023
1	EARC SAF - 1 Trust	India	-	100.00%
2	EARC SAF - 2 Trust	India	100.00%	100.00%
3	EARC SAF - 3 Trust	India	-	46.00%
4	EARC Trust - SC 6	India	100.00%	100.00%
5	EARC Trust - SC 7 (upto 31 December 2023)	India	-	100.00%
6	EARC Trust - SC 9	India	100.00%	100.00%
7	EARC Trust - SC 102	India	100.00%	100.00%
8	EARC Trust - SC 109 (upto 31 December 2023)	India	-	50.00%
9	EARC Trust - SC 112	India	100.00%	100.00%
10	EARC Trust - SC 130	India	100.00%	100.00%
11	EARC Trust - SC 223	India	-	100.00%
12	EARC Trust - SC 229	India	100.00%	100.00%
13	EARC Trust - SC 238	India	100.00%	100.00%
14	EARC Trust - SC 245	India	37.00%	37.00%
15	EARC Trust - SC 251	India	100.00%	100.00%
16	EARC Trust - SC 262	India	-	37.00%
17	EARC Trust - SC 263	India	100.00%	100.00%
18	EARC Trust - SC 266	India	100.00%	100.00%
19	EARC Trust - SC 293	India	-	100.00%
20	EARC Trust - SC 297	India	-	37.00%
21	EARC Trust - SC 298	India	75.16%	75.05%
22	EARC Trust - SC 306	India	50.00%	50.00%
23	EARC Trust - SC 308	India	100.00%	100.00%
24	EARC Trust - SC 314	India	100.00%	100.00%
25	EARC Trust - SC 318	India	-	100.00%
26	EARC Trust - SC 321	India	-	100.00%
27	EARC Trust - SC 325	India	100.00%	100.00%
28	EARC Trust - SC 329	India	100.00%	100.00%
29	EARC Trust - SC 331	India	100.00%	100.00%
30	EARC Trust - SC 332	India	100.00%	100.00%
31	EARC Trust - SC 334	India	100.00%	100.00%
32	EARC Trust - SC 342	India	-	100.00%
33	EARC Trust - SC 344	India	100.00%	100.00%
34	EARC Trust - SC 347	India	100.00%	100.00%
35	EARC Trust - SC 348	India	100.00%	100.00%
36	EARC Trust - SC 349	India	-	100.00%
37	EARC Trust - SC 351	India	100.00%	100.00%
38	EARC Trust - SC 352	India	100.00%	100.00%
39	EARC Trust - SC 357	India	100.00%	100.00%
40	EARC Trust - SC 360	India	100.00%	100.00%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 57. COMPOSITION OF THE GROUP (CONTINUED)

Group stake in trusts (Continued)

Sr. No.	Trust Name	Country of Incorporation	Proportion of ownership interest as at 31 March 2024	Proportion of ownership interest as at 31 March 2023
41	EARC Trust - SC 361	India	100.00%	100.00%
42	EARC Trust - SC 363	India	100.00%	100.00%
43	EARC Trust - SC 370	India	100.00%	100.00%
44	EARC Trust - SC 372	India	100.00%	100.00%
45	EARC Trust - SC 373	India	100.00%	100.00%
46	EARC Trust - SC 374	India	100.00%	100.00%
47	EARC Trust - SC 375	India	100.00%	100.00%
48	EARC Trust - SC 376	India	100.00%	100.00%
49	EARC Trust - SC 377	India	100.00%	100.00%
50	EARC Trust - SC 378	India	100.00%	100.00%
51	EARC Trust - SC 380	India	100.00%	100.00%
52	EARC Trust - SC 381	India	100.00%	100.00%
53	EARC Trust - SC 383	India	100.00%	100.00%
54	EARC Trust - SC 384	India	83.62%	62.50%
55	EARC Trust - SC 385	India	100.00%	100.00%
56	EARC Trust - SC 386	India	100.00%	100.00%
57	EARC Trust - SC 387	India	100.00%	100.00%
58	EARC Trust - SC 388	India	100.00%	100.00%
59	EARC Trust - SC 391	India	100.00%	100.00%
60	EARC Trust - SC 392	India	100.00%	100.00%
61	EARC Trust - SC 393	India	100.00%	100.00%
62	EARC Trust - SC 394	India	100.00%	100.00%
63	EARC Trust - SC 395	India	100.00%	100.00%
64	EARC Trust - SC 396	India	100.00%	100.00%
65	EARC Trust - SC 399	India	-	100.00%
66	EARC Trust - SC 401	India	100.00%	100.00%
67	EARC Trust - SC 402	India	100.00%	100.00%
68	EARC Trust - SC 405	India	100.00%	100.00%
69	EARC Trust - SC 406	India	100.00%	100.00%
70	EARC Trust - SC 410	India	100.00%	100.00%
71	EARC Trust - SC 412	India	100.00%	100.00%
72	EARC Trust - SC 415	India	100.00%	100.00%
73	EARC Trust - SC 427	India	46.17%	46.17%
74	EARC Trust - SC 428	India	100.00%	100.00%
75	EARC Trust - SC 429	India	100.00%	100.00%
76	EARC Trust - SC 430	India	100.00%	100.00%
77	EARC Trust - SC 227	India	100.00%	100.00%
78	EARC Trust - SC 228	India	100.00%	100.00%
79	EARC Trust - SC 397	India	100.00%	100.00%
80	EARC Trust - SC 413	India	100.00%	100.00%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 57. COMPOSITION OF THE GROUP (CONTINUED)

Group stake in trusts (Continued)

Sr. No.	Trust Name	Country of Incorporation	Proportion of ownership interest as at 31 March 2024	Proportion of ownership interest as at 31 March 2023
81	EARC Trust - SC 416	India	100.00%	100.00%
82	EARC Trust - SC 417	India	100.00%	100.00%
83	EARC Trust - SC 418	India	100.00%	100.00%
84	EARC Trust - SC 421	India	100.00%	100.00%
85	EARC Trust - SC 422	India	100.00%	100.00%
86	EARC Trust - SC 423	India	100.00%	100.00%
87	EARC Trust - SC 424	India	100.00%	100.00%
88	EARC Trust - SC 425	India	100.00%	100.00%
89	EARC Trust - SC 431	India	100.00%	100.00%
90	EARC Trust - SC 434	India	100.00%	100.00%
91	EARC Trust - SC 436	India	100.00%	100.00%
92	EARC Trust - SC 440 (upto 31 December 2023)	India	-	100.00%
93	EARC Trust - SC 441 (upto 31 December 2023)	India	-	100.00%
94	EARC Trust - SC 444	India	100.00%	100.00%
95	EARC Trust - SC 447	India	100.00%	100.00%
96	EARC Trust - SC 448	India	100.00%	100.00%
97	EARC Trust - SC 449	India	100.00%	100.00%
98	EARC Trust - SC 451	India	100.00%	100.00%
99	EARC Trust - SC 459	India	100.00%	100.00%
100	EARC Trust - SC 477	India	100.00%	100.00%
101	EARC Trust - SC 481	India	100.00%	100.00%
102	EARC Trust - SC 482	India	100.00%	100.00%
103	EARC Trust - SC 442	India	100.00%	100.00%
104	EARC Trust - SC 483	India	100.00%	100.00%
105	EARC Trust - SC 484	India	100.00%	100.00%
106	EARC Trust - SC 443	India	100.00%	100.00%
107	EARC Trust - SC 452	India	78.12%	75.33%
108	EARC Trust - SC 462	India	100.00%	100.00%
109	EARC Trust - SC 461	India	100.00%	100.00%
110	EARC Trust - SC 453	India	75.39%	-
111	EARC Trust - SC 433	India	100.00%	-
112	EARC Trust - SC 445	India	100.00%	-
113	EARC Trust - SC 486	India	74.94%	-
114	EARC Trust - SC 492	India	100.00%	-
115	EARC Trust - SC 489	India	100.00%	-
116	EARC Trust - SC 488	India	38.77%	-
117	EARC Trust - SC 464	India	100.00%	-
118	EARC Trust - SC 493	India	100.00%	-
119	EARC Trust - SC 455	India	100.00%	-
120	EARC Trust - SC 470	India	100.00%	-
121	EARC Trust - SC 456	India	100.00%	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 57. COMPOSITION OF THE GROUP (CONTINUED)

#### Notes:

- Comtrade Commodities Services Limited (Formerly known as Edelweiss Comtrade Limited), a subsidiary of the Group has ceased its operation and does not have any business activity planned for future. Accordingly the financial statements for the year have been prepared on a non-going concern basis.
- With effect from 1<sup>st</sup> July 2022, Edelweiss Resolution Advisors LLP, one of the subsidiary of the Group is dissolved and ceased to become the subsidiary of the Group and has been consolidated upto the said date.
- The Board of Directors of EC International Limited (ECIL) have approved the plan of liquidation vide resolution dated 19 December 2023, subject to necessary regulatory approvals. As a result, the ECIL has changed its basis of accounting from the going concern basis to liquidation basis.
- With effect from 05 September 2023, Nuvama Investment Advisors LLC (formerly known as EAAA LLC) is sold and ceased to become the subsidiary of the Group and has not been consolidated from the said date.
- With effect from 31 May 2023, Edelweiss Securities and Investment Private Limited, subsidiary of the Group has increased its controlling stake in Edelweiss Alternative Asset Advisors Limited, one of its subsidiary from 99.05% to 100.00% and same has be consolidated accordingly.
- With effect from 23 June 2022, EW Special Opportunities Advisors LLC, one of the subsidiary of the Group is dissolved and ceased to become the subsidiary of the Group and has been consolidated upto the said date.
- With effect from 31 October 2023, India Credit Investment Fund - II, one of the subsidiary of the Company is dissolved and ceased to become the subsidiary of the Company and has been consolidated upto the said date.
- With effect from 31 March 2024, India Credit Investment Fund - III, one of the subsidiary of the Company is dissolved and ceased to become the subsidiary of the Company and has been consolidated upto the said date.
- With effect from 09 August 2023, the subsidiaries of the Group has acquired 100% stake in India Credit Investment Fund - 5 (ICIF 5). Subsequently, with effect from 31 March 2024 ICIF 5 is dissolved and ceased to become the subsidiary of the Group and has been consolidated upto the said date.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 58. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY

Sr. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)	As % of consolidated other comprehensive income	Amount (₹ in Millions)	As % of consolidated total comprehensive income	Amount (₹ in Millions)
<b>Parent</b>									
	Edelweiss Financial Services Limited	90.31%	54,628.44	131.66%	6,952.13	(0.29)%	(4.27)	103.09%	6,947.86
<b>Subsidiaries</b>									
<b>Indian</b>									
1	ECL Finance Limited	45.78%	27,691.09	25.60%	1,352.02	(29.08)%	(424.30)	13.77%	927.71
2	Edelcap Securities Limited	6.77%	4,095.95	5.29%	279.43	(0.04)%	(0.60)	4.14%	278.83
3	Edelweiss Asset Management Limited	3.95%	2,386.73	7.12%	376.18	0.17%	2.53	5.62%	378.71
4	ECap Securities and Investments Limited (formerly known as ECap Equities Limited)	(2.21)%	(1,333.97)	(15.21)%	(803.38)	(0.01)%	(0.08)	(11.92)%	(803.46)
5	Edelweiss Trusteeship Company Limited	0.01%	6.80	0.02%	1.17	0.00%	0.01	0.02%	1.18
6	Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)	13.47%	8,147.92	3.66%	193.10	(0.04)%	(0.60)	2.86%	192.50
7	Edelweiss Investment Adviser Limited	(10.92)%	(6,606.44)	(45.60)%	(2,407.87)	0.03%	0.38	(35.72)%	(2,407.49)
8	ECap Equities Limited (formerly known as Edel Land Limited)	15.53%	9,394.84	26.51%	1,399.89	(0.02)%	(0.24)	20.77%	1,399.66
9	Edel Investments Limited	5.88%	3,556.76	0.94%	49.58	0.00%	0.05	0.74%	49.63
10	Edelweiss Rural & Corporate Services Limited	11.57%	6,998.83	(19.44)%	(1,026.36)	(0.82)%	(12.01)	(15.41)%	(1,038.37)
11	Comtrade Commodities Services Limited (formerly known as Edelweiss Comtrade Limited)	0.01%	8.23	(0.17)%	(8.85)	0.00%	0.04	(0.13)%	(8.81)
12	Edel Finance Company Limited	43.03%	26,028.88	14.99%	791.47	0.16%	2.31	11.78%	793.79
13	Edelweiss Retail Finance Limited	9.11%	5,510.74	2.73%	144.11	(0.04)%	(0.63)	2.13%	143.48
14	Edelweiss Multi Strategy Fund Advisors LLP	0.01%	7.91	(0.00)%	(0.08)	0.00%	0.00	(0.00)%	(0.08)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 58. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY (CONTINUED)

Sr. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)	As % of consolidated other comprehensive income	Amount (₹ in Millions)	As % of consolidated comprehensive income	Amount (₹ in Millions)
15	Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited)	4.11%	2,488.24	(23.26)%	(1,228.19)	2.33%	33.96	(17.72)%	(1,194.23)
16	Edelweiss Securities and Investment Private Limited	4.79%	2,896.57	(7.06)%	(373.06)	(0.00)%	(0.01)	(5.54)%	(373.07)
17	Edelweiss Alternative Asset Advisors Limited	9.55%	5,775.05	21.06%	1,112.15	0.03%	0.44	16.51%	1,112.59
18	EdeIgive Foundation	0.24%	148.17	(0.10)%	(5.33)	(0.00)%	(0.03)	(0.08)%	(5.36)
19	Edelweiss Private Equity Tech Fund	0.85%	516.26	(0.36)%	(19.13)	-	-	(0.28)%	(19.13)
20	Edelweiss Value and Growth Fund	1.12%	678.37	(2.17)%	(114.78)	-	-	(1.70)%	(114.78)
21	Edelweiss Asset Reconstruction Company Limited	52.07%	31,498.54	67.27%	3,551.95	(0.06)%	(0.81)	52.69%	3,551.13
22	Edelweiss Tokio Life Insurance Company Limited	11.88%	7,186.43	(29.66)%	(1,565.93)	99.64%	1,453.65	(1.67)%	(112.28)
23	Allium Finance Private Limited	2.37%	1,433.81	2.38%	125.47	-	-	1.86%	125.47
24	Nuvama Custodial Services Limited (Formerly known as Edelweiss Capital Services Limited)	1.06%	640.64	1.26%	66.39	(0.05)%	(0.76)	0.97%	65.63
25	India Credit Investment Fund – II	-	-	(1.80)%	(94.97)	-	-	(1.41)%	(94.97)
26	Edelweiss Real Assets Managers Limited	0.22%	134.65	0.43%	22.73	(0.00)%	(0.01)	0.34%	22.72
27	Sekura India Management Limited	0.03%	17.34	(0.39)%	(20.65)	(0.09)%	(1.35)	(0.33)%	(22.00)
28	Edelweiss Global Wealth Management Limited	7.51%	4,544.59	(7.81)%	(412.33)	(0.00)%	(0.06)	(6.12)%	(412.39)
29	India Credit Investment Fund – III	-	-	(6.85)%	(361.52)	-	-	(5.36)%	(361.52)
30	India Credit Investment Fund – 5	-	-	(15.00)%	(791.96)	-	-	(11.75)%	(791.96)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 58. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY (CONTINUED)

Sr. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)	As % of consolidated other comprehensive income	Amount (₹ in Millions)	As % of consolidated comprehensive income	Amount (₹ in Millions)
<b>Foreign</b>									
31	EC International Limited	0.01%	4.57	2.99%	157.77	(0.06)%	(0.90)	2.33%	156.87
32	Nuvama Investment Advisors LLC (formerly known as EAAA LLC)	-	-	0.06%	3.08	(0.00)%	(0.01)	0.05%	3.07
33	Edelweiss Alternative Asset Advisors Pte. Limited	5.97%	3,609.38	12.07%	637.36	(1.02)%	(14.82)	9.24%	622.54
34	Edelweiss International (Singapore) Pte. Limited	3.01%	1,819.13	(2.04)%	(107.63)	(3.20)%	(46.66)	(2.29)%	(154.29)
<b>Controlled Trusts</b>									
1	EARC SAF 2 Trust	0.00%	0.37	0.03%	1.34	-	-	0.02%	1.34
2	EARC Trust SC 6	(0.00)%	(0.11)	(0.00)%	(0.12)	-	-	(0.00)%	(0.12)
3	EARC Trust SC 9	0.06%	33.71	0.04%	2.12	-	-	0.03%	2.12
4	EARC Trust SC 7	-	-	0.01%	0.39	-	-	0.01%	0.39
5	EARC Trust SC 109	-	-	(0.10)%	(5.06)	-	-	(0.08)%	(5.06)
6	EARC Trust SC 102	0.00%	0.19	(0.01)%	(0.61)	-	-	(0.01)%	(0.61)
7	EARC Trust SC 112	(0.00)%	(1.90)	0.01%	0.64	-	-	0.01%	0.64
8	EARC Trust SC 130	(0.00)%	(0.06)	(0.00)%	(0.04)	-	-	(0.00)%	(0.04)
9	EARC Trust SC 227	0.00%	0.05	(0.00)%	(0.01)	-	-	(0.00)%	(0.01)
10	EARC Trust SC 228	0.00%	0.48	0.01%	0.30	-	-	0.00%	0.30
11	EARC Trust SC 229	(0.01)%	(7.79)	0.03%	1.37	-	-	0.02%	1.37
12	EARC Trust SC 238	0.00%	0.00	0.00%	0.13	-	-	0.00%	0.13
13	EARC Trust SC 245	0.00%	0.40	(0.01)%	(0.29)	-	-	0.00%	(0.29)
14	EARC Trust SC 251	0.00%	2.16	(0.58)%	(30.42)	-	-	(0.45)%	(30.42)
15	EARC Trust SC 263	(0.00)%	(0.25)	0.01%	0.27	-	-	0.00%	0.27
16	EARC Trust SC 266	0.00%	0.02	0.00%	0.06	-	-	0.00%	0.06
17	EARC Trust SC 298	0.03%	18.03	0.07%	3.54	-	-	0.05%	3.54

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 58. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY (CONTINUED)

Sr. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)	As % of consolidated other comprehensive income	Amount (₹ in Millions)	As % of consolidated comprehensive income	Amount (₹ in Millions)
18	EARC Trust SC 306	0.00%	0.12	0.00%	0.07	-	-	0.00%	0.07
19	EARC Trust SC 308	(0.00)%	(0.07)	0.01%	0.37	-	-	0.01%	0.37
20	EARC Trust SC 314	0.00%	(0.25)	0.03%	1.75	-	-	0.03%	1.75
21	EARC Trust SC 325	0.00%	1.78	(0.00)%	(0.02)	-	-	(0.00)%	(0.02)
22	EARC Trust SC 329	(0.04)%	(24.32)	0.01%	0.40	-	-	0.01%	0.40
23	EARC Trust SC 331	(0.03)%	(21.01)	0.15%	8.04	-	-	0.12%	8.04
24	EARC Trust SC 332	0.00%	0.35	(0.00)%	(0.15)	-	-	(0.00)%	(0.15)
25	EARC Trust SC 334	0.00%	0.50	(0.00)%	(0.08)	-	-	(0.00)%	(0.08)
26	EARC Trust SC 344	0.00%	0.35	0.01%	0.37	-	-	0.01%	0.37
27	EARC Trust SC 347	0.00%	0.39	(0.00)%	(0.26)	-	-	(0.00)%	(0.26)
28	EARC Trust SC 348	0.00%	0.02	(0.03)%	(1.39)	-	-	(0.02)%	(1.39)
29	EARC Trust SC 351	0.00%	0.79	0.21%	11.10	-	-	0.16%	11.10
30	EARC Trust SC 352	0.00%	0.28	0.00%	0.00	-	-	0.00%	0.00
31	EARC Trust SC 357	0.00%	0.17	(0.00)%	(0.07)	-	-	(0.00)%	(0.07)
32	EARC Trust SC 360	0.00%	0.89	0.01%	0.30	-	-	0.00%	0.30
33	EARC Trust SC 361	(0.00)%	(2.14)	0.07%	3.55	-	-	0.05%	3.55
34	EARC Trust SC 363	0.00%	0.11	(0.00)%	(0.12)	-	-	(0.00)%	(0.12)
35	EARC Trust SC 370	0.00%	0.17	(0.05)%	(2.65)	-	-	(0.04)%	(2.65)
36	EARC Trust SC 372	(0.00)%	(0.30)	(0.01)%	(0.49)	-	-	(0.01)%	(0.49)
37	EARC Trust SC 373	0.00%	0.03	0.00%	0.04	-	-	0.00%	0.04
38	EARC Trust SC 374	0.00%	0.00	(0.00)%	(0.09)	-	-	(0.00)%	(0.09)
39	EARC Trust SC 375	0.00%	0.55	0.00%	0.15	-	-	0.00%	0.15
40	EARC Trust SC 376	0.00%	1.79	(0.01)%	(0.56)	-	-	(0.01)%	(0.56)
41	EARC Trust SC 377	0.00%	0.03	0.00%	0.00	-	-	0.00%	0.00
42	EARC Trust SC 378	(0.00)%	(0.02)	(0.00)%	(0.16)	-	-	(0.00)%	(0.16)
43	EARC Trust SC 380	0.00%	0.05	(0.00)%	(0.08)	-	-	(0.00)%	(0.08)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 58. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY (CONTINUED)

Sr. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)	As % of consolidated other comprehensive income	Amount (₹ in Millions)	As % of consolidated comprehensive income	Amount (₹ in Millions)
44	EARC Trust SC 381	(0.01)%	(4.27)	(0.08)%	(4.48)	-	-	(0.07)%	(4.48)
45	EARC Trust SC 383	(0.00)%	(0.28)	(0.00)%	(0.25)	-	-	(0.00)%	(0.25)
46	EARC Trust SC 384	0.04%	26.12	0.09%	4.87	-	-	0.07%	4.87
47	EARC Trust SC 385	(0.00)%	(1.37)	(0.22)%	(11.77)	-	-	(0.17)%	(11.77)
48	EARC Trust SC 386	0.01%	6.50	0.10%	5.03	-	-	0.07%	5.03
49	EARC Trust SC 387	0.00%	1.38	0.23%	12.26	-	-	0.18%	12.26
50	EARC Trust SC 388	0.00%	0.93	0.05%	2.53	-	-	0.04%	2.53
51	EARC Trust SC 391	0.00%	2.72	0.02%	1.00	-	-	0.01%	1.00
52	EARC Trust SC 392	0.00%	2.86	0.02%	0.82	-	-	0.01%	0.82
53	EARC Trust SC 393	(0.00)%	(0.03)	(0.01)%	(0.35)	-	-	(0.01)%	(0.35)
54	EARC Trust SC 394	0.02%	10.24	0.00%	0.17	-	-	0.00%	0.17
55	EARC Trust SC 395	(0.00)%	(0.11)	0.00%	0.11	-	-	0.00%	0.11
56	EARC Trust SC 396	0.00%	0.57	0.00%	0.01	-	-	0.00%	0.01
57	EARC Trust SC 397	0.00%	1.37	(0.00)%	(0.22)	-	-	(0.00)%	(0.22)
58	EARC Trust SC 401	0.00%	1.48	(0.02)%	(1.14)	-	-	(0.02)%	(1.14)
59	EARC Trust SC 402	0.00%	1.51	0.02%	0.80	-	-	0.01%	0.80
60	EARC Trust SC 405	(0.00)%	(0.06)	0.00%	0.06	-	-	0.00%	0.06
61	EARC Trust SC 406	0.00%	2.86	0.03%	1.81	-	-	0.03%	1.81
62	EARC Trust SC 410	0.00%	0.55	(0.00)%	(0.04)	-	-	(0.00)%	(0.04)
63	EARC Trust SC 412	0.00%	0.02	0.00%	0.15	-	-	0.00%	0.15
64	EARC Trust SC 413	(0.01)%	(3.76)	(0.63)%	(33.43)	-	-	(0.50)%	(33.43)
65	EARC Trust SC 415	0.00%	0.26	0.00%	0.04	-	-	0.00%	0.04
66	EARC Trust SC 416	0.00%	0.88	0.05%	2.71	-	-	0.04%	2.71
67	EARC Trust SC 417	0.00%	0.24	(0.25)%	(13.17)	-	-	(0.20)%	(13.17)
68	EARC Trust SC 418	(0.02)%	(11.24)	(0.20)%	(10.42)	-	-	(0.15)%	(10.42)
69	EARC Trust SC 421	0.00%	0.05	0.00%	0.03	-	-	0.00%	0.03

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 58. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY (CONTINUED)

Sr. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)	As % of consolidated other comprehensive income	Amount (₹ in Millions)	As % of consolidated comprehensive income	Amount (₹ in Millions)
70	EARC Trust SC 422	0.00%	0.26	(0.01)%	(0.34)	-	-	(0.01)%	(0.34)
71	EARC Trust SC 423	(0.00)%	(0.07)	(0.00)%	(0.04)	-	-	(0.00)%	(0.04)
72	EARC Trust SC 424	0.01%	5.39	0.10%	5.34	-	-	0.08%	5.34
73	EARC Trust SC 425	(0.00)%	(0.02)	(0.00)%	(0.06)	-	-	(0.00)%	(0.06)
74	EARC Trust SC 427	(0.00)%	(0.04)	0.01%	0.57	-	-	0.01%	0.57
75	EARC Trust SC 428	0.00%	0.42	(0.00)%	(0.12)	-	-	(0.00)%	(0.12)
76	EARC Trust SC 429	0.00%	0.64	0.01%	0.53	-	-	0.01%	0.53
77	EARC Trust SC 430	0.00%	0.07	0.00%	0.02	-	-	0.00%	0.02
78	EARC Trust SC 431	0.00%	0.42	0.00%	0.06	-	-	0.00%	0.06
79	EARC Trust SC 433	(0.00)%	(0.26)	(0.00)%	(0.26)	-	-	(0.00)%	(0.26)
80	EARC Trust SC 434	0.01%	4.93	0.08%	4.24	-	-	0.06%	4.24
81	EARC Trust SC 436	0.00%	0.04	0.00%	0.05	-	-	0.00%	0.05
82	EARC Trust SC 440	-	-	(0.00)%	(0.08)	-	-	(0.00)%	(0.08)
83	EARC Trust SC 441	-	-	(0.00)%	(0.16)	-	-	(0.00)%	(0.16)
84	EARC Trust SC 442	(0.00)%	(0.48)	(0.00)%	(0.26)	-	-	(0.00)%	(0.26)
85	EARC Trust SC 443	(0.00)%	(0.02)	(0.00)%	(0.05)	-	-	(0.00)%	(0.05)
86	EARC Trust SC 444	0.00%	2.37	0.01%	0.42	-	-	0.01%	0.42
87	EARC Trust SC 445	(0.09)%	(57.17)	(1.08)%	(57.17)	-	-	(0.85)%	(57.17)
88	EARC Trust SC 447	(0.06)%	(35.75)	(0.53)%	(27.95)	-	-	(0.41)%	(27.95)
89	EARC Trust SC 448	0.00%	0.40	0.00%	0.13	-	-	0.00%	0.13
90	EARC Trust SC 449	0.00%	0.19	0.00%	0.03	-	-	0.00%	0.03
91	EARC Trust SC 451	(0.03)%	(20.48)	(0.20)%	(10.63)	-	-	(0.16)%	(10.63)
92	EARC Trust SC 452	0.01%	7.74	0.15%	8.09	-	-	0.12%	8.09
93	EARC Trust SC 453	0.08%	50.73	0.96%	50.73	-	-	0.75%	50.73
94	EARC Trust SC 455	(0.14)%	(81.76)	(1.55)%	(81.78)	-	-	(1.21)%	(81.78)
95	EARC Trust SC 456	(0.00)%	(0.08)	(0.00)%	(0.08)	-	-	(0.00)%	(0.08)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 58. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY (CONTINUED)

Sr. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)	As % of consolidated other comprehensive income	Amount (₹ in Millions)	As % of consolidated comprehensive income	Amount (₹ in Millions)
96	EARC Trust SC 459	0.00%	(1.72)	(0.04)%	(2.00)	-	-	(0.03)%	(2.00)
97	EARC Trust SC 461	0.03%	17.34	0.20%	10.37	-	-	0.15%	10.37
98	EARC Trust SC 462	(0.04)%	(21.76)	0.53%	27.86	-	-	0.41%	27.86
99	EARC Trust SC 464	(0.04)%	(24.41)	(0.46)%	(24.41)	-	-	(0.36)%	(24.41)
100	EARC Trust SC 470	0.00%	(1.44)	(0.03)%	(1.44)	-	-	(0.02)%	(1.44)
101	EARC Trust SC 477	0.00%	0.53	0.00%	0.20	-	-	0.00%	0.20
102	EARC Trust SC 481	0.00%	0.18	0.01%	0.45	-	-	0.01%	0.45
103	EARC Trust SC 482	0.00%	0.96	0.02%	1.29	-	-	0.02%	1.29
104	EARC Trust SC 483	0.00%	1.13	0.03%	1.33	-	-	0.02%	1.33
105	EARC Trust SC 484	0.00%	0.17	0.00%	0.21	-	-	0.00%	0.21
106	EARC Trust SC 486	0.17%	102.52	1.94%	102.52	-	-	1.52%	102.52
107	EARC Trust SC 488	0.00%	2.43	0.05%	2.43	-	-	0.04%	2.43
108	EARC Trust SC 489	0.00%	0.93	0.02%	0.93	-	-	0.01%	0.93
109	EARC Trust SC 492	(0.00)%	(0.13)	(0.00)%	(0.13)	-	-	(0.00)%	(0.13)
110	EARC Trust SC 493	(0.00)%	(0.53)	(0.01)%	(0.53)	-	-	(0.01)%	(0.53)
<b>Non-Controlling Interests</b>		21.27%	12,869.24	20.33%	1,073.47	24.78%	361.52	21.29%	1,434.99
<b>Adjustments arising out of consolidation</b>		(258.31)%	(156,289.49)	(68.77)%	(3,628.03)	7.68%	112.21	(52.18)%	(3,515.82)
<b>Total</b>		<b>100.00%</b>	<b>60,492.85</b>	<b>100.00%</b>	<b>5,280.47</b>	<b>100.00%</b>	<b>1,458.95</b>	<b>100.00%</b>	<b>6,739.42</b>

0.00 indicates amount less than ₹ 0.01 million

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 59. KEY DISCLOSURES RELATED TO LIFE INSURANCE BUSINESS (EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED (ETLI))

#### a. Life insurance and Investment Contract Liability

Particulars	31 March 2024			31 March 2023				
	With DPF	Linked Business	Others	Total gross liabilities	With DPF	Linked Business	Others	Total gross liabilities
<b>Insurance Contract Liability</b>								
Life	18,498.75	19,819.64	40,115.21	78,433.60	13,594.11	16,384.15	32,349.80	62,328.06
Health	-	-	75.34	75.34	-	-	70.46	70.46
Annuity	-	-	757.05	757.05	-	-	693.80	693.80
Pension	1,279.05	315.81	-	1,594.86	1,182.54	282.09	-	1,464.63
<b>Total</b>	<b>19,777.80</b>	<b>20,135.45</b>	<b>40,947.60</b>	<b>80,860.85</b>	<b>14,776.65</b>	<b>16,666.24</b>	<b>33,114.06</b>	<b>64,556.95</b>
<b>Investment Contract Liability</b>								
Life	-	1,052.72	111.71	1,164.43	-	997.08	114.53	1,111.61
Health	-	-	-	-	-	-	-	-
Annuity	-	-	-	-	-	-	-	-
Pension	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,052.72</b>	<b>111.71</b>	<b>1,164.43</b>	<b>-</b>	<b>997.08</b>	<b>114.53</b>	<b>1,111.61</b>

#### b. Movement of life insurance contract liabilities

Particulars	31 March 2024			31 March 2023				
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
Gross Liability at the beginning of the year	14,776.65	16,666.24	33,114.06	64,556.95	11,200.70	16,409.82	26,492.09	54,102.61
Add/(Less)								
Premium	5,864.69	3,641.06	9,752.85	19,258.60	5,044.15	3,140.66	8,578.74	16,763.55
Unwinding of the discount / Interest credited	2,128.33	5,159.53	2,524.89	9,812.75	673.06	262.40	2,011.77	2,947.23
Changes in valuation for expected future benefits	(2,445.35)	(516.21)	(3,933.99)	(6,895.55)	(1,840.73)	(493.71)	(2,977.72)	(5,312.16)
Insurance liabilities released	(612.85)	(4,750.88)	(398.50)	(5,762.23)	(172.28)	(2,605.58)	(780.69)	(3,558.55)
Undistributed Participating Policyholders surplus (UPPS)	74.08	-	-	74.08	95.34	-	-	95.34
Change in other Liabilities	(7.75)	(64.29)	(111.71)	(183.75)	(223.59)	(47.35)	(210.13)	(481.07)
Gross Liability at the end of the year	19,777.80	20,135.45	40,947.60	80,860.85	14,776.65	16,666.24	33,114.06	64,556.95

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 59. KEY DISCLOSURES RELATED TO LIFE INSURANCE BUSINESS (EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED (ETLI)) (CONTINUED)

#### c. Investment contract liabilities without DPF are stated at fair value

The investment contracts measured at fair value are mainly unit linked in structure and the fair value of the liability is equal to the unit reserve plus additional non-unit reserves, if required, on a fair value basis. These contracts are classified as Level 1 in the fair value hierarchy when the unit reserve is calculated as the publicly quoted unit price multiplied by the number of units in issue and any non-unit reserve is insignificant. Where the unit price is not publicly-available these contracts are classified as Level 2 in the fair value hierarchy provided the additional non-unit reserve is an insignificant input to the valuation. Where the non-unit reserve is a significant input in the valuation, the contracts are classified at Level 3 in the fair value hierarchy. The Company takes credit risk into account in assessing the fair value of the liabilities.

Investment contract liabilities without DPF are further analysed as follows

Particulars	31 March 2024			31 March 2023		
	Linked Business	Others	Total	Linked Business	Others	Total
At the beginning of the year	997.08	114.53	1,111.61	884.09	458.63	1,342.72
<b>Additions</b>						
Premium	59.61	2.70	62.31	138.33	2.83	141.16
Interest and Bonus credited to policyholders	164.96	7.82	172.78	46.94	17.68	64.62
Others	0.06	0.10	0.16	0.03	(0.52)	(0.49)
<b>Deductions</b>						
Withdrawals / Claims	(152.59)	(13.35)	(165.94)	(57.50)	(363.47)	(420.97)
Fee Income and Other Expenses	(16.40)	(0.09)	(16.49)	(14.81)	(0.62)	(15.43)
At the end of the year	1,052.72	111.71	1,164.43	997.08	114.53	1,111.61

#### Change in insurance contract liabilities

Particulars	31 March 2024			31 March 2023				
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
a) Policy Liabilities (Gross)	5,001.15	3,469.21	7,833.53	16,303.89	3,575.94	256.42	6,621.97	10,454.33
b) Amount ceded in reinsurance	-	(0.01)	(260.29)	(260.30)	-	(0.14)	419.22	419.08
c) Amount accepted in reinsurance	-	-	-	-	-	-	-	-
Net change in insurance contract liabilities	5,001.15	3,469.20	7,573.24	16,043.59	3,575.94	256.28	7,041.19	10,873.41



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 59. KEY DISCLOSURES RELATED TO LIFE INSURANCE BUSINESS (EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED (ETLI)) (CONTINUED)

#### c. Investment contract liabilities without DPF are stated at fair value (Continued)

##### Change in Reinsurance assets

Particulars	31 March 2024	31 March 2023
Opening Reinsurance Assets	3,013.36	3,432.77
Premium	380.60	360.89
Unwinding of the Discount/Interest Credited	206.53	236.27
Change in Valuation for expected future benefits	(605.96)	(695.07)
Insurance Liabilities released	279.46	(321.50)
<b>Closing Reinsurance Assets</b>	<b>3,273.99</b>	<b>3,013.36</b>

At 31 March 2024, the ETLI conducted an impairment review of the reinsurance assets and there is no impairment loss for the year.

During the year, the ETLI entered into reinsurance arrangements that resulted in profit of ₹ 8.08 million for the financial year 2023-24 (PY ₹ 72.58 million). This profit has been reflected in the statement of profit or loss.

At 31 March 2024 and 31 March 2023, there are no impaired reinsurance assets.

#### d. Key Assumptions

Liabilities for life insurance policies are determined by the Appointed Actuary in accordance with the IRDAI regulations and relevant actuarial practice standards & guidance notes issued by the Institute of Actuaries of India. For Unit Linked (UL) business, separate unit and non-unit reserve is maintained. The unit reserve is the current value of the assets underlying the unit funds and the non-unit reserve is kept to meet the liabilities due to the cost of insurance, expenses, commissions etc. in excess of future charges. For discontinued policies under UL products the fund is transferred to a separate discontinuance fund as per IRDAI regulations and the same has been kept as reserves. Further, for the discontinuance policies, the non-unit reserves are also kept.

The reserves/ liabilities under non-linked business is calculated using a prospective gross premium method of valuation. The reserves are established having regard to the assumptions as to future experience, including the interest rate that will be earned on premiums not yet received and future bonus rates for participating business. Assumptions as to the future bonus rates are set to be consistent with the interest rate assumptions. For participating policies, the valuation interest rate used is 6.00% (no change from last year). For non-par policies, the valuation interest rate ranges between 5.58% - 7.07% (PY 5.58% - 7.07%) for the first 5 years and 4.00% - 6.28% (PY 4.00% - 6.28%) thereafter (for annuity, 2% assumed for year greater than 50 years).

The lapse assumptions are based on various factors namely the actual experience, credibility of the experience, pricing assumptions, trend from actual experience and consistency from past year's assumptions. For lapsed policies, revival reserves are maintained (till the policies are within the revival year) assuming a probability of revival at 10% for non-par policies and 15% for par policies will be revived.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 59. KEY DISCLOSURES RELATED TO LIFE INSURANCE BUSINESS (EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED (ETLI)) (CONTINUED)

#### d. Key Assumptions (Continued)

Mortality assumptions are set with reference to the published IALM (2012-2014) Ultimate Mortality Table. The mortality assumptions are based on various factors namely the actual experience, credibility of the experience, pricing assumptions, trend from actual experience and consistency from past year's assumptions. For annuity product, mortality rates are set with reference to the IIAM 12-15 - Indian Individual Annuitant Mortality Table (2012-15). Assumptions for morbidity and incidence of accidental death are based on terms available from reinsurers and the standard morbidity rate table CIBT 93 (Critical Illness Base Table for year 93).

Assumptions for future expenses are considered as per the file & use assumptions (which are derived from long term business plan of the Company) or similar existing product assumptions and these expenses escalated each year by 5.00% p.a. (previous year 5.00%) to allow for inflation. An additional reserve has been included to allow for the contingency of closure to new business and to cover maintenance expense overrun.

Commission has been allowed for at the rates specified in the products file and use.

Further it has been ensured that for each policy the reserve is sufficient to pay the surrender value.

For participating products, terminal bonuses are provisioned such that the reserves are at least equal to asset share at product level.

The provisions have been made for incurred but not reported death claims (IBNR), free look reserve, unearned premium reserve of the extra premium collected etc.

Free look assumption has been set based on the actual cancellation experience observed by the company for all lines of business, trend of the experience in the last few years and consistency of the rate in comparison to the past year. The assumption of free look rate is set at 4% this year (no change from last year).

For riders, both unearned premium and gross premium reserves are calculated and the higher of these two is held as reserve. For OYRGTL plan (One Year Renewable Group Term Life), the Unearned Premium Reserve is calculated as premium for the unexpired duration. In addition, the premium deficiency reserve and IBNR is also kept for OYRGTL.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 59. KEY DISCLOSURES RELATED TO LIFE INSURANCE BUSINESS (EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED (ETLI)) (CONTINUED)

##### d. Key Assumptions (Continued)

Portfolio assumptions impacting net liabilities	Range	FY 31 March 2024	FY 31 March 2023
Mortality rates (as a % of Indian Assured Lives Mortality (2006-08))**	Max	<b>227% (Without MAD)*</b>	230% (Without MAD)*
	Min	<b>30% (Without MAD)</b>	28% (Without MAD)
Discount/ interest rates***	Max	<b>8% (Without MAD)</b>	8% (Without MAD)
	Min	<b>7.25% (Without MAD)</b>	7.25% (Without MAD)
Expense****	Max	<b>10,775 (INFL @5%) (without MAD)</b>	10262 (INFL @5%) (without MAD)
		<b>21 (INFL @ 5%) (without MAD) for micro Insurance plan</b>	20 (INFL @ 5%) (without MAD) for micro Insurance plan
	Min	<b>319 (INFL @ 5%) (without MAD)</b>	304 (INFL @ 5%) (without MAD)
		<b>13 (INFL @ 5%) (without MAD) for micro Insurance plan</b>	13 (INFL @ 5%) (without MAD) for micro Insurance plan
MAD*		<b>Mortality: Mortality: 15%;</b>	Mortality: Mortality: 10%; additional 5% MAD to cater COVID-19 pandemic risk
		<b>Interest: 72.5 - 575 bps</b>	Interest: 78 - 575 bps
		<b>Expenses: 10%</b>	Expenses: 10%

\* Margin for Adverse Deviation (MAD) is over and above the base rate mentioned above.

\*\* Mortality rates (excluding annuity products) are expressed as % of Indian Assured Lives Mortality (2012-14) and for annuity it is expressed as % of IIAM 12-15 - Indian Individual Annuitant Mortality Table (2012-15). Further in Annuity plans, Mortality improvement of 1% per annum till attained age of 64 and 0.5% per annum thereafter has been assumed from the current rates.

\*\*\* Under Unit linked, for unit growth rate (i.e. Investment return) weighted average growth rate of various unit funds is used.

\*\*\*\* The value of future expenses has been derived to allow for all the future maintenance expenses as applicable namely fixed per policy, renewal premium (0%-2%)/ commission (0%-25%) related, fund (0%-0.25%) related etc. The limits for fixed per policy expenses are as mentioned above in the table.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 59. KEY DISCLOSURES RELATED TO LIFE INSURANCE BUSINESS (EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED (ETLI)) (CONTINUED)

##### e. Sensitivity Analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross liabilities.

The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous year. The sensitivities are same as shared with Regulators during annual reporting.

##### For Year Ended 31 March 2024

Sensitivity Parameters	Gross Liability				
	Insurance Contracts			Investment Contracts	
	With DPF	Linked	Others	Linked	Others
Mortality increased by 10%	19,864.86	20,137.48	42,291.19	1,052.74	111.73
Mortality decreased by 10%	19,767.65	20,134.02	39,596.20	1,052.71	111.69
Lapses increased by 10%	19,770.80	20,135.18	40,519.04	1,052.72	111.71
Lapses decreased by 10%	19,909.75	20,135.75	41,401.57	1,052.73	111.71
Expenses increased by 10%	19,845.72	20,135.94	41,112.24	1,052.73	111.71
Expenses decreased by 10%	19,767.44	20,135.06	40,782.21	1,052.71	111.70
Interest Rate increased by 100 bps	18,137.48	20,134.76	33,705.86	1,052.71	111.70
Interest Rate decreased by 100 bps	21,798.21	20,136.47	50,842.84	1,052.73	111.71
Inflation Rate increased by 100 bps	19,840.79	20,135.96	41,111.44	1,052.72	111.71
Inflation Rate decreased by 100 bps	19,771.52	20,135.19	40,799.71	1,052.72	111.70

##### For Year Ended 31 March 2023

Sensitivity Parameters	Gross Liability				
	Insurance Contracts			Investment Contracts	
	With DPF	Linked	Others	Linked	Others
Mortality increased by 10%	14,785.10	16,669.22	34,428.91	997.08	114.54
Mortality decreased by 10%	14,773.24	16,664.32	31,797.65	997.08	114.52
Lapses increased by 10%	14,775.69	16,665.84	32,693.93	997.08	114.53
Lapses decreased by 10%	14,781.76	16,666.70	33,560.48	997.08	114.53
Expenses increased by 10%	14,782.15	16,667.01	33,273.18	997.08	114.54
Expenses decreased by 10%	14,773.15	16,665.66	32,954.29	997.07	114.53
Interest Rate increased by 100 bps	13,503.10	16,606.55	26,725.63	969.31	114.53
Interest Rate decreased by 100 bps	16,339.21	16,729.64	41,593.24	1,027.16	114.53
Inflation Rate increased by 100 bps	14,778.60	16,667.03	33,259.50	997.08	114.53
Inflation Rate decreased by 100 bps	14,774.84	16,665.90	32,983.52	997.08	114.53

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 59. KEY DISCLOSURES RELATED TO LIFE INSURANCE BUSINESS (EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED (ETLI)) (CONTINUED)

##### Gross premiums on insurance contracts and investment contracts with DPF

Particulars	31 March 2024	31 March 2023
Life Insurance	19,259.37	16,764.25
<b>Total Gross Premiums</b>	<b>19,259.37</b>	<b>16,764.25</b>

##### Premiums ceded to reinsurers on insurance contracts and investment contracts with DPF

Particulars	31 March 2024	31 March 2023
Life Insurance	(380.60)	(360.89)
<b>Total premiums ceded to reinsurers</b>	<b>(380.60)</b>	<b>(360.89)</b>

##### Net benefits and claims

Particulars	31 March 2024	31 March 2023
<b>a. Gross benefits and claims paid</b>		
Life insurance contracts	7,236.28	4,325.78
Investment contracts with DPF	-	-
<b>Total gross benefits and claims paid</b>	<b>7,236.28</b>	<b>4,325.78</b>
<b>b. Claims ceded to reinsurers</b>		
Life insurance contracts	(320.47)	(393.30)
Investment contracts with DPF	-	-
Total claims ceded to reinsurers	(320.47)	(393.30)
<b>Net benefits and claims</b>	<b>6,915.81</b>	<b>3,932.48</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 60. KEY DISCLOSURES RELATED TO GENERAL INSURANCE BUSINESS (ZUNO GENERAL INSURANCE LIMITED (ZGIL) (FORMERLY KNOWN AS EDELWEISS GENERAL INSURANCE COMPANY LIMITED))

##### Contract Liability for General Insurance business

##### Premium earned

##### Gross Premium on insurance contracts

Particulars	31 March 2024	31 March 2023
Gross written Premium	8,509.70	5,517.39
Change in reserve for unexpired risks	(2,356.27)	(872.11)
<b>Gross Earned Premium (a)</b>	<b>6,153.43</b>	<b>4,645.28</b>

##### Premium ceded to reinsurers on insurance contracts

Particulars	31 March 2024	31 March 2023
Premium on reinsurance ceded	3,263.24	1,818.77
Change in reserve for unexpired risks	(1,152.06)	(243.40)
<b>Premium ceded to reinsurers (b)</b>	<b>2,111.18</b>	<b>1,575.37</b>
<b>Total Premium Earned (net) (a - b)</b>	<b>4,042.25</b>	<b>3,069.91</b>

##### Change in actuarial liability

Particulars	31 March 2024	31 March 2023
Gross Claim Paid	3,073.47	2,458.25
Claims Ceded to reinsurer on Gross Claims Paid	(613.08)	(461.46)
<b>Net Claims Paid</b>	<b>2,460.39</b>	<b>1,996.79</b>
Change in Gross Claims Outstanding	826.09	259.28
Change in Ceding to reinsurer on Gross Claims Outstanding	(549.59)	(124.62)
<b>Net Claims Outstanding</b>	<b>2,736.89</b>	<b>2,131.45</b>
Change in Gross IBNR	1,009.27	714.87
Change in Ceding to reinsurer on Gross IBNR	(405.45)	(322.43)
<b>Net IBNR</b>	<b>603.82</b>	<b>392.44</b>
Change in Gross Premium deficiency Reserve	-	-
Change in Ceding to reinsurer on Premium deficiency Reserve	-	-
<b>Net Premium deficiency Reserve</b>	<b>-</b>	<b>-</b>
<b>Change in actuarial liability</b>	<b>603.82</b>	<b>392.44</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 60. KEY DISCLOSURES RELATED TO GENERAL INSURANCE BUSINESS (ZUNO GENERAL INSURANCE LIMITED (ZGIL) (FORMERLY KNOWN AS EDELWEISS GENERAL INSURANCE COMPANY LIMITED)) (CONTINUED)

##### Reinsurance asset

Particular	31 March 2024	31 March 2023
Reinsurance on Insurance Contract	3,930.66	1,766.25
Gross Insurance contract liabilities	9,926.31	5,736.10
Reinsurance asset relating to Insurance contracts	(4,137.79)	(2,030.69)
<b>Net Insurance contract liabilities</b>	<b>5,788.52</b>	<b>3,705.41</b>

Gross Insurance contract liabilities	31 March 2024	31 March 2023
Gross Claims Outstanding	1,527.72	701.63
Gross IBNR	3,383.83	2,374.56
Gross Premium deficiency Reserve	-	1.42
Gross Reserve for unexpired risks	5,014.77	2,658.49
<b>Gross Insurance contract liabilities</b>	<b>9,926.32</b>	<b>5,736.10</b>

Reinsurance asset relating to Insurance contracts	31 March 2024	31 March 2023
Reinsurance of Claims Outstanding	760.38	210.79
Reinsurance of IBNR	1,201.85	796.40
Reinsurance of Premium deficiency Reserve	-	-
Reinsurance of Reserve for unexpired risks	2,175.55	1,023.49
<b>Reinsurance of Insurance contract liabilities</b>	<b>4,137.78</b>	<b>2,030.68</b>

Net Insurance contract liabilities	31 March 2024	31 March 2023
Net Claims Outstanding	767.33	490.83
Net IBNR	2,181.98	1,578.16
Net Premium deficiency Reserve	-	1.42
Net Reserve for unexpired risks	2,839.22	1,635.00
<b>Net Insurance contract liabilities</b>	<b>5,788.53</b>	<b>3,705.41</b>

Reconciliation of Claims Outstanding	31 March 2024	31 March 2023
Gross Claims Outstanding at the beginning of year	701.63	442.34
Gross Change in claims reserve	826.09	259.28
<b>Gross Claims Outstanding at the end of year</b>	<b>1,527.72</b>	<b>701.62</b>

Reinsurance of Claims Outstanding at the beginning of year	210.79	86.17
Reinsurance of Change in claims reserve	549.59	124.62
<b>Reinsurance of Claims Outstanding at the end of year</b>	<b>760.38</b>	<b>210.79</b>

Net Claims Outstanding at the beginning of year	490.83	356.18
Net Change in claims reserve	276.50	134.66
<b>Net Claims Outstanding at the end of year</b>	<b>767.33</b>	<b>490.84</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 60. KEY DISCLOSURES RELATED TO GENERAL INSURANCE BUSINESS (ZUNO GENERAL INSURANCE LIMITED (ZGIL) (FORMERLY KNOWN AS EDELWEISS GENERAL INSURANCE COMPANY LIMITED)) (CONTINUED)

Reconciliation of Incurred but not reported (IBNR)	31 March 2024	31 March 2023
Gross IBNR Outstanding at the beginning of year	2,374.56	1,659.69
Gross Change in IBNR reserve	1,009.27	714.87
<b>Gross IBNR Outstanding at the end of year</b>	<b>3,383.83</b>	<b>2,374.56</b>
Reinsurance of IBNR Outstanding at the beginning of year	796.40	473.97
Reinsurance of Change in IBNR reserve	405.45	322.43
<b>Reinsurance of IBNR Outstanding at the end of year</b>	<b>1,201.85</b>	<b>796.40</b>
Net IBNR Outstanding at the beginning of year	1,578.16	1,185.71
Net Change in IBNR reserve	603.82	392.45
<b>Net IBNR Outstanding at the end of year</b>	<b>2,181.98</b>	<b>1,578.16</b>

Reconciliation of Premium deficiency Reserve	31 March 2024	31 March 2023
Gross Premium deficiency Reserve Outstanding at the beginning of year	1.42	1.42
Gross Change in Premium deficiency reserve	(1.42)	-
<b>Gross Premium deficiency Reserve Outstanding at the end of year</b>	<b>-</b>	<b>1.42</b>
Reinsurance of Premium deficiency Reserve Outstanding at the beginning of year	-	-
Reinsurance of Change in Premium deficiency reserve	-	-
Reinsurance of Premium deficiency Reserve Outstanding at the end of year	-	-
Net Premium deficiency Reserve Outstanding at the beginning of year	1.42	1.42
Net Change in Premium deficiency reserve	(1.42)	-
<b>Net Premium deficiency Reserve Outstanding at the end of year</b>	<b>-</b>	<b>1.42</b>

Reserve for unexpired risks	31 March 2024	31 March 2023
Gross Reserve for unexpired risks Outstanding at the beginning of year	2,658.50	1,786.39
Gross Change in Reserve for unexpired risks reserve	2,356.27	872.11
<b>Gross Reserve for unexpired risks Outstanding at the end of year</b>	<b>5,014.77</b>	<b>2,658.50</b>
Reinsurance of Reserve for unexpired risks Outstanding at the beginning of year	1,023.49	780.09
Reinsurance of Change in Reserve for unexpired risks reserve	1,152.06	243.40
<b>Reinsurance of Reserve for unexpired risks Outstanding at the end of year</b>	<b>2,175.55</b>	<b>1,023.49</b>
Net Reserve for unexpired risks Outstanding at the beginning of year	1,635.01	1,006.30
Net Change in Reserve for unexpired risks reserve	1,204.21	628.71
<b>Net Reserve for unexpired risks Outstanding at the end of year</b>	<b>2,839.22</b>	<b>1,635.01</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 60. KEY DISCLOSURES RELATED TO GENERAL INSURANCE BUSINESS (ZUNO GENERAL INSURANCE LIMITED (ZGIL) (FORMERLY KNOWN AS EDELWEISS GENERAL INSURANCE COMPANY LIMITED)) (CONTINUED)

##### Geographical concentration:

The ZGIL has its operation only in India.

##### Sensitivity Analysis to key assumptions

The following analysis is performed for reasonably possible movements in 'Ultimate Loss ratio' with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity.

The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous year.

2023-24	Change in Assumption	Increase / (Decrease) on Gross Liability	Increase / (Decrease) on Net Liability	Increase / (Decrease) on Profit Before Tax	Increase / (Decrease) on Equity
Ultimate Loss Ratio	10.00%	879.86	1,155.62	1,155.62	-
Ultimate Loss Ratio	(10.00)%	(879.86)	(1,155.62)	(1,155.62)	-

2022-23	Change in Assumption	Increase / (Decrease) on Gross Liability	Increase / (Decrease) on Net Liability	Increase / (Decrease) on Profit Before Tax	Increase / (Decrease) on Equity
Ultimate Loss Ratio	10.00%	575.90	620.85	620.85	-
Ultimate Loss Ratio	(10.00)%	(575.90)	(620.85)	(620.85)	-

## OTHER ADDITIONAL REGULATORY INFORMATION

### 61. DETAILS OF BENAMI PROPERTY HELD

The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

### 62. SECURITY OF CURRENT ASSETS AGAINST BORROWINGS

The Group has borrowings from banks or financial institutions against security of current assets. Quarterly return and statements filed by the Group with lender banks or financial institutions are in agreement with the books of account of the Group, wherever applicable.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

## OTHER ADDITIONAL REGULATORY INFORMATION (CONTINUED)

### 63. WILFUL DEFAULTER

The Group is not declared as wilful defaulter by any bank or financial Institution or other lender.

### 64. TRANSACTIONS WITH STRUCK OFF COMPANIES

Name of the struck-off Company	Nature of transactions with struck-off Company	Relationship with the struck-off Company	Balance Outstanding as on 31 March 2024	Balance Outstanding as on 31 March 2023
Glossy Creations Private Limited	Receivables	-	-	0.59
Shams Cable Network	Office Exps	-	-	-
City Elevators Private Limited	Receivable	-	-	0.15
Emicon India Private Limited	Receivable	-	-	0.09
Spectrum Washing Private Limited	Receivable	-	-	0.13
Viva Concrete Technologies Private Limited	Receivable	-	-	0.54
Aditi Financial Services	Payable	-	0.03	-
Suraj Petroleum	Receivable	-	2.94	-
Shri Sham Fisheries	Receivable	-	0.39	-
Medifit Health & Fitness Private Limited	Receivables	-	-	0.44
M S Clothing	Receivables	-	0.24	-
S M Enterprises	Receivables	-	0.05	-
Godavari Traders	Receivables	-	0.11	-
Ayuh Meditech Solutions Pvt Ltd	Receivables	-	0.07	-
Sri Sai Simhadri Tyres	Receivables	-	0.10	-
Arihant Capital Markets Ltd.	Payables	-	-	0.00
SPA Capital Services Ltd	Payables	-	-	0.07
Marvel Limited	Commission Income	-	-	-
Kotak Mahindra Investments Limited	Commission Income	-	-	-
Four Seasons Hotel	Professional Fees	-	-	-
Indian Overseas Bank	Commission & Brokerage Exps	-	-	0.00
Anahat Organisation Development Consultancy Pvt Ltd	Professional Fees	-	-	-
Maruti Infrastructure Limited	Retention Money Payable	-	-	3.66
M R D ENTERPRISES	Repairs & Maintenance	-	-	-
Nucsoft Limited	Other Expense	-	-	-
Kamal Enterprises	Miscellaneous Expense	-	-	-

0.00 indicates amount less than ₹ 0.01 million

65. The Group is in compliance with number of layers of companies, as prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### OTHER ADDITIONAL REGULATORY INFORMATION (CONTINUED)

#### 66. UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

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

#### 67. UNDISCLOSED INCOME

The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

#### 68. DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### OTHER ADDITIONAL REGULATORY INFORMATION (CONTINUED)

#### 69. LOANS & ADVANCES

There are no loans or advances in the nature of loans which are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are; (a) repayable on demand or (b) without specifying any terms or period of repayment, except below;

##### As at 31 March 2024

Type of Borrowers	Amount of loan or advance in the nature of loan outstanding	Aggregate amount of loans/ advances in nature of loans	Percentage to the total Loans and Advances in the nature of loans*
Promoters	-	-	-
Directors	-	-	-
KMPs	-	5.00	0.01%

##### As at 31 March 2023

Type of Borrowers	Amount of loan or advance in the nature of loan outstanding	Aggregate amount of loans/ advances in nature of loans	Percentage to the total Loans and Advances in the nature of loans*
Promoters	-	-	-
Directors	-	-	-
KMPs	-	-	-

\* Percentage of aggregate loans granted during the year

- 70.** The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will evaluate the rules, assess the impact if any, and account for the same once the rules are notified and become effective.
- 71.** Nuvama Clearing Services Limited (NCSL), a former associate, received a show cause notice and order from NSE Clearing Ltd (NCL) in the matter of Anugrah Stock and Broking Pvt. Ltd (Anugrah or Trading member) and Vrise Securities Pvt. Limited. Securities Appellate Tribunal (SAT) has upheld NCL order on 15 December 2023. NCSL has appealed against the SAT order at the Supreme Court of India, asserting compliance with all relevant laws and regulations. The appeal is in the process of admission with the Supreme Court of India. The Company has obtained legal opinion on the matter and the Company believes that the NCSL will receive a favourable order in this regard. Accordingly, there is no adjustment required in the Consolidated Financial Statements of the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### OTHER ADDITIONAL REGULATORY INFORMATION (CONTINUED)

- 72.** Under the Shareholders' Agreement dated 05 March 2019, entered between Edelweiss Financial Services Limited (EFSL), CDPQ Private Equity Asia PTE. Limited (CDPQ) and ECL Finance Limited (together referred as Parties), EFSL had agreed, pursuant to clause 8.1 & 8.2 to make equity investment of an amount equivalent to the amount of losses on Select real estate/structured finance Loans (Select Loans) into ECL Finance Limited within six months of the default leading to loss incurred by the ECL Finance Limited on or before the date of the conversion of the Investor CCDs into Equity Shares. The rationale for this undertaking was to keep the total equity/net worth of ECL Finance Limited unimpacted on account of impairment in the select loan accounts. During the previous year ended 31 March 2023, Parties have agreed and concluded that loss event for three of the borrowers in the Select Loans have crystalized and hence, EFSL has agreed to make good the loss amounting to ₹ 1,295.20 million incurred by ECL Finance Limited in earlier years. Accordingly, EFSL has recorded such loss in its profit and loss for the year ended 31 March 2023. The Parties have agreed that no loss event has been crystalized in respect of other Select Loans amounts mentioned in above said clauses of the agreement and hence there is no obligation of EFSL.
- 73.1** The Board of Directors at their meeting held on 14 May 2024, have recommended a final dividend of ₹ 1.50 per equity share (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting.
- 73.2** During the year, the Company has declared and paid the final dividend of ₹ 1.25 per equity share (on face value of ₹ 1 per equity share) for the financial year ended 31 March 2023, based on the approval of the members of the Company at the Annual General Meeting held on 26 September 2023.
- 74.** During the year, two subsidiaries of the Group, ECL Finance Limited and Edelweiss Retail Finance Limited (subsidiaries), due to the change in the existing rights attached to the financial instrument, the investment in Security Receipts ("SRs") which were previously measured at fair value through profit and loss, were derecognized and revised terms of rights in SRs representing residual interest in the trust ("SR Instrument - Equity") have been recognized and measured at Fair Value through Other Comprehensive Income (FVOCI - Equity). Further, during the year ended 31 March 2024, these subsidiaries has taken impact of ₹ (11.20) million (net of tax) on SRs in other comprehensive income pertaining to exited Portfolio.

During the previous year ended 31 March 2023, two subsidiaries of the Company had sold certain financial assets amounting to ₹ 16,718.90 million (net of provisions) to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 5,227,20 million from these ARC Trusts. Ind AS 109 - 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from these subsidiaries financial statements. The Company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognized in the subsidiaries financial statements. Based on assessment of probability of default, loss given default in respect of these financial assets (i.e. sold during the year ended 31 March 2023 and in earlier years) and in light of various factors viz. exposures to certain sectors and assessment of credit and market risks for certain counter parties relative to such risks at initial recognition, the Group has recorded charge due to change in valuation of POCI loans of 2,693.00 million (net) for the year ended and is included in "Change in valuation of credit impaired loans".

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

- 75.** The Board of Directors of the Company at its meeting held on 13 May 2022, had approved the Scheme of arrangement between Edelweiss Financial Services Limited ('EFSL') and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) ('NWML') and their respective shareholders and creditors ('the Scheme'), under section 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013, which inter-alia envisaged demerger of Wealth Management Business Undertaking ('Demerged Undertaking' as defined in the Scheme) of EFSL into the NWML and issue of shares of NWML to the shareholders of EFSL pursuant to demerger.

The National Company Law Tribunal Bench at Mumbai (Tribunal ) has approved the Scheme on 27 April 2023. The certified copy of the order of the Tribunal approving the Scheme was received by the Company on 12 May 2023 and was filed with the Registrar of Companies on 18 May 2023 ('Effective Date'). As per the Scheme, the Appointed Date of the Scheme is same as Effective Date i.e., 18 May 2023. Pursuant to the Scheme, the equity share capital of NWML held by EFSL stand cancelled. Further, NWML has allotted 1,05,28,746 equity shares to the shareholders of EFSL as on the record date as per the Scheme. In accordance with Appendix A of Indian Accounting Standard (Ind AS) 10 Distribution of Non-cash Assets to Owners and as per the scheme, the distribution of non-cash assets to shareholders of the Company and carrying value of net assets of Wealth Management Business Undertaking have been adjusted against the Retained Earnings amounting to ₹ 23,531.81 million. In view of above, the financial statements of the current year are after giving effect of the Scheme as on appointed date i.e., 18<sup>th</sup> May 2023 and hence previous year numbers are not comparable to that extent. Further, on account of demerger, Company has accounted for net gain amounting to ₹ 83.20 million during the current year ended 31 March 2024.

As per the Scheme, Company transferred assets and liabilities of Demerged Undertaking to the NWML and Company derecognised all assets and liabilities of Demerged Undertaking using acquisition method.

Particulars	Amount in millions
<b>ASSETS</b>	
<b>Financial assets</b>	
Cash and cash equivalents	20.00
Trade Receivables	73.38
Investments	23,531.80
Other financial assets	264.92
<b>Total financial assets (A)</b>	<b>23,890.10</b>
<b>Non-financial assets</b>	
Property, Plant and Equipment	0.79
Other non-financial assets	225.37
<b>Total Non-financial assets (B)</b>	<b>226.16</b>
<b>TOTAL ASSETS (C)= ((A)+(B))</b>	<b>24,116.26</b>
<b>LIABILITIES</b>	
<b>Financial liabilities</b>	
Trade Payables	35.64
Other financial liabilities	353.10
<b>Total financial liabilities (D)</b>	<b>388.74</b>
<b>Non-financial liabilities</b>	
Current tax liabilities (net)	-
Provisions	14.16
Other non-financial liabilities	181.55
<b>Total non-financial liabilities (E)</b>	<b>195.71</b>
<b>TOTAL LIABILITIES (F)=((D)+(E))</b>	<b>584.45</b>
<b>Networth Adjusted to Equity on account of demerger (G)= ((C)-(F))</b>	<b>23,531.81</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

CIN-L99999MH1995PLC094641

(Currency : Indian rupees in millions)

- 76.** During the year ended 31 March 2024 and 31 March 2023, an investor has invested in Security receipts issued by ARC trusts as senior class investor in such trusts amounting to ₹ 3,250 million and ₹ 12,000 million respectively. These pertain to certain loans and security receipts sold by one of the subsidiary company, ECL Finance Limited to the ARC trusts. EFSL and another subsidiary company, Edelweiss Securities and Investments Private Limited (“ESIPL”) have provided a Put option to the investor assuring to pay or guarantee the payment of agreed aggregated total pay-out value after reducing any payment to investors from underlying assets during the period i.e., amount invested along with a minimum guaranteed return as per the agreement. Further, based on management assessment and given current estimates/cash flows from underlying assets, the likelihood of any payment to investor is considered as remote. Further, as the risks and rewards continues in the Group, these are accounted as financial assets in the consolidated financial statements and the consequent expected credit loss is recorded in the consolidated financial statements.
- 77.** ECap Equities Limited (Ecap), a wholly owned subsidiary of the Company, has entered into an agreement dated 28 November 2019, pursuant to which upon happening of a contingency whereupon if the investors who have subscribed for a majority in the Alternative Investment Fund (AIF) to which ECL Finance Limited (ECLF) and Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) (NHFL), subsidiaries of the Group have sold financial assets does not receive the agreed IRR (IRR) as per the agreement in which case Ecap shall be required to either arrange for a buyer thereof and/or purchase the assets at IRR.
- 78.** The Group has complied with the Rule 3 of Companies (Accounts) Rules, 2014 amended on 05 August 2022 relating to maintenance of electronic books of account and other relevant books and papers. The Group’s books of accounts and relevant books and papers are accessible in India at all times and backup of accounts and other relevant books and papers are maintained in electronic mode within India and kept in servers physically located in India on daily basis.
- 79.** Change in valuation of credit impaired loans represents valuation movement of loans of consolidated ARC trusts.
- 80.** ECL Finance Limited (ECLF), the subsidiary’s Board of Directors in their meeting have approved the decision of ECLF to exit the Real Estate and Structured Finance business (“Portfolio”) and reduce the underlying loan portfolio in the near to mid-term. Consequently, the ECLF business model with respect to the Portfolio has changed from ‘hold to collect’ to ‘hold to collect and sell’. As per the requirements of Ind AS 109 “Financial Instruments, effective from 01 January 2024, consequent to these change the Group has reclassified Portfolio measured at amortised cost to fair value through other comprehensive income in the Consolidated Financial Statements.
- 81.** The Group has process whereby periodically all long term contract (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provisions as required under any law / accounting standard for material foreseeable losses on such long terms contracts (including derivative contract) has been made in the books of accounts.
- 82.** Previous year’s figures have been regrouped / reclassified to conform to current year presentation.

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date attached

**For Nangia & Co. LLP**

Chartered Accountants

ICAI Firm’s Registration Number: 002391C/N500069

**Jaspreet Singh Bedi**

Partner

Membership No: 601788

**For and on behalf of the Board of Directors of**

Edelweiss Financial Services Limited

**Rashesh Shah**

Chairman &amp; Managing Director

DIN: 00008322

**Ananya Suneja**

Chief Financial Officer

14 May 2024

**Venkatchalam Ramaswamy**

Vice Chairman &amp; Executive Director

DIN: 00008509

**Tarun Khurana**

Company Secretary

Membership No: 12344

Mumbai 14 May 2024

## INDEPENDENT AUDITOR’S REPORT

To the Members of Edelweiss Financial Services Limited

### REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying Standalone Financial statements of Edelweiss Financial Services Limited (“the Company”), which comprise the Standalone Balance Sheet as at March 31, 2024 and the Standalone Statement of Profit and Loss, including the Standalone Statement of Other Comprehensive Income, Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its Standalone Profit including Other Comprehensive Income, its Standalone Cash Flows and the Standalone Statement of Changes in Equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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



## ■ INDEPENDENT AUDITOR'S REPORT (Continued)

Key audit matters	How our audit addressed the key audit matter
<p><b>Impairment of investments in subsidiary companies</b> (As described in Note 1.4.1.3 and Note 6 of the standalone financial statements)</p> <p>The Company has investments in various subsidiaries aggregating ₹ 46,001.90 million which are not listed (equity) or quoted. These investments are valued at cost and are required to be assessed for impairment in accordance with Ind AS 36, when any indicators of impairment are observed.</p> <p>In carrying out such impairment assessment, a significant judgement of the management is involved in estimating the investee company's "value in use", in accordance with Ind AS 36. Estimation of the value in use requires the management to apply appropriate assumptions with respect to the growth rates for future cash flow projections of the investee company and discount rates for determining present value of such cash flows.</p> <p>In view of the high degree of management's judgement involved in estimation of the recoverable amount of investments in unlisted subsidiaries and the inherent uncertainty relating to the assumptions supporting such estimates, we considered this area as a key audit matter.</p>	<p>Our audit procedures included considering the appropriateness of the processes laid down by the management for assessment of impairment in the value of investments in subsidiaries combined with procedures performed as follows:</p> <ul style="list-style-type: none"> <li>• Considered management's assessment of impairment from the management experts wherever considered necessary and assessed whether any impairment indicators existed for investment in individual subsidiaries.</li> <li>• Traced the net-worth of the individual subsidiaries to their audited financial statements to assess whether any impairment indicators were present.</li> <li>• Assessed information used to determine the key assumptions, including growth rates and discount rates.</li> <li>• Assessed the disclosures relating to investments in subsidiaries included in the standalone financial statements in accordance with the requirements of Ind AS.</li> </ul>
<p><b>IT systems and controls</b></p> <p>Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction, hence we identified IT systems and controls as a key audit matter for the Company.</p> <p>Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.</p>	<p>Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting of the Company:</p> <ul style="list-style-type: none"> <li>• Tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration, and other identified application controls.</li> <li>• Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorized.</li> <li>• Tested the Company's periodic review of access rights. Also tested requests of changes to systems for approval and authorization.</li> <li>• In addition to the above, tested the design and operating effectiveness of certain automated controls that were considered as key internal controls.</li> <li>• Tested the design and operating effectiveness of compensating controls in case deficiencies were identified and where necessary, extended the scope of our substantive audit procedures.</li> </ul>

## ■ INDEPENDENT AUDITOR'S REPORT (Continued)

### Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report and Annual report, but does not include the standalone financial statements and our auditor's report thereon. The Board report and Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### Responsibilities of Management for the Standalone Financial Statements

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

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

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

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

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

## ■ INDEPENDENT AUDITOR'S REPORT (Continued)

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2024, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter:

The comparative financial information of the Company for year ended March 31, 2023 were audited by predecessor auditor who expressed an unmodified opinion on those standalone financial statements dated May 26, 2023. Accordingly, we do not

## ■ INDEPENDENT AUDITOR'S REPORT (Continued)

express any opinion, as the case may be, on the figures reported in the standalone financial statements for the year ended March 31, 2023. Our opinion is not modified in respect of this matter.

### 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 Companies Act, 2013, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss including the Standalone Statement of Other Comprehensive Income, and the Standalone Statement of Cash Flow and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2";
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – (Refer Note 33(1)(a) and (b) to the standalone financial statements);
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – (Refer Note 65 to the standalone financial statements);

## INDEPENDENT AUDITOR'S REPORT (Continued)

- iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 52 (A) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 52 (B) to the standalone financial statements, during the year no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- As stated in note 56.1 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For Nangia & Co. LLP**  
Chartered Accountants  
FRN No. 002391C/N500069

**Jaspreet Singh Bedi**  
Partner  
Membership No.: 601788  
UDIN: 24601788BKFMVJ9653

Place: Mumbai  
Date: May 14, 2024

## INDEPENDENT AUDITOR'S REPORT (Continued)

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

Re: Edelweiss Financial Services Limited ("the Company")

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) All Property, Plant and Equipment were physically verified by the management in the previous years in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to information and explanations given to us, the title deeds of all the immovable properties are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended March 31, 2024.
- (e) According to information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned any working capital limits in excess of ₹ five crore rupees in aggregate from banks and financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on Clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies as follows:

(₹ in million)

Particulars	Guarantees	Put Option	Security	Loans	Advances in nature of Loans
Aggregate amount granted/ provided during the year					
- Subsidiaries	22,090.00	3250.00	Nil	45,455.62	Nil
- Others	Nil	Nil	Nil	Nil	Nil
*Balance outstanding as at balance sheet date in respect of above cases					
- Subsidiaries	26,414.86 (**)	13690.00	1712.41	36,090.10	Nil
- Others	Nil	Nil	Nil	Nil	Nil

\* the above balance includes outstanding as at March 31, 2024

\*\* Guarantees originally issued against the above was ₹ 71,690 million

## INDEPENDENT AUDITOR'S REPORT (Continued)

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

- (b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to Companies are not prejudicial to the Company's interest.
- (c) The Company has granted loans to group companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. As represented by the Management, there are no loans given to other than group companies.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to group companies which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) According to information and explanations given to us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to group companies. 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, the Company has not advanced loans to directors / to a Company in which the director is interested to which provisions of Section 185 of the Companies Act 2013 apply and hence not commented upon. The Company has made investments/ given loans /guarantees/ provided security which is in compliance to the provisions of Section 186 of the Companies Act 2013.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) According to information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to it. The provisions relating to duty of customs and duty of excise are currently not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to records of the Company, the dues of goods and services tax, provident fund, employees' state insurance, income-tax, service tax, and other statutory dues have not been deposited on account of any dispute, are as follows:

## INDEPENDENT AUDITOR'S REPORT (Continued)

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

(₹ in million)

Name of the statute	Nature of dues	Gross Demand	Paid under Protest	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	3.23	-	AY 2001-02	High Court
Income Tax Act, 1961	Income Tax	17.91	-	AY 2008-09	High Court
Income Tax Act, 1961	Income Tax	141.38	-	AY 2009-10	High Court
Income Tax Act, 1961	Income Tax	237.89	-	AY 2010-11	High Court
Income Tax Act, 1961	Income Tax	101.40	-	AY 2011-12	High Court
Income Tax Act, 1961	Income Tax	91.24	-	AY 2012-13	High Court
Income Tax Act, 1961	Income Tax	23.13	-	AY 2013-14	High Court
Income Tax Act, 1961	Income Tax	20.20	-	AY 2014-15	High Court
Income Tax Act, 1961	Income Tax	50.66	-	AY 2016-17	High Court
Income Tax Act, 1961	Income Tax	54.33	-	AY 2017-18	High Court
Income Tax Act, 1961	Income Tax	61.25	-	AY 2018-19	High Court
Income Tax Act, 1961	Income Tax	118.12	-	AY 2020-21	High Court
Income Tax Act, 1961	Income Tax	13.46*	-	AY 2022-23	Assessing officer
Service Tax	Service Tax	430.75	16.15	FY 2008-09 to 2011-12	CESTAT, Mumbai
Service Tax	Service Tax	119.75	-	FY 2009-10 up to Jun 2012	CESTAT, Mumbai
Goods and Services Tax Act, 2017	Goods and Services Tax	3.03	0.15	FY 2018-19	Commissioner (Appeals)

\*Company has received the assessment order and demand notice dated April 30, 2024 under Section 143(3) of the Income Tax Act, 1961, for assessment year 2022-23 and a tax demand of ₹ 13.46 million (including interest) on account of certain disallowances.

- (viii) According to the information and explanations given to us, 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.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us, the Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) 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 taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

## ■ INDEPENDENT AUDITOR'S REPORT (Continued)

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

- (f) According to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies.
- (x) (a) As per management and information provided, monies raised during the year by the Company by way of public offer (including debt instruments) were applied for the purpose for which they were raised.
- (b) 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 made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and accordingly, the requirement to report on Clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) (a) According to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

## ■ INDEPENDENT AUDITOR'S REPORT (Continued)

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

- (d) According to the information and explanation given to us, the Group has one core investment company as part of Group.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of statutory auditors during the year and accordingly requirement to report on clause 3(xviii) of the Order is not applicable to the Company. The previous auditors have completed their term during the year.
- (xix) On the basis of the financial ratios disclosed in note 66 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone 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) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of Section 135 of the Act. This matter has been disclosed in note 26(b) to the standalone financial statements.
- (b) 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 26(b) to the standalone financial statements.

#### For Nangia & Co. LLP

Chartered Accountants  
FRN No. 002391C/N500069

#### Jaspreet Singh Bedi

Partner  
Membership No.: 601788  
UDIN: 24601788BKFMVJ9653

Place: Mumbai  
Date: May 14, 2024

## ■ INDEPENDENT AUDITOR'S REPORT (Continued)

### “ANNEXURE 2” TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF EDELWEISS FINANCIAL SERVICES LIMITED

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

To the Members of Edelweiss Financial Services Limited

We have audited the internal financial controls over financial reporting with reference to Standalone Financial Statements of Edelweiss Financial Services Limited (“the Company”) as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on 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 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 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, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## ■ INDEPENDENT AUDITOR'S REPORT (Continued)

### “ANNEXURE 2” TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF EDELWEISS FINANCIAL SERVICES LIMITED (Continued)

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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 Nangia & Co. LLP

Chartered Accountants  
FRN No. 002391C/N500069

#### Jaspreet Singh Bedi

Partner  
Membership No.: 601788  
UDIN: 24601788BKFMVJ9653

Place: Mumbai  
Date: May 14, 2024

## STANDALONE BALANCE SHEET

AS AT 31 MARCH 2024

CIN-L99999MH1995PLC094641

(Currency: Indian rupees in millions)	Note	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	2	461.03	1,350.09
(b) Bank balances other than cash and cash equivalents	3	9.48	39.17
(c) Trade Receivables	4	154.50	305.64
(d) Loans	5	36,382.39	29,023.40
(e) Investments	6	46,080.37	72,100.70
(f) Other financial assets	7	104.59	199.89
<b>Total financial assets</b>		<b>83,192.36</b>	<b>103,018.89</b>
<b>Non-financial assets</b>			
(a) Current tax assets (net)		826.03	1,143.22
(b) Deferred tax assets (net)	8	3,803.28	1,895.05
(c) Property, Plant and Equipment	9	6.96	10.34
(d) Other Intangible assets	9	-	-
(e) Other non-financial assets	10	960.50	1,118.36
<b>Total Non-financial assets</b>		<b>5,596.77</b>	<b>4,166.97</b>
<b>TOTAL ASSETS</b>		<b>88,789.13</b>	<b>107,185.86</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Financial liabilities</b>			
(a) Trade Payables	11		
(i) total outstanding dues of micro enterprises and small enterprises		-	1.30
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3,112.59	2,232.69
(b) Debt securities	12	28,079.84	25,886.54
(c) Borrowings (other than debt securities)	13	1,597.39	-
(d) Other financial liabilities	14	1,288.74	6,480.45
<b>Total financial liabilities</b>		<b>34,078.56</b>	<b>34,600.98</b>
<b>Non-financial liabilities</b>			
(a) Current tax liabilities (net)		29.21	7.86
(b) Provisions	15	4.00	9.31
(c) Other non-financial liabilities	16	48.93	15.08
<b>Total non-financial liabilities</b>		<b>82.14</b>	<b>32.25</b>
<b>TOTAL LIABILITIES</b>		<b>34,160.70</b>	<b>34,633.23</b>
<b>EQUITY</b>			
(a) Equity Share capital	17	898.89	898.38
(b) Other equity	18	53,729.54	71,654.25
<b>TOTAL EQUITY</b>		<b>54,628.43</b>	<b>72,552.63</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>88,789.13</b>	<b>107,185.86</b>

The accompanying notes are an integral part of the Standalone Financial Statements. 1 to 69

As per our report of even date attached

**For Nangia & Co. LLP**

Chartered Accountants

ICAI Firm's Registration Number: 002391C/N500069

**Jaspreet Singh Bedi**

Partner

Membership No: 601788

**For and on behalf of the Board of Directors of**

Edelweiss Financial Services Limited

**Rashesh Shah**

Chairman & Managing Director

DIN: 00008322

**Ananya Suneja**

Chief Financial Officer

14 May 2024

**Venkatchalam Ramaswamy**

Vice Chairman & Executive Director

DIN: 00008509

**Tarun Khurana**

Company Secretary

Membership No: 12344

Mumbai 14 May 2024

## STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2024

CIN-L99999MH1995PLC094641

(Currency: Indian rupees in millions)	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Revenue from operations</b>			
Interest income	19	4,079.80	3,499.18
Fee and commission income	20	399.11	821.49
Net gain/(loss) on fair value changes	23	(5,870.18)	19,770.41
<b>Total Revenue from operations</b>		<b>(1,391.27)</b>	<b>24,091.08</b>
Other income	21	11,668.09	6,795.84
<b>Total income</b>		<b>10,276.82</b>	<b>30,886.92</b>
<b>Expenses</b>			
Finance costs	22	3,268.90	3,027.37
Impairment on financial instruments	24	3.33	1,493.56
Employee benefits expense	25	347.21	334.17
Depreciation and amortisation	9	3.29	3.57
Other expenses	26	1,498.84	2,881.69
<b>Total expenses</b>		<b>5,121.57</b>	<b>7,740.36</b>
<b>Profit before tax</b>		<b>5,155.25</b>	<b>23,146.56</b>
<b>Tax expense:</b>	27 & 28		
Current tax		111.36	-
Deferred tax		(1,908.23)	(735.91)
<b>Profit for the year</b>		<b>6,952.12</b>	<b>23,882.47</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurements of the defined benefit plans		(4.27)	0.33
<b>Other comprehensive income</b>		<b>(4.27)</b>	<b>0.33</b>
<b>Total comprehensive income</b>		<b>6,947.85</b>	<b>23,882.80</b>
<b>Earnings per share (₹) (Face value ₹ 1 each)</b>			
- Basic (₹)	29	7.73	26.59
- Diluted (₹)		7.72	26.59

The accompanying notes are an integral part of the Standalone Financial Statements 1 to 69

As per our report of even date attached

**For Nangia & Co. LLP**

Chartered Accountants

ICAI Firm's Registration Number: 002391C/N500069

**Jaspreet Singh Bedi**

Partner

Membership No: 601788

**For and on behalf of the Board of Directors of**

Edelweiss Financial Services Limited

**Rashesh Shah**

Chairman & Managing Director

DIN: 00008322

**Ananya Suneja**

Chief Financial Officer

14 May 2024

**Venkatchalam Ramaswamy**

Vice Chairman & Executive Director

DIN: 00008509

**Tarun Khurana**

Company Secretary

Membership No: 12344

Mumbai 14 May 2024

## STANDALONE STATEMENT OF CASH FLOW

### FOR THE YEAR ENDED 31 MARCH 2024

CIN-L99999MH1995PLC094641

(Currency : Indian rupees in millions)	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A Cash flow from operating activities</b>		
Profit/(Loss) before tax	5,155.25	23,146.56
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	3.29	3.57
Fair value change in investments	(1,849.30)	(23,552.48)
Fair value change in provisions	220.60	2,052.85
Profit on sale of investments (net)	(11,576.00)	(6,799.59)
Impairment/(reversal) on financial instruments	3.33	1,493.56
(Profit)/loss on sale of property, plant and equipment	-	0.21
Interest income	(4,079.80)	(3,499.18)
ESOP and SAR cost	(27.40)	14.23
Finance costs	3,268.90	3,027.37
<b>Operating cash flow before working capital changes</b>	<b>(8,881.13)</b>	<b>(4112.90)</b>
<b>Adjustments for:</b>		
Decrease/(Increase) in trade receivables	147.80	(160.91)
Decrease/(Increase) in other financial assets	95.30	896.35
Decrease/(Increase) in other non-financial assets	157.90	(348.66)
(Decrease)/increase in trade payables	878.60	1080.69
(Decrease)/increase in provisions and other financial liabilities	(5,317.40)	(386.44)
(Decrease)/increase in other non-financial liabilities	33.90	(61.96)
<b>Cash generated from/(used in) operations</b>	<b>(12,885.03)</b>	<b>(3093.83)</b>
Income taxes paid (net of refund)	227.17	(192.25)
<b>Net cash generated from/(used in) operating activities - A</b>	<b>(12,657.86)</b>	<b>(3,286.08)</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(0.90)	(8.31)
Sale of property, plant and equipment	1.00	0.74
Purchase of investments	(12,749.20)	(6,150.00)
Sale of investments	28,646.63	12,332.29
Decrease/(Increase) in other bank balances	29.70	499.91
Loan (given)/Repayment of loans ( Refer note 1 below)	(7,359.23)	(7,319.59)
Interest received	4,079.80	3,499.18
<b>Net cash generated from/(used in) investing activities - B</b>	<b>12,647.80</b>	<b>2,854.22</b>
<b>C Cash flow from financing activities</b>		
Proceeds from exercise of ESOP & SAR	2.76	1.65
Repayment of Debt securities	(6,875.69)	(6,710.00)
Proceeds from Debt securities	9,013.81	7,617.42
Proceeds from/(repayment of) borrowings (other than debt securities) (Refer note 1 below)	1,597.41	-
Dividend paid	(1,403.59)	(1,376.06)
Interest paid	(3,213.70)	(2,370.40)
<b>Net cash generated from/(used in) financing activities - C</b>	<b>(879.00)</b>	<b>(2,837.39)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(889.06)</b>	<b>(3,269.25)</b>
Cash and cash equivalents as at the beginning of the year	1,350.09	4,619.34
Cash and cash equivalents as at the end of the year (refer note 4 below)	461.03	1,350.09

## STANDALONE STATEMENT OF CASH FLOW (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

CIN-L99999MH1995PLC094641

Notes:

- Cash receipts and payments for transactions with group companies in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows.
- Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.
- Refer note 32 for changes in liabilities arising from financing activities.
- Components of cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	0.01	0.01
Balances with banks - current accounts	461.02	1,350.08
<b>Total</b>	<b>461.03</b>	<b>1,350.09</b>

The accompanying notes are an integral part of the Standalone Financial Statements 1 to 69

As per our report of even date attached  
**For Nangia & Co. LLP**  
Chartered Accountants  
ICAI Firm's Registration Number: 002391C/N500069

**Jaspreet Singh Bedi**  
Partner  
Membership No: 601788

Mumbai 14 May 2024

**For and on behalf of the Board of Directors of**  
Edelweiss Financial Services Limited

**Rashesh Shah**  
Chairman & Managing Director  
DIN: 00008322

**Ananya Suneja**  
Chief Financial Officer

14 May 2024

**Venkatchalam Ramaswamy**  
Vice Chairman & Executive Director  
DIN: 00008509

**Tarun Khurana**  
Company Secretary  
Membership No: 12344



## STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

CIN-L99999MH1995PLC094641

(Currency : Indian rupees in millions)

### A. EQUITY SHARE CAPITAL

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year	898.38	898.20
Changes in Equity Share Capital due to prior period errors	-	-
<b>Restated balance at the beginning of the current reporting year</b>	<b>898.38</b>	<b>898.20</b>
Changes in equity share capital during the year on account of allotment of shares	0.51	0.18
<b>Balance at the end of the year</b>	<b>898.89</b>	<b>898.38</b>

Notes:

- Edelweiss Employees Welfare Trust and Edelweiss Employees Incentive and Welfare Trust are extension of Company's financial statements, these trusts are holding 4,48,96,780 number of equity shares amounting to ₹ 44.90 million (previous year ₹ 44.90 million). These are deducted from total outstanding equity shares.
- Refer note 17 for detailed quantitative information including investors holding more than 5% of equity share capital.
- The above two Welfare Trusts hold an aggregate 4,48,96,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable Securities and Exchange Board of India regulations (SEBI). Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.

### B. OTHER EQUITY

Particulars	Reserves and Surplus					Total	
	Share application money pending allotment	Capital Redemption Reserve	Securities Premium	Employee Stock Option Plan (ESOP) reserve/Stock appreciation rights (SAR)	General reserve		Retained earnings
<b>Balance at 01 April 2022</b>	-	2.03	30,670.40	761.58	508.64	17,161.31	<b>49,103.96</b>
Profit for the year	-	-	-	-	-	23,882.47	23,882.47
Other comprehensive income	-	-	-	-	-	0.33	0.33
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	<b>23,882.80</b>	<b>23,882.80</b>
Dividends to equity shareholders	-	-	-	-	-	(1,325.35)	(1,325.35)
Transfers on exercise of ESOP & SAR	-	-	23.28	(23.28)	-	-	-
Issue of equity instruments on ESOP & SAR	(1.65)	-	1.47	-	-	-	(0.18)
Share application money received	1.65	-	-	-	-	-	1.65
ESOP & SAR charges transferred to reserves	-	-	-	(30.95)	-	30.95	-
Reversal on account of lapses of ESOP & SAR	-	-	-	(149.65)	-	-	(149.65)
ESOP Charge	-	-	-	32.21	-	-	32.21
SAR charge	-	-	-	108.81	-	-	108.81
<b>Balance at 31 March 2023</b>	-	2.03	30,695.15	698.72	508.64	39,749.71	<b>71,654.25</b>

## STANDALONE STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

CIN-L99999MH1995PLC094641

(Currency : Indian rupees in millions))

### B. OTHER EQUITY (CONTINUED)

Particulars	Reserves and Surplus					Total	
	Share application money pending allotment	Capital Redemption Reserve	Securities Premium	Employee Stock Option Plan (ESOP) reserve/Stock appreciation rights (SAR)	General reserve		Retained earnings
<b>Balance at 31 March 2023</b>	-	2.03	30,695.15	698.72	508.64	39,749.71	<b>71,654.25</b>
Profit for the year	-	-	-	-	-	6,952.12	6,952.12
Other comprehensive income	-	-	-	-	-	(4.27)	(4.27)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	<b>6,947.85</b>	<b>6,947.85</b>
Dividends to equity shareholders	-	-	-	-	-	(1,110.47)	(1,110.47)
Transfers on exercise of ESOP & SAR	-	-	24.65	(24.65)	-	-	-
Issue of equity instruments on ESOP & SAR	(17.14)	-	16.63	-	-	-	(0.51)
Share application money received	19.39	-	-	-	-	-	19.39
ESOP & SAR charges transferred to reserves	-	-	-	(52.84)	-	52.84	-
Reversal on account of lapses of ESOP & SAR	-	-	-	(295.19)	-	-	(295.19)
ESOP Charge	-	-	-	9.60	-	-	9.60
SAR charge	-	-	-	36.42	-	-	36.42
On account of Demerger (Refer Note 5b)	-	-	-	-	-	(23,531.80)	(23,531.80)
<b>Balance at 31 March 2024</b>	<b>2.25</b>	<b>2.03</b>	<b>30,736.43</b>	<b>372.06</b>	<b>508.64</b>	<b>22,108.13</b>	<b>53,729.54</b>

The accompanying notes are an integral part of the Standalone Financial Statements 1 to 69

As per our report of even date attached

**For Nangia & Co. LLP**

Chartered Accountants

ICAI Firm's Registration Number: 002391C/N500069

**For and on behalf of the Board of Directors of**  
Edelweiss Financial Services Limited

**Jaspreet Singh Bedi**

Partner

Membership No: 601788

**Rashesh Shah**

Chairman & Managing Director

DIN: 00008322

**Venkatchalam Ramaswamy**

Vice Chairman & Executive Director

DIN: 00008509

**Tarun Khurana**

Company Secretary

Membership No: 12344

**Ananya Suneja**

Chief Financial Officer

14 May 2024

Mumbai 14 May 2024

## ■ NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 1. BACKGROUND

Edelweiss Financial Services Limited ('the Company') Public Limited company domiciled in India, and incorporated under the provision of Companies Act, 1956 and is registered with Securities and Exchange Board of India (SEBI) as Category I – Merchant Banker. The Company was incorporated on November 21, 1995 and is the ultimate holding company of Edelweiss group of companies. The Company has its registered office at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai, India.

The Company is principally engaged in providing investment banking services and holding company activities comprising of development, managerial and financial support to the business of Edelweiss group entities.

### MATERIAL ACCOUNTING POLICIES

#### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

#### 1.2 PRESENTATION OF STANDALONE FINANCIAL STATEMENTS

The Company presents its standalone statement of assets and liabilities in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current).

#### 1.3 FINANCIAL INSTRUMENTS

##### 1.3.1 Date of recognition

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

##### 1.3.2 Initial measurement of financial instruments

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

## ■ NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 1.4 CLASSIFICATION OF FINANCIAL INSTRUMENTS

##### 1.4.1 Financial assets:

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

##### Financial assets carried at amortized cost (AC)

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

##### 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 are recognised in Profit and loss account.

##### 1.4.1.1 Amortized cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

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

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

##### 1.4.1.2 Financial assets held for trading

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 1.4.1.3 Investment in equity instruments

The Company measures all equity investments at fair value through profit or loss except, for Investment in subsidiaries and associates are recognised at cost, subject to impairment if any at the end of each reporting period. Cost of investment represents amount paid for acquisition of the investment.

#### 1.4.2 Financial liabilities

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

##### 1.4.2.1 Debt securities and other borrowed funds

After initial measurement, debt issued, and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

##### 1.4.2.2 Financial assets and Financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities, which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using effective interest rate.

##### 1.4.2.3 Financial guarantee:

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

#### 1.4.3 Financial liabilities and equity instruments

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company entity are recognised at the proceeds received, net of direct issue costs.

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

### 1.5 RECLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

### 1.6 EMPLOYEE WELFARE TRUST

The Company is a sponsor to two trusts namely: (i) Edelweiss Employees' Welfare Trust; and (ii) Edelweiss Employees' Incentives and Welfare Trust. These trusts have been formed exclusively to provide benefits to employees of the Company and its subsidiaries and associates. These trusts have been treated as an extension of the Company for the purpose of these financial statements. Accordingly, the equity shares of the Company held by these trusts have been treated as treasury shares. The excess of the cost of such shares over the face value of shares has been reduced from the securities premium account of the Company.

### 1.7 DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

#### 1.7.1 Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 1.7.2 Derecognition of financial assets (other than due to substantial modification)

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

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

- The Company has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

A transfer only qualifies for derecognition if either:

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

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

#### 1.7.3 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires.

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

### 1.8 IMPAIRMENT OF FINANCIAL ASSETS

The Company records allowance for expected credit losses for all amortised cost financial assets and financial guarantee contracts, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 1.8 IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

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

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

#### 1.9 WRITE OFF

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss.

#### 1.10 DETERMINATION OF FAIR VALUE

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

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

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

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

- Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 1.10 DETERMINATION OF FAIR VALUE (CONTINUED)

- Level 2 financial instruments—Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

#### 1.11 REVENUE FROM CONTRACT WITH CUSTOMER

Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation. The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied

Revenue Recognition for different heads of Income are as under:

##### (i) Investment banking advisory fees, Syndication fees (net of tax)

Advisory/Syndication fees are recognised on an accrual basis in accordance with agreement entered into with respective investment managers / advisors.

##### (ii) Interest income

Interest income is recognized using the effective interest rate.

##### (iii) Dividend income

Dividend income is recognized in the standalone statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the Shareholders approve the dividend.

##### (iv) Profit or loss on sale of investments

Profit or loss on sale of investments is recognised on trade date basis. Difference between the sale price and average cost of acquisition is recognized as profit or loss on sale of investments.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 1.12 EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

#### 1.13 RETIREMENT AND OTHER EMPLOYEE BENEFIT

##### Provident fund and national pension scheme

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss when an employee renders the related service.

##### Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method. Benefits in respect of gratuity are funded with an insurance company approved by Insurance Regulatory and Development Authority (IRDA). Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 1.13 RETIREMENT AND OTHER EMPLOYEE BENEFIT (CONTINUED)

##### Compensated Absences

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

The liability is provided based on the number of days of unutilised leave at each balance sheet date based on a valuation by an independent actuary.

#### 1.14 SHARE-BASED PAYMENT ARRANGEMENTS

Equity-settled share-based payments to employees of the Group and others providing similar services that are granted by the Company are measured by reference to the fair value of the equity instruments at the grant date. These includes Stock Appreciation Rights (SARs) which are equity settled share-based payments. In order to arrive at the fair value of the options, the Black-Scholes Option Pricing formula is used.

a. with respect to Company's employees:

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

b. with respect to employees of the Group:

The fair value determined at the grant date of the equity-settled share-based payments is accounted as a capital contribution (deemed investment) to the respective subsidiaries over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised such that the cumulative capital contribution (deemed investment) is increased so that it reflects the revised estimate, with a corresponding adjustment to the Employee Stock Option Plan Reserve. In cases where the share options granted vest in installments over the vesting period, the Company treats each installment as a separate grant, because each installment has a different vesting period, and hence the fair value of each installment differs. Whenever, these estimates are expected to get settle between the subsidiaries and the Company, they are accounted as receivable/payable.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 1.15 PROPERTY, PLANT, AND EQUIPMENT

Property plant and equipment (PPE) is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation, and accumulated impairment in value. PPE is recognised when it is probable that future economic benefits associated with the item is expected to flow to the Company and the cost of the item can be measured reliably. Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs incurred on an item of property, plant and equipment is recognised in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognised in profit or loss as incurred if recognition criteria are not met.

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. 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 the statement of profit and loss.

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

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective Property, Plant & Equipment 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 life
Building (other than Factory Building)	60 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computers - servers and networks	6 years
Computers - end user devices, such as desktops, laptops, etc.	3 years

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

Amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 1.16 INTANGIBLE ASSETS

The intangible assets mainly include the value of computer software. Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any. Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognised in the statement of profit and loss when the asset is derecognised.

#### 1.17 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 asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

#### 1.18 CASH AND CASH EQUIVALENTS

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

#### 1.19 PROVISIONS AND OTHER CONTINGENT LIABILITIES

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 1.20 INCOME TAX

Income tax expense represents the sum of the current tax and deferred tax.

##### 1.20.1 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 financial 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 (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

##### 1.20.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

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

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

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

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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.

## ■ NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 1.20 INCOME TAX (CONTINUED)

##### 1.20.3 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.

#### 1.21 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described above, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### 1.22 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

##### 1.22.1 Business model assessment

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

## ■ NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

### MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 1.23 KEY SOURCES OF ESTIMATION UNCERTAINTY

The Company based its assumptions and estimates on parameters available when these financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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.

##### 1.23.1 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation, and volatility.

##### 1.23.2 Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

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



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 2. CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	0.01	0.01
Balances with banks:		
- in Current accounts	461.02	1,350.08
<b>Total</b>	<b>461.03</b>	<b>1,350.09</b>

#### 3. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Fixed deposits with banks to the extent held as security against borrowings (Refer Note 1)	-	31.61
- Earmarked balance with bank (unpaid dividends)	9.48	7.56
<b>Total</b>	<b>9.48</b>	<b>39.17</b>

##### Note 1:

Fixed deposit aggregating to ₹ Nil million (previous year ₹ 30.87 million) have been pledged with Trustee against coupon payment of Debt Securities.

#### 4. TRADE RECEIVABLES

Particulars	As at 31 March 2024	As at 31 March 2023
Receivables from related parties	154.59	135.89
Receivables from other than related parties	10.01	169.75
Receivables - credit impaired	9.02	27.31
<b>Gross Receivables</b>	<b>173.62</b>	<b>332.95</b>
Less: Allowance for expected credit losses- unsecured	(9.02)	(0.71)
Less: Allowance for expected credit losses	(10.10)	(26.60)
<b>Allowance for expected credit losses</b>	<b>(19.12)</b>	<b>(27.31)</b>
<b>Total</b>	<b>154.50</b>	<b>305.64</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 4. TRADE RECEIVABLES (CONTINUED)

##### 4.1 Trade Receivable Ageing Schedule

As at 31 March 2024 Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	157.23	6.84	0.53	-	-	164.60
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	5.00	4.02	9.02
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Gross receivables (A)</b>	<b>157.23</b>	<b>6.84</b>	<b>0.53</b>	<b>5.00</b>	<b>4.02</b>	<b>173.62</b>
(i) Undisputed Trade receivables – considered good	(6.46)	(3.11)	(0.53)	-	-	(10.10)
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	(5.00)	(4.02)	(9.02)
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total ECL Provision on receivables (B)</b>	<b>(6.46)</b>	<b>(3.11)</b>	<b>(0.53)</b>	<b>(5.00)</b>	<b>(4.02)</b>	<b>(19.12)</b>
<b>Total receivables net of provision = (A)-(B)</b>	<b>150.77</b>	<b>3.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154.50</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 4. TRADE RECEIVABLES (CONTINUED)

##### 4.1 Trade Receivable Ageing Schedule (Continued)

As at 31 March 2023	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	305.64	-	-	-	-	305.64
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	3.36	-	13.85	4.09	6.01	27.31
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Gross receivables (A)</b>	<b>309.00</b>	<b>-</b>	<b>13.85</b>	<b>4.09</b>	<b>6.01</b>	<b>332.95</b>
(i) Undisputed Trade receivables – considered good	(0.71)	-	-	-	-	(0.71)
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	(2.65)	-	(13.85)	(4.09)	(6.01)	(26.60)
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total ECL Provision on receivables (B)</b>	<b>(3.36)</b>	<b>-</b>	<b>(13.85)</b>	<b>(4.09)</b>	<b>(6.01)</b>	<b>(27.31)</b>
<b>Total receivables net of provision = (A)-(B)</b>	<b>305.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>305.64</b>

##### 4.2 Reconciliation of impairment allowance on trade receivables:

Particulars	Amount
Impairment allowance measured as per simplified approach	
<b>Impairment allowance as on 01 April 2022</b>	<b>(55.86)</b>
(Add)/ less: asset originated or acquired / reversals (net)	28.55
<b>Impairment allowance as on 31 March 2023</b>	<b>(27.31)</b>
(Add)/ less: asset originated or acquired / reversals (net)	8.19
<b>Impairment allowance as on 31 March 2024</b>	<b>(19.12)</b>

##### Notes:

- No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.
- No trade or other receivables are due from firms or private companies in which directors is partner, a director or a member.
- There are no unbilled or not due trade receivables as at 31 March 2024 and 31 March 2023.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 5. LOANS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Term Loans (at amortised cost)</b>		
Loans to related parties (refer note 35)	36,386.96	29,027.73
<b>Total Gross (A)</b>	<b>36,386.96</b>	<b>29,027.73</b>
Less: Impairment loss allowance	(4.57)	(4.33)
<b>Total (Net) (A)</b>	<b>36,382.39</b>	<b>29,023.40</b>
<b>Unsecured</b>	<b>36,386.96</b>	<b>29,027.73</b>
<b>Total Gross (B)</b>	<b>36,386.96</b>	<b>29,027.73</b>
Less: Impairment loss allowance	(4.57)	(4.33)
<b>Total (Net) (B)</b>	<b>36,382.39</b>	<b>29,023.40</b>
<b>Loans in India</b>		
Public sector	-	-
Others	36,386.96	29,027.73
<b>Total Gross (C)</b>	<b>36,386.96</b>	<b>29,027.73</b>
Less: Impairment loss allowance	(4.57)	(4.33)
<b>Total (Net) (C) (I)</b>	<b>36,382.39</b>	<b>29,023.40</b>
<b>Loans outside India</b>	<b>-</b>	<b>-</b>
Less: Impairment loss allowance	-	-
<b>Total (Net) (C) (II)</b>	<b>-</b>	<b>-</b>
<b>Total (C) (I) and (C) (II)</b>	<b>36,382.39</b>	<b>29,023.40</b>

These loans are considered to have low credit risk based on credit evaluation undertaken by the Company. There is no history of any defaults on these loans. Since the counter-parties are subsidiaries of the Company, the Company regularly monitors to ensure that these entities have enough liquidity which safeguards the interest of investors and lenders. Accordingly, there is very minimal Expected credit loss allowance on the aforesaid loans.

Loans including installment and interest outstanding due from the directors amounts to ₹ Nil million (previous year ₹ Nil million).

Loans given to subsidiaries are pledged against debt securities is amounting to ₹ 22,368.63 million (previous year ₹ 15,739.10 million).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 5. LOANS (CONTINUED)

#### 5.1 Credit Quality

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal grading and year-end stage classification. The amounts presented are gross of impairment allowances.

#### Loans at amortised cost

Particulars	31 March 2024			31 March 2023				
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
<b>Performing</b>								
High grade	-	-	-	36,386.96	29,027.73	-	-	29,027.73
Standard grade	-	-	-	-	-	-	-	-
<b>Non-performing</b>								
Impaired	-	-	-	-	-	-	-	-
<b>Total</b>				36,386.96	29,027.73	-	-	29,027.73

#### 5.2 Gross carrying amount and corresponding ECL reconciliation - Loans

Particulars	Non-credit impaired			Credit impaired			Total
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III	
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
<b>Balance at 31 March 2022</b>	21,707.64	3.83	-	-	-	21,707.64	3.83
Net new and further lending/(repayments)	7,320.09	0.50	-	-	-	7,320.09	0.50
<b>Balance at 31 March 2023</b>	29,027.73	4.33	-	-	-	29,027.73	4.33
Net new and further lending/(repayments)	7,359.23	0.24	-	-	-	7,359.23	0.24
<b>Balance at 31 March 2024</b>	36,386.96	4.57	-	-	-	36,386.96	4.57

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 6. INVESTMENTS

As at 31 March 2024	At Fair Value through profit and Loss	At cost (subsidiaries)	Total
Equity Instruments	3.62	37,957.99	37,961.61
Debt securities	-	8,000.01	8,000.01
Preference Shares	-	1,650.00	1,650.00
Mutual Fund	74.85	-	74.85
<b>Total</b>	78.47	47,608.00	47,686.47
Investments in India	78.47	47,601.85	47,680.32
Investments outside India	-	6.15	6.15
<b>Total</b>	78.47	47,608.00	47,686.47
Less - Impairment Loss allowance	-	1,606.10	1,606.10
<b>Total</b>	78.47	46,001.90	46,080.37
Aggregate amount of quoted investments			78.47
Aggregate market value of quoted investments			78.47
Aggregate amount of unquoted investments			46,001.90

As at 31 March 2023	At Fair Value through profit and Loss	At cost (subsidiaries)	Total
Equity Instruments	23,643.75	48,413.05	72,056.80
Debt securities	-	-	-
Preference Shares	-	1,650.00	1,650.00
Mutual Fund	-	-	-
<b>Total</b>	23,643.75	50,063.05	73,706.80
Investments in India	23,643.75	50,056.90	73,700.65
Investments outside India	-	6.15	6.15
<b>Total</b>	23,643.75	50,063.05	73,706.80
Less - Impairment Loss allowance	-	1,606.10	1,606.10
<b>Total</b>	23,643.75	48,456.95	72,100.70
Aggregate amount of quoted investments			3.07
Aggregate market value of quoted investments			3.07
Aggregate amount of unquoted investments			72,097.63

#### Notes:

- Investments in equity shares of subsidiaries are pledged against Debt securities issued by the company is amounting to ₹ Nil million (previous year ₹ Nil million).
- Investment in equity shares of subsidiary is pledged against Debt securities issued by another subsidiary amounting to ₹ 1,712.41 million (previous year ₹ 1,712.41 million).
- Impairment on investment has been assessed based on business projection approved by Board of directors of respective subsidiaries. Impairment is recognised, based on management assessment, if the recoverable value is less than carrying amount.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 6. INVESTMENTS (CONTINUED)

- 4) During the previous year ended Edelweiss Financial Services Limited (the "Company" or "EFSL") held 30% in the equity shares of Nuvama Wealth Management Limited ("NWML"). Till 30 March 2023, EFSL had significant influence over NWML as per Ind AS 27 – Separate Financial Statements Investments and accounted for such investment in NWML at cost. With effect from 30 March 2023, EFSL did not had significant influence on NWML in accordance with Ind AS 28, Investments in Associates and Joint Ventures, pursuant to the amendment agreement dated 09 March 2023 to the amended and restated shareholders' agreement dated 18 March 2021 between EFSL, Edelweiss Global Wealth Management Limited ("EGWML"), PAGAC Ecstasy Pte Ltd ("PAGAC") and NWML, the amendment to the articles of association of NWML and the appointment of independent trustee on 30 March 2023 to act on behalf of EFSL shareholders. Accordingly, such investment in NWML had been re-measured at fair value as per requirements Ind AS 28 and had recorded a fair value gain of ₹ 23,434.87 million during the year ended 31 March 2023.
- 5) During the previous year ended 31 March 2023, the Company had recorded impairment provision of ₹ 1,599.95 millions on its investment in a subsidiary company on account of Group restructuring/demerger.

### 7. OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Margin placed with broker	-	0.46
Deposits- others	2.78	19.94
Corporate guarantee fees receivable	89.46	121.24
Advances recoverable in cash for value to be received	12.35	58.25
<b>Total</b>	<b>104.59</b>	<b>199.89</b>

### 8. DEFERRED TAX ASSETS (NET)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax assets</b>		
<b>Trade Receivables</b>		
Provision for expected credit losses	5.96	7.96
<b>Property, Plant and Equipment and Intangible assets</b>		
Difference between book and tax depreciation	6.49	7.80
<b>Unused tax losses</b>		
Unused tax losses / credits	3,876.00	783.04
<b>Employee benefit obligations</b>		
Disallowances under section 43B of the Income Tax Act, 1961	0.99	2.15
<b>Others</b>		
Provision on risk and reward undertaking	178.05	1,312.68
<b>Total Deferred Tax Asset (A)</b>	<b>4,067.49</b>	<b>2,113.63</b>
<b>Deferred tax liabilities</b>		
Fair value gain on investment	(0.91)	(27.84)
Effective interest rate on Borrowing	(263.30)	(190.74)
<b>Total Deferred Tax Liability (B)</b>	<b>(264.21)</b>	<b>(218.58)</b>
<b>Deferred tax assets (net) (A-B)</b>	<b>3,803.28</b>	<b>1,895.05</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 9. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES

Particulars	Gross Block			Depreciation and amortisation			Net Block	
	As at 01 April 2023	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 01 April 2023	Charge for the year	Deductions/ adjustments during the year	As at 31 March 2024	As at 31 March 2024
<b>a) Property, Plant and Equipments</b>								
Freehold Building	1.75	-	-	0.47	0.06	-	0.53	1.22
Furniture and Fixtures	0.23	-	-	0.11	0.02	-	0.13	0.10
Vehicles	6.20	-	-	0.85	1.70	-	2.55	3.65
Office equipment	1.89	-	0.19	1.10	0.21	0.02	1.29	0.41
Computers	10.22	0.99	4.00	7.42	1.30	3.09	5.63	1.58
<b>Total (A)</b>	<b>20.29</b>	<b>0.99</b>	<b>4.19</b>	<b>9.95</b>	<b>3.29</b>	<b>3.11</b>	<b>10.13</b>	<b>6.96</b>
<b>b) Intangibles</b>								
Software	77.34	-	-	77.34	-	-	77.34	-
<b>Total (B)</b>	<b>77.34</b>	<b>-</b>	<b>-</b>	<b>77.34</b>	<b>-</b>	<b>-</b>	<b>77.34</b>	<b>-</b>
<b>Total (A+B)</b>	<b>97.63</b>	<b>0.99</b>	<b>4.19</b>	<b>87.29</b>	<b>3.29</b>	<b>3.11</b>	<b>87.47</b>	<b>6.96</b>
<b>Particulars</b>								
<b>a) Property, Plant and Equipments</b>								
Freehold Building	1.75	-	-	0.40	0.07	-	0.47	1.28
Furniture and Fixtures	0.23	-	-	0.08	0.03	-	0.11	0.12
Vehicles	0.95	6.00	0.75	0.30	0.98	0.43	0.85	5.35
Office equipment	1.92	0.50	0.53	1.38	0.20	0.48	1.10	0.79
Computers	12.75	1.81	4.34	9.72	1.94	4.24	7.42	2.80
<b>Total (A)</b>	<b>17.60</b>	<b>8.31</b>	<b>5.62</b>	<b>11.88</b>	<b>3.22</b>	<b>5.15</b>	<b>9.95</b>	<b>10.34</b>
<b>b) Intangibles</b>								
Software	78.57	-	1.23	77.75	0.35	0.76	77.34	-
<b>Total (B)</b>	<b>78.57</b>	<b>-</b>	<b>1.23</b>	<b>77.75</b>	<b>0.35</b>	<b>0.76</b>	<b>77.34</b>	<b>-</b>
<b>Total (A+B)</b>	<b>96.17</b>	<b>8.31</b>	<b>6.85</b>	<b>89.63</b>	<b>3.57</b>	<b>5.91</b>	<b>87.29</b>	<b>10.34</b>

The Company has not revalued its property, plant and equipment during the year ended 31 March 2024.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 10. OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
Input tax credit	783.60	1,020.84
Prepaid expenses	26.06	62.24
Other advances	108.31	17.95
Contribution to gratuity fund (net) (Refer note 31)	42.53	17.33
<b>Total</b>	<b>960.50</b>	<b>1,118.36</b>

#### 11. TRADE PAYABLES

Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises (MSME)	-	1.30
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade payables to related parties	2,975.20	2,056.66
Trade payables to non-related parties	137.39	176.03
<b>Total</b>	<b>3,112.59</b>	<b>2,233.99</b>

##### 11.1 Trade payables ageing schedule

As at 31 March 2024	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	3,112.59	-	-	-	3,112.59
(iii) Disputed dues- of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
<b>Total</b>	<b>3,112.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,112.59</b>

As at 31 March 2023	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1.30	-	-	-	1.30
(ii) Others	2,232.69	-	-	-	2,232.69
(iii) Disputed dues- of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
<b>Total</b>	<b>2,233.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,233.99</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 11. TRADE PAYABLES (CONTINUED)

Particulars	As at 31 March 2024	As at 31 March 2023
i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	1.30
ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
iv) Interest paid other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
v) Interest paid under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.02	0.15
vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
vii) Further interest remaining due and payable for earlier years	-	-

11.2 Trade Payables includes ₹ Nil million (previous year ₹ 1.30 million) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. Interest paid by the Company during the year to “Suppliers” registered under this Act is ₹ 0.02 million (previous year: ₹ 0.15 million). The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

There are no “unbilled” trade payable, hence the same is not disclosed in the ageing schedule.

#### 12. DEBT SECURITIES

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Secured Debt (At amortised cost)</b>		
Non-Convertible Debentures (refer Note 1 below)	28,079.84	25,886.54
(i) Debt securities in India	28,079.84	25,886.54
(ii) Debt securities outside India	-	-
<b>Total</b>	<b>28,079.84</b>	<b>25,886.54</b>

##### Note 1:

For secured debt, the Company has provided collateral in the nature of exclusive and Pari Passu charge of Loans, receivables and investments. The Company has also provided collaterals in the form of securities investments held by its subsidiaries.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 12. DEBT SECURITIES (CONTINUED)

##### 12.1 Debt Securities - as at 31 March 2024

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
8.00 - 10.99%	4,738.59	11,647.49	11,077.58	27,463.66
Various (benchmark linked)	-	560.00	-	560.00
Accrued Interest and EIR	-	-	-	56.18
<b>Total</b>	<b>4,738.59</b>	<b>12,207.49</b>	<b>11,077.58</b>	<b>28,079.84</b>

##### Debt Securities - as at 31 March 2023

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
8.00 - 10.99%	1,595.32	8,215.23	10,234.61	20,045.16
19.00 - 19.99%	210.00	2,370.00	-	2,580.00
Various (benchmark linked)	1,472.20	560.00	-	2,032.20
Accrued Interest and EIR	-	-	-	1,229.18
<b>Total</b>	<b>3,277.52</b>	<b>11,145.23</b>	<b>10,234.61</b>	<b>25,886.54</b>

The issue proceeds of Non-Convertible Debentures (NCDs) issued by the Company are being utilized as per the objects stated in the offer document. Further, there have been no deviations in the use of proceeds of issue of NCDs from the objects stated in the offer document.

All secured & redeemable debt securities issued by the Company and outstanding as on reporting date are fully secured by first charge / pari passu charge, as the case may be, on present & future receivables, book debts, loans and other financial & non- financial assets. Accordingly, the Company is maintaining asset cover of 1x or such higher asset cover required as per the terms of Offer document/ Debenture Trust Deed/ Information Memorandum.

#### 13. BORROWINGS (other than debt securities)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Unsecured (at amortised cost)</b>		
Loans from related parties (refer note 35)	1,597.39	-
<b>Total</b>	<b>1,597.39</b>	<b>-</b>
Borrowings in India	1,597.39	-
Borrowings outside India	-	-
<b>Total</b>	<b>1,597.39</b>	<b>-</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 13. BORROWINGS (other than debt securities) (Continued)

##### 13.1 Loans from related parties - as at 31 March 2024

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
13.00 - 13.99%	1,595.42	-	-	1,595.42
Accrued Interest and EIR	-	-	-	1.97
<b>Total</b>	<b>1,595.42</b>	<b>-</b>	<b>-</b>	<b>1,597.39</b>

##### Loans from related parties - as at 31 March 2023

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
13.00 - 13.99%	-	-	-	-
Accrued Interest and EIR	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 14. OTHER FINANCIAL LIABILITIES (at amortised cost unless otherwise specified)

Particulars	As at 31 March 2024	As at 31 March 2023
Accrued salaries and benefits	267.50	416.93
Unpaid dividends	9.48	7.56
Dividend payable	-	235.82
Risk and Reward undertaking (Refer note 57 )	707.37	5,215.24
Financial guarantee obligation	89.46	121.24
Other advances	-	467.51
Other payables	214.93	16.15
<b>Total</b>	<b>1,288.74</b>	<b>6,480.45</b>

#### 15. PROVISIONS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits and related costs</b>		
Compensated absences	3.95	8.53
Provision for Capex	0.05	0.78
<b>Total</b>	<b>4.00</b>	<b>9.31</b>

#### 16. OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues*	48.51	9.06
Others	0.42	6.02
<b>Total</b>	<b>48.93</b>	<b>15.08</b>

\* includes withholding taxes, provident fund, profession tax and other statutory dues payables.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 17. EQUITY SHARE CAPITAL

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised :</b>				
Equity Shares of ₹ 1 each	1,230,000,000	1,230.00	1,230,000,000	1,230.00
Preference shares of ₹ 5 each	4,000,000	20.00	4,000,000	20.00
	<b>1,234,000,000</b>	<b>1,250.00</b>	<b>1,234,000,000</b>	<b>1,250.00</b>
<b>Issued, Subscribed and Paid up:</b>				
Equity Shares of ₹ 1 each	943,785,026	943.79	943,275,276	943.28
Less: Shares held by Edelweiss Employees Incentives and Welfare Trust (Refer note 1)	(7,301,510)	(7.30)	(7,301,510)	(7.30)
Less: Shares held by Edelweiss Employees Welfare Trust (Refer note 1)	(37,595,270)	(37.60)	(37,595,270)	(37.60)
	<b>898,888,246</b>	<b>898.89</b>	<b>898,378,496</b>	<b>898.38</b>

#### A. Reconciliation of number of shares (Before deducting treasury shares)

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	943,275,276	943.28	943,097,965	943.10
Shares issued during the year:				
-Under Employee Stock Options Plans (ESOPs)	509,750	0.51	177,311	0.18
Outstanding at the end of the year	<b>943,785,026</b>	<b>943.79</b>	<b>943,275,276</b>	<b>943.28</b>

#### Note :

- Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Company's financial statements. These trusts are holding 44,896,780 number of equity shares amounting to ₹ 44.90 million (previous year ₹ 44.90 million). These are deducted from total outstanding equity shares.
- The above two Employee Welfare Trust(s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.

#### B. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 17. EQUITY SHARE CAPITAL (CONTINUED)

##### C. Details of shares held by promoters in the Company

As at 31 March 2024

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Rashesh Chandrakant Shah	145,601,730	-	145,601,730	15.43%	(0.01)%
Venkatchalam Ramaswamy	58,126,560	1,450,000	59,576,560	6.31%	0.15%
Vidya Rashesh Shah	31,031,200	35,000	31,066,200	3.29%	0.00%
Aparna T Chandrashekar	12,210,000	-	12,210,000	1.29%	0.00%
Kaavya Venkat Arakoni	11,790,000	-	11,790,000	1.25%	0.00%
Neel Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Sneha Sripad Desai	1,025,000	-	1,025,000	0.11%	0.00%
Shilpa Urvish Mody	950,000	-	950,000	0.10%	0.00%
Arakoni Venkatachalam Ramaswamy	50,000	-	50,000	0.01%	0.00%
Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust)	38,750,000	-	38,750,000	4.11%	0.00%
Spire Investment Advisors LLP	3,200,000	-	3,200,000	0.34%	0.00%
Sejal Premal Parekh	950,000	-	950,000	0.10%	0.00%
Avanti Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
<b>Total</b>	<b>307,684,490</b>	<b>1,485,000</b>	<b>309,169,490</b>	<b>32.76%</b>	<b>0.14%</b>

As at 31 March 2023

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Rashesh Chandrakant Shah	145,601,730	-	145,601,730	15.44%	0.00%
Venkatchalam Ramaswamy	58,126,560	-	58,126,560	6.16%	0.00%
Vidya Rashesh Shah	31,031,200	-	31,031,200	3.29%	0.00%
Aparna T Chandrashekar	12,210,000	-	12,210,000	1.29%	0.00%
Kaavya Venkat Arakoni	11,790,000	-	11,790,000	1.25%	0.00%
Neel Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Sneha Sripad Desai	1,025,000	-	1,025,000	0.11%	0.00%
Shilpa Urvish Mody	950,000	-	950,000	0.10%	0.00%
Arakoni Venkatachalam Ramaswamy	50,000	-	50,000	0.01%	0.00%
Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust)	38,750,000	-	38,750,000	4.11%	0.00%
Spire Investment Advisors Llp	3,200,000	-	3,200,000	0.34%	0.00%
Sejal Premal Parekh	950,000	-	950,000	0.10%	0.00%
Avanti Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
<b>Total</b>	<b>307,684,490</b>	<b>-</b>	<b>307,684,490</b>	<b>32.62%</b>	<b>0.00%</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 17. EQUITY SHARE CAPITAL (CONTINUED)

#### D. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% holding	No. of shares	% holding
Rashesh Shah	145,601,730	15.43%	145,601,730	15.44%
Venkatchalam Ramaswamy	59,576,560	6.31%	58,126,560	6.16%
	<b>205,178,290</b>	<b>21.74%</b>	<b>203,728,290</b>	<b>21.60%</b>

### 18. OTHER EQUITY

Particulars	As at 31 March 2024	As at 31 March 2023
Share application money pending allotment	2.25	-
Capital redemption reserve	2.03	2.03
Securities premium reserve	30,736.43	30,695.15
ESOP and SAR reserve	372.06	698.72
General reserve	508.64	508.64
Retained earnings	22,108.13	39,749.71
<b>Total</b>	<b>53,729.54</b>	<b>71,654.25</b>

For movement of the above components refer statement of changes in equity.

#### Nature and Purpose

#### 18.1 Capital redemption reserve

The Company has recognised capital redemption reserve on buy back of equity share capital.

#### 18.2 Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares / allotment of ESOP / SAR in accordance with the provisions of the Companies Act, 2013.

#### 18.3 ESOP and SAR reserve

ESOP and SAR options outstanding represents the amount transferred to reserves pursuant to the "ESOP 2011" and "SAR 2019" schemes.

#### 18.4 General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 18. OTHER EQUITY (CONTINUED)

#### 18.5 Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

#### 18.6 Share application money pending allotment

Share application money pending allotment means the amount received on the application on which allotment is not yet made (pending allotment).

### 19. INTEREST INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>On financial assets measured at Amortised cost</b>		
Interest on loans	4,043.41	3,454.60
Interest on deposits with Banks	36.13	44.58
Other interest income	0.26	-
<b>Total</b>	<b>4,079.80</b>	<b>3,499.18</b>

### 20. FEE AND COMMISSION INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Advisory and other fees	399.11	821.49
<b>Total</b>	<b>399.11</b>	<b>821.49</b>

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Service transferred at a point in time	399.11	821.49
Service transferred over time	-	-
<b>Total revenue from contract with customers</b>	<b>399.11</b>	<b>821.49</b>

Geographical Markets	2023-24	2022-23
India	356.51	788.33
Outside India	42.60	33.16
<b>Total revenue from contract with customers</b>	<b>399.11</b>	<b>821.49</b>

#### Note

The Company satisfies its performance obligations on completion of service with regards to investment banking, advisory and other fees. The payments on these contracts is due on completion of service, the contracts do not contain a significant financing component and the consideration is not variable.

Further, at the end of the year, there are no unsatisfied performance obligations with respect to existing contracts.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 21. OTHER INCOME

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net gain/ (loss) on foreign currency	-	0.13
Miscellaneous income	5.18	0.07
Interest on Income Tax Refund	103.99	-
Profit on sale of stake in subsidiaries and others (Refer note 64)	11,558.92	6,795.64
<b>Total</b>	<b>11,668.09</b>	<b>6,795.84</b>

#### 22. FINANCE COST

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>(at amortised cost unless otherwise stated)</b>		
Interest on borrowings (other than debt securities)	14.65	-
Interest on debt securities	3,233.15	3,017.55
Other interest expense	21.10	9.82
<b>Total</b>	<b>3,268.90</b>	<b>3,027.37</b>

#### 23. NET GAIN /(LOSS) ON FAIR VALUE CHANGES

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Net gain /(loss) on financial instruments at fair value through profit or loss</b>		
<b>On Investments</b>		
Fair Value gain / (loss) (Refer note below)	1,849.32	23,552.48
Profit / (loss) on trading of securities (net)	17.09	3.94
<b>Others</b>		
Fair value gain/ (loss) on risk and reward	(7,736.59)	(3,786.01)
<b>Total Net gain/(loss) on fair value changes</b>	<b>(5,870.18)</b>	<b>19,770.41</b>
<b>Fair Value changes:</b>		
Realised gain/(loss)	(5,839.12)	(1,729.22)
Unrealised gain/(loss)	(31.06)	21,499.63
<b>Total</b>	<b>(5,870.18)</b>	<b>19,770.41</b>

Note: Refer footnote 4 of note no 6.

#### 24. IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
On loans	0.24	0.50
On investments*	-	1,599.95
On trade receivables	3.09	(106.89)
<b>Total</b>	<b>3.33</b>	<b>1,493.56</b>

\* Refer footnote 5 of note no 6

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 25. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages	370.02	283.05
Contribution to provident and other funds	1.45	20.87
Expense on employee stock option scheme/stock appreciation rights (Refer Note 38)	(27.40)	14.23
Staff welfare expenses	3.14	16.02
<b>Total</b>	<b>347.21</b>	<b>334.17</b>

#### 26. OTHER EXPENSES

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Advertisement and business promotion	13.44	53.94
Auditors' remuneration (Refer note 26.(a))	20.90	30.15
Commission and brokerage	14.71	8.77
Communication	0.86	2.07
Computer software and other expenses	62.28	79.71
Commission to non-executive directors	15.75	12.50
Electricity charges	1.46	1.01
Contribution towards corporate social responsibility ('CSR') (Refer Note 26.(b))	125.00	100.00
Directors' sitting fees	3.98	3.00
Insurance	8.50	2.25
Legal and professional fees	318.07	334.44
Management fees	784.67	2,099.80
Foreign exchange loss	0.02	0.20
Membership and subscription	4.13	34.55
Goods and Service tax expenses	33.26	3.50
Office expenses	1.60	4.46
Clearing & Custodian charges	11.47	6.78
Printing and stationery	14.29	6.52
Rates and taxes	7.99	5.22
Rent ( Refer Note 26.(c))	50.44	69.26
Repairs and maintenance - others	0.38	0.15
Travelling and conveyance	3.63	21.87
Postage and courier	0.96	0.75
Loss on sale/ write-off of PPE (net)	-	0.21
Miscellaneous expenses	1.05	0.58
<b>Total</b>	<b>1,498.84</b>	<b>2,881.69</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 26. OTHER EXPENSES (CONTINUED)

##### 26. (a) Auditors' remuneration

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Statutory Audit	5.50	6.80
Limited review	5.83	3.60
Certification & others	9.30	19.44
Towards reimbursement of expenses	0.27	0.31
<b>Total</b>	<b>20.90</b>	<b>30.15</b>

##### 26. (b) Details of CSR Expenditure

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
As per the provisions of Section 135 of Companies Act 2013,		
<b>(A) Amount required to be spent by the Company</b>	<b>125.00</b>	100.00
<b>(B) Amount of Expenditure Incurred</b>		
(i) Construction/ Acquisition of any assets	-	-
(ii) on purpose other than (i) above	125.00	100.00
<b>(C) Shortfall at end of the year</b>		
(i) Construction/ Acquisition of any assets	-	-
(ii) on purpose other than (i) above	-	-
<b>(D) Total of previous years shortfall</b>	-	-
<b>(E) Reason for shortfall</b>	<b>N.A</b>	N.A
<b>(F) Nature of CSR activities</b>		
Education Working to enhance child learning through work with system and community and support to the development of contextual literature of children		
<b>(G) Details of related party transactions</b>		
Name of related party	EdelGive Foundation	
Relationship	Subsidiary	
Where a provision is made with respect to a liability incurred by entering into a contractual obligation	-	-

The Company has paid the above amount for CSR expenditure to Edelgive Foundation (subsidiary) section 8 company under Companies Act 2013.

##### 26. (c) Leases

Rental expenses for the year ended 31 March 2024 aggregated to ₹ 50.44 million (previous year: ₹ 69.26 million) which has been included under the head other expenses – Rent in the Statement of profit and loss. The Company does not have any non-cancellable operating lease.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 27. INCOME TAX

The components of income tax expense recognised in profit or loss for the years ended 31 March 2024 and 31 March 2023 are:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax	111.36	-
Adjustment in respect of current income tax of prior years	-	-
Deferred tax relating to origination and reversal of temporary differences	(1908.23)	(735.91)
<b>Total tax expense</b>	<b>(1796.87)</b>	<b>(735.91)</b>
<b>Total current tax</b>	<b>111.36</b>	-
<b>Total deferred tax</b>	<b>(1908.23)</b>	<b>(735.91)</b>

##### 27.1 Reconciliation of the total tax expense

The tax expense shown in the statement of profit and loss differs from the tax expense that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2024 and 31 March 2023 is, as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	5,155.25	23,146.56
Tax rate	25.17%	25.17%
Income tax expense calculated based on above tax rate	1,297.58	5,825.99
Income not charged to tax or chargeable to lower tax rate	(3,094.45)	(6,905.24)
<b>DTA not created on</b>		
Expenditure of current year	-	318.07
Non Deductible Expenses	-	25.27
<b>Tax expense recognised in profit or loss</b>	<b>(1,796.87)</b>	<b>(735.91)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 28. COMPONENTS OF DEFERRED TAX

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

For the year ended 31 March 2024	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total Movement	Closing deferred tax asset/(liability)
Trade receivables- expected credit losses	7.96	(2.00)	-	-	-	(2.00)	5.96
Unused tax losses / credits	783.04	3,092.96	-	-	-	3,092.96	3,876.00
Employee benefits obligations	2.15	(1.16)	-	-	-	(1.16)	0.99
Fair valuation of Investments	(27.84)	26.93	-	-	-	26.93	(0.91)
Property, Plant and Equipment and Intangible assets	7.80	(1.31)	-	-	-	(1.31)	6.49
Effective interest rate on Borrowing	(190.74)	(72.56)	-	-	-	(72.56)	(263.30)
Provision on risk and reward undertaking	1,312.68	(1,134.63)	-	-	-	(1,134.63)	178.05
<b>Total</b>	<b>1,895.05</b>	<b>1,908.23</b>	-	-	-	<b>1,908.23</b>	<b>3,803.28</b>

For the year ended 31 March 2023	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total Movement	Closing deferred tax asset/(liability)
Trade receivables- expected credit losses	15.02	(7.06)	-	-	-	(7.06)	7.96
Unused tax losses / credits	336.54	446.50	-	-	-	446.50	783.04
Employee benefits obligations	1.81	0.34	-	-	-	0.34	2.15
Fair valuation of Investments - loss in valuation	0.68	(28.52)	-	-	-	(28.52)	(27.84)
Property, Plant and Equipment and Intangible assets	9.09	(1.29)	-	-	-	(1.29)	7.80
Effective interest rate on Borrowing	(120.02)	(70.72)	-	-	-	(70.72)	(190.74)
Provision on risk and reward undertaking	916.02	396.66	-	-	-	396.66	1,312.68
<b>Total</b>	<b>1,159.14</b>	<b>735.91</b>	-	-	-	<b>735.91</b>	<b>1,895.05</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 28. COMPONENTS OF DEFERRED TAX (CONTINUED)

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

As at 31 March 2024

Financial Year to which the loss related to	Deductible temporary differences			Unused tax losses			Unused tax credits		
	Unabsorbed depreciation		Unabsorbed long term capital losses	Unabsorbed long term capital losses		Unabsorbed short term capital losses	Total		Mat Credit
	Amount	Expiry year- financial year	Amount	Expiry year- financial year	Amount	Expiry year- financial year	Amount	Amount	Expiry year- financial year
FY 2022-23	1,599.95	Not Applicable	-	-	-	-	-	-	-
FY 2021-22	200.00	Not Applicable	-	-	-	-	-	-	-
FY 2020-21	-	-	-	-	2,488.88	FY 2028-29	526.02	FY 2028-29	3,014.90

As at 31 March 2023

Financial Year to which the loss related to	Deductible temporary differences			Unused tax losses			Unused tax credits		
	Unabsorbed depreciation		Unabsorbed long term capital losses	Unabsorbed long term capital losses		Unabsorbed short term capital losses	Total		Mat Credit
	Amount	Expiry year- financial year	Amount	Expiry year- financial year	Amount	Expiry year- financial year	Amount	Amount	Expiry year- financial year
FY 2022-23	1,599.95	Not Applicable	-	-	-	-	-	-	-
FY 2021-22	200.00	Not Applicable	-	-	-	-	-	-	-
FY 2020-21	-	-	-	-	2,488.88	FY 2028-29	526.02	FY 2028-29	3,014.90

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 29. EARNINGS PER SHARE (EPS)

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

Particulars	31 March 2024	31 March 2023
Profit for the year	6,952.12	23,882.47
<b>Calculation of weighted average number of equity shares of ₹1 each</b>		
Number of shares outstanding at the beginning of the year	898,378,496	898,201,185
Number of shares issued during the year	509,750	177,311
<b>Total number of equity shares outstanding at the end of the year</b>	<b>898,888,246</b>	<b>898,378,496</b>
Weighted average number of shares outstanding at the end of the year for basic EPS	898,871,130	898,207,466
Number of dilutive potential equity shares	2,088,781	115,119
<b>Weighted average number of shares outstanding at the end of the year for diluted EPS</b>	<b>900,959,911</b>	<b>898,322,585</b>
<b>Earnings per share (EPS) (Face value ₹1 each)</b>		
Basic earnings share (in ₹)	7.73	26.59
Diluted earning per share (in ₹)	7.72	26.59

#### 30. SEGMENT INFORMATION

##### Primary Segment (Business Segment)

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

Segment	Activities Covered
Agency	Advisory, transactional services and merchant banking activities
Holding company activities	Development, managerial and financial support to the businesses of Edelweiss group entities

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis.

The management is the Chief Operating Decision Maker(CODM).

The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the CODM.

Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 30. SEGMENT INFORMATION (CONTINUED)

##### Secondary Segment

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

The following table gives information as required under the Indian Accounting Standard -108 on "Operating Segment":

As at 31 March 2024

Particulars	Agency business	Holding company activities	Un-allocated	Total
<b>Segment Revenue</b>				
Revenue	40.40	10,132.43	103.99	10,276.82
Inter Segment Revenue	-	-	-	-
Revenue from External Customers	40.40	10,132.43	103.99	10,276.82
Segment Expenditure	436.30	4,685.27	-	5,121.57
<b>Segment Results (Total profit before Tax)</b>	<b>(395.90)</b>	<b>5,447.16</b>	<b>103.99</b>	<b>5,155.25</b>
Tax expense				(1,796.87)
<b>Net profit / (loss) for the period</b>				<b>6,952.12</b>
<b>Segment Assets</b>	-	<b>84,159.82</b>	<b>4,629.31</b>	<b>88,789.13</b>
<b>Segment Liabilities</b>	-	<b>34,131.52</b>	<b>29.18</b>	<b>34,160.70</b>
<b>Capital Expenditure</b>	-	<b>0.99</b>	-	<b>0.99</b>
<b>Depreciation and Amortisation</b>	-	<b>3.29</b>	-	<b>3.29</b>
<b>Significant Non-Cash Expenses / (Income) other than Depreciation and Amortisation</b>	-	<b>(27.40)</b>	-	<b>(27.40)</b>

As at 31 March 2023

Particulars	Agency business	Holding company activities	Un-allocated	Total
<b>Segment Revenue</b>				
Revenue	702.42	30,184.50	-	30,886.92
Inter Segment Revenue	-	-	-	-
Revenue from External Customers	702.42	30,184.50	-	30,886.92
Segment Expenditure	567.02	7,173.34	-	7,740.36
<b>Segment Results (Total profit before Tax)</b>	<b>135.40</b>	<b>23,011.16</b>	-	<b>23,146.56</b>
Tax expense				(735.91)
<b>Net profit / (loss) for the period</b>				<b>23,882.47</b>
<b>Segment Assets</b>	98.31	104,049.28	3,038.28	107,185.86
<b>Segment Liabilities</b>	242.50	34,382.88	7.85	34,633.23
<b>Capital Expenditure</b>	4.45	3.86	-	8.31
<b>Depreciation and Amortisation</b>	1.91	1.66	-	3.57
<b>Significant Non-Cash Expenses / (Income) other than Depreciation and Amortisation</b>	(21.09)	23,099.79	-	23,078.70

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 31. RETIREMENT BENEFIT PLAN

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

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised ₹ 6.98 million (previous year: ₹ 17.60 million) for provident fund and other contributions in the statement of profit and loss.

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

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972. The gratuity benefit is partially provided through funded plan and annual expense is charged to the statement of profit and loss on the basis of actuarial valuation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

##### Statement of profit and loss

##### Expenses recognised in the Statement of Profit and Loss:

Particulars	31 March 2024	31 March 2023
Current service cost	0.43	4.05
Interest on defined benefit obligation	(2.86)	(0.77)
<b>Total included in 'Employee benefits expense'</b>	<b>(2.43)</b>	<b>3.28</b>

##### Movement in Other Comprehensive Income:

Particulars	31 March 2024	31 March 2023
Balance at start of year (Loss)/ Gain	9.04	8.71
Re-measurements on define benefit obligation (DBO)		
a. Actuarial (Loss)/ Gain from changes in financial assumptions	(0.04)	2.05
b. Actuarial (Loss)/ Gain from experience over the past year	(0.40)	(0.45)
c. Actuarial Loss/(Gain) from changes in demographic assumptions	-	-
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	4.43	(1.27)
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	(8.26)	-
<b>Balance at end of year (Loss)/ Gain</b>	<b>4.77</b>	<b>9.04</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 31. RETIREMENT BENEFIT PLAN (CONTINUED)

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

##### Balance sheet

##### Reconciliation of defined benefit obligation (DBO) :

Particulars	31 March 2024	31 March 2023
Present value of DBO at the beginning of the year	38.28	40.46
Acquisition/ (Divestiture)		
Interest cost	1.08	2.39
Current service cost	0.43	4.05
Benefits paid	(4.00)	(7.02)
Past service cost	-	-
Actuarial (gain)/loss	0.45	(1.60)
Transfer in / (Out)	(23.03)	-
<b>Present value of DBO at the end of the year</b>	<b>13.21</b>	<b>38.28</b>

##### Reconciliation of fair value of plan assets:

Particulars	31 March 2024	31 March 2023
Fair value of plan assets at the beginning of the year	55.61	53.72
Contributions by Employer	4.00	7.02
Benefits paid	(4.00)	(7.02)
Interest income	3.95	3.16
Return on plan asset excluding amount included in net interest on the net defined benefit liability/ (asset)	4.43	(1.27)
<b>Fair value of plan assets at the end of the year</b>	<b>63.99</b>	<b>55.61</b>
Actual Return on Plan Assets	8.38	1.89

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

Particulars	31 March 2024	31 March 2023
Present value of DBO	13.21	38.28
Fair value of plan assets at the end of the year	63.99	55.61
<b>Net Liability / (Assets)</b>	<b>(50.78)</b>	<b>(17.33)</b>
Less: Effect of limiting net assets to asset ceiling	8.25	-
<b>Liability / (Assets) recognised in the balance sheet</b>	<b>(42.53)</b>	<b>(17.33)</b>
Funded Status [Surplus/ (Deficit)]	50.78	17.33
<b>Experience Adjustment on Plan Liabilities: (Gain)/ Loss</b>	<b>0.40</b>	<b>0.45</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 31. RETIREMENT BENEFIT PLAN (CONTINUED)

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

Experience adjustments:

Particulars	31 March 2024	31 March 2023	31 March 2022	31 March 2021	31 March 2020
On plan liabilities: loss / (gain)	0.40	0.45	2.12	(2.95)	(3.08)
On plan assets: gain / (loss)	-	-	-	-	-
Estimated contribution for next year	-	-	-	-	2.00

Percentage Break-down of Total Plan Assets

Particulars	31 March 2024	31 March 2023
Investment in Unit linked funds with insurance company	99.90%	99.90%
Cash and cash equivalents	0.10%	0.10%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Principal actuarial assumptions at the balance sheet date:

Particulars	31 March 2024	31 March 2023
Discount rate	7.00%	7.10%
Salary escalation	7.00%	7.00%
Employees attrition rate	16.00%	16.00%
Mortality Rate	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Interest Rate on Net DBO / (Asset) (%)	7.10%	5.90%
Expected weighted average remaining working life (years)	3.5 years	3.5 years

Sensitivity Analysis

Particulars	31 March 2024	31 March 2023
DOB increases / (decreases) by		
1 % Increase in Salary Growth Rate	0.11	1.16
1 % Decrease in Salary Growth Rate	(0.10)	(1.08)
1 % Increase in Discount Rate	(0.10)	(1.07)
1 % Decrease in Discount Rate	0.11	1.17
1 % Increase in Withdrawal Rate	-	0.01
1 % Decrease in Withdrawal Rate	-	(0.01)
Mortality (Increase in expected lifetime by 1 year)	-	-
Mortality (Increase in expected lifetime by 3 year)	-	-

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant there are no changes from the previous year to the methods and assumptions underlying the sensitivity analyses.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 31. RETIREMENT BENEFIT PLAN (CONTINUED)

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

Movement in Surplus / (Deficit)

Particulars	31 March 2024	31 March 2023
Surplus / (Deficit) at start of the year	17.33	13.26
Net Transfer (In)/ Out	23.03	-
Current Service Cost	(0.43)	(4.05)
Net Interest on net DBO	2.87	0.77
Re-measurements	(4.27)	0.33
Contributions / Benefits	4.00	7.02
<b>Surplus / (Deficit) at end of year</b>	<b>42.53</b>	<b>17.33</b>

##### C) Compensated absences :

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation.

##### D) Other Disclosures

Description of Asset Liability Matching (ALM) Policy

The Company has an insurance plans invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates. The liabilities' duration is not matched with the assets' duration.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The Company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

Maturity profile

The average expected remaining lifetime of the plan members is 4 years (31 March 2023: 3.5 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

#### 32. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	01 April 2023	Cash flows(net)	Others**	31 March 2024
Borrowings*	25,886.54	3,735.53	55.16	29,677.23
<b>Total liabilities from financing activities</b>	<b>25,886.54</b>	<b>3,735.53</b>	<b>55.16</b>	<b>29,677.23</b>

Particulars	01 April 2022	Cash flows(net)	Others**	31 March 2023
Borrowings*	24,322.12	907.42	657.00	25,886.54
<b>Total liabilities from financing activities</b>	<b>24,322.12</b>	<b>907.42</b>	<b>657.00</b>	<b>25,886.54</b>

\* Comprises of Debt securities and borrowings (other than debt securities).

\*\* Refers to interest accrued during the year.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 33. CONTINGENT LIABILITIES & COMMITMENTS :

##### 33.1 Contingent liabilities

a) Claims against the Company not acknowledged as debt:

- Income Tax matters in respect of which appeal is pending ₹ 5.69 million (previous year: ₹ 5.69 million).
- Service Tax matters in respect of which appeal is pending ₹ 430.75 million (previous year: ₹ 534.36 million).
- Litigation pending against Company amounts to ₹ 7.39 million (previous year: ₹ Nil million).

b) Other claim not acknowledged as debt:

- i) The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with Income tax, service tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.
- ii) The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favourable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote.
- iii) Pursuant to the Income Tax Authorities ("the ITA") investigation, after 31 March 2024, the Company has received assessment order cum demand notice from ITA for AY 2022-23. Based on the legal opinion obtained by the Company, management believes that the demand is not sustainable. The Company has filed an appeal against the said assessment order. Thus, no adjustment has been made or is required in the Standalone Financial Statements of the Company.

c) Guarantees excluding financial guarantees :

Corporate/other guarantee not acknowledged as debt:

Corporate/other guarantee given by the Company on behalf of its subsidiaries and former associate companies and to third party which is outstanding as at 31 March 2024 and 31 March 2023 is given below:

Particulars	As at 31 March 2024	As at 31 March 2023
Guarantee to trustees and others for non convertible debentures and other borrowings	23,157.75	25,849.37
Guarantee to Banks for loan taken by subsidiaries and former associates	3,257.11	7,232.80
<b>Total</b>	<b>26,414.86</b>	<b>33,082.17</b>

##### 33.2 Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ Nil million (previous year: ₹ Nil million).

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 34. COST SHARING:

The group companies provide business and support services to each other basis of the signed agreed terms. The services provided are with the intent to create synergies at group level for e.g. sharing of empty spaces with the group companies, having common HR and admin teams, using one's available resource for the benefit of the group.

In consideration of the business and management oversight by Edelweiss group, the beneficiaries shall share and pay towards the costs, as agreed. It is expressly agreed between the parties that sharing of these cost shall be on the total cost over the financial year (April to March) adequate to compensate the function performed, assets employed and risks assumed by group companies and will be determined by the beneficiaries and edelweiss group companies. The amount payable by the beneficiaries is reviewed intermittently and any amendment to the same is mutually agreed upon in writing by the parties. For the purpose of total cost means all operating expense including but not limited to, normal recurring cost such as office rent, communication charges, salaries, employee benefits, cost of approved third-party vendor, depreciation on assets used and amortization.

#### 35. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE”:

##### (A) Subsidiaries which are controlled by the Company:

- 1 ECL Finance Limited
- 2 Edelcap Securities Limited
- 3 ECap Securities and Investments Limited
- 4 Edelweiss Alternative Asset Advisors Limited
- 5 Ecap Equities Limited (formerly known as Edel Land Limited)
- 6 Edel Investments Limited
- 7 Edelweiss Tokio Life Insurance Company Limited
- 8 Edelweiss Trusteeship Company Limited
- 9 Edelweiss Asset Management Limited
- 10 Edelweiss Investment Adviser Limited
- 11 EC International Limited
- 12 Edelgive Foundation
- 13 Edelweiss Alternative Asset Advisors Pte. Limited
- 14 Edelweiss International (Singapore) Pte. Limited
- 15 Edelweiss Retail Finance Limited
- 16 NIDO Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)
- 17 Edelweiss Rural & Corporate Services Limited
- 18 Comtrade Commodities Services Limited
- 19 Edel Finance Company Limited
- 20 Nuvama Investment Advisors LLC (formerly known as EAAA, LLC) (Upto 05 September 2023)
- 21 EW Special Opportunities Advisors LLC (upto 30 June 2022)
- 22 Edelweiss Resolution Advisors LLP (upto 01 July 2022)
- 23 Edelweiss Multi Strategy Fund Advisors LLP
- 24 ZUNO General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited)
- 25 Edelweiss Asset Reconstruction Company Limited
- 26 Edelweiss Private Equity Tech Fund
- 27 Edelweiss Value and Growth Fund
- 28 Edelweiss Securities and Investments Private Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 35. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE”: (CONTINUED)

##### (A) Subsidiaries which are controlled by the Company: (Continued)

29	Edelweiss Employees Welfare Trust
30	Edelweiss Employees Incentive and Welfare Trust
31	Allium Finance Private Limited
32	Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited)
33	India Credit Investment Fund - II (upto 31 October 2023)
34	Edelweiss Real Asset Managers Limited
35	Sekura India Management Limited
36	Edelweiss Global Wealth Management Limited
37	India Credit Investment Fund - III (upto 31 March 2024)
38	India Credit Investment Fund - 5 (from 09 August 2023 upto 31 March 2024)

##### (B) Enterprises over which control is exercised by the Company:

Trust name :			
1	EARC SAF - 2 TRUST	26	EARC TRUST SC 348
2	EARC TRUST SC 6	27	EARC TRUST SC 351
3	EARC TRUST SC 9	28	EARC TRUST SC 352
4	EARC TRUST SC 102	29	EARC TRUST SC 357
5	EARC TRUST SC 112	30	EARC TRUST SC 360
6	EARC TRUST SC 130	31	EARC TRUST SC 361
7	EARC TRUST SC 227	32	EARC TRUST SC 363
8	EARC TRUST SC 228	33	EARC TRUST SC 370
9	EARC TRUST SC 229	34	EARC TRUST SC 372
10	EARC TRUST SC 238	35	EARC TRUST SC 373
11	EARC TRUST SC 245	36	EARC TRUST SC 374
12	EARC TRUST SC 251	37	EARC TRUST SC 375
13	EARC TRUST SC 263	38	EARC TRUST SC 376
14	EARC TRUST SC 266	39	EARC TRUST SC 377
15	EARC TRUST SC 298	40	EARC TRUST SC 378
16	EARC TRUST SC 306	41	EARC TRUST SC 380
17	EARC TRUST SC 308	42	EARC TRUST SC 381
18	EARC TRUST SC 314	43	EARC TRUST SC 383
19	EARC TRUST SC 325	44	EARC TRUST SC 384
20	EARC TRUST SC 329	45	EARC TRUST SC 385
21	EARC TRUST SC 331	46	EARC TRUST SC 386
22	EARC TRUST SC 332	47	EARC TRUST SC 387
23	EARC TRUST SC 334	48	EARC TRUST SC 388
24	EARC TRUST SC 344	49	EARC TRUST SC 391
25	EARC TRUST SC 347	50	EARC TRUST SC 392
		51	EARC TRUST SC 393
		52	EARC TRUST SC 394
		53	EARC TRUST SC 395
		54	EARC TRUST SC 396
		55	EARC TRUST SC 397
		56	EARC TRUST SC 401
		57	EARC TRUST SC 402
		58	EARC TRUST SC 405
		59	EARC TRUST SC 406
		60	EARC TRUST SC 410
		61	EARC TRUST SC 412
		62	EARC TRUST SC 413
		63	EARC TRUST SC 415
		64	EARC TRUST SC 416
		65	EARC TRUST SC 417
		66	EARC TRUST SC 418
		67	EARC TRUST SC 421
		68	EARC TRUST SC 422
		69	EARC TRUST SC 423
		70	EARC TRUST SC 424
		71	EARC TRUST SC 425
		72	EARC TRUST SC 427
		73	EARC TRUST SC 428
		74	EARC TRUST SC 429
		75	EARC TRUST SC 430

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 35. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE”: (CONTINUED)

##### (B) Enterprises over which control is exercised by the Company: (Continued)

76	EARC TRUST SC 431	89	EARC TRUST SC 453	102	EARC TRUST SC 486
77	EARC TRUST SC 433	90	EARC TRUST SC 455	103	EARC TRUST SC 488
78	EARC TRUST SC 434	91	EARC TRUST SC 456	104	EARC TRUST SC 489
79	EARC TRUST SC 436	92	EARC TRUST SC 459	105	EARC TRUST SC 492
80	EARC TRUST SC 442	93	EARC TRUST SC 461	106	EARC TRUST SC 493
81	EARC TRUST SC 443	94	EARC TRUST SC 462	107	EARC TRUST SC 7
82	EARC TRUST SC 444	95	EARC TRUST SC 464		(upto 31 December 2023)
83	EARC TRUST SC 445	96	EARC TRUST SC 470	108	EARC TRUST SC 109
84	EARC TRUST SC 447	97	EARC TRUST SC 477		(upto 31 December 2023)
85	EARC TRUST SC 448	98	EARC TRUST SC 481	109	EARC TRUST SC 440
86	EARC TRUST SC 449	99	EARC TRUST SC 482		(upto 31 December 2023)
87	EARC TRUST SC 451	100	EARC TRUST SC 483	110	EARC TRUST SC 441
88	EARC TRUST SC 452	101	EARC TRUST SC 484		(upto 31 December 2023)

##### (C) Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them control or significant influence over the Company:

Mr. Rashesh Shah  
Mr. Venkatchalam Ramaswamy  
Ms. Vidya Shah  
Ms. Aparna T. C.

##### (D) Key managerial personnel (KMP):

Mr. Rashesh Shah - Chairman and Managing Director  
Mr. Venkatchalam Ramaswamy - Vice Chairman and Executive Director  
Mr. Himanshu Kaji - Executive Director (upto 26 September 2023)  
Ms. Ananya Suneja – Chief Financial Officer  
Mr. Tarun Khurana - Company Secretary  
Mr. Rujan Panjwani - Executive Director (upto 2 September 2022)

##### (E) Relatives of individuals exercising significant Influence and relatives of KMPs with whom transactions have taken place

Ms. Kaavya Venkat  
Ms. Shilpa Mody  
Ms. Sejal Premal Parekh  
Mr. A V Ramaswamy  
Ms. Sneha Sripad Desai  
Ms. Shabnam Panjwani (upto 2 September 2022)  
Ms. Avanti Shah  
Mr. Neel Shah



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 35. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE”: (CONTINUED)

(F) Enterprises over which Promoter/KMPS/ Relatives exercise significant influence, with whom transactions have taken place

Shah Family Discretionary Trust  
Spire Investment Advisors LLP

(G) Independent Directors

Mr. Biswamohan Mahapatra (upto 26 September 2023)  
Mr. Kunnasagaran Chinniah (upto 02 September 2022)  
Mr. Navtej S. Nandra (upto 02 September 2022)  
Mr. P. N. Venkatachalam (upto 02 September 2022)  
Mr. Ashok Kini  
Dr. Ashima Goyal  
Mr. Shiva Kumar (from 4 August 2022)

(H) Associate Entities (upto 30<sup>th</sup> March 2023) (Refer note 4 of 6):

- 1 Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)

**Subsidiaries of Associate**

- 1 Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)  
2 Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)  
3 Nuvama Clearing Services Limited (Nuvama Clearing Services Limited)  
4 Nuvama Investment Advisors Private Limited (formerly known as Edelweiss Investment Advisors Private Limited)  
5 Nuvama Financial Services Inc. (Edelweiss Financial Services Inc)  
6 Nuvama Financial Services (UK) Limited (formerly known as Edelweiss Financial Services (UK) Limited)  
7 Nuvama Capital Services (IFSC) Limited (formerly known as Edelweiss Securities (IFSC) Limited)  
8 Nuvama Asset Management Limited (formerly known as ESL Securities Limited)  
9 Nuvama Investment Advisors (Hongkong) Private Limited (formerly known as Edelweiss Securities (Hong Kong) Private Limited)  
10 Pickright Technologies Private Limited ( w.e.f 13 March 2023) (upto 30 March 2023)

(I) Transactions and balances with Related Parties:

Sr. No.	Nature of Transaction	Related Party Name	31 March 2024	31 March 2023
1	Sale of Equity shares to	Edel Finance Company Limited	26,408.40	4,031.50
		Ecap Equities Limited	-	3,714.72
		ECap Securities And Investments Limited	-	315.20
		Edelweiss Securities And Investments Private Limited	-	2,136.27
		Edelweiss Alternative Asset Advisors Limited	-	2,134.20

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 35. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE”: (CONTINUED)

(I) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2024	31 March 2023
2	Investment in Compulsory Convertible Debentures of	Edel Finance Company Limited	8,000.00	-
3	Investment in Equity shares of	Edel Finance Company Limited	2,000.00	2,000.00
		ZUNO General Insurance Limited	1,930.00	1,650.00
		Edelweiss Tokio Life Insurance Company Limited	495.53	2,500.00
4	Term loans given to	Edelweiss Rural & Corporate Services Limited	2,325.00	8,320.00
		ECL Finance Limited	-	1,300.00
		Edelweiss Global Wealth Management Limited	5,009.88	-
		Ecap Equities Limited	14,368.65	12,076.22
		Edel Finance Company Limited	21,937.88	9,698.30
		Edelweiss Securities And Investments Private Limited	-	5,800.00
		Edelweiss Investment Adviser Limited	1,594.20	7,992.90
		Edel Investments Limited	-	1,100.00
		Edelweiss Alternative Asset Advisors Limited	220.00	220.00
5	Term loans repaid by	Edelweiss Rural & Corporate Services Limited	4,025.00	13,559.23
		ECL Finance Limited	-	1,300.00
		Edelweiss Global Wealth Management Limited	5,009.88	488.36
		Ecap Equities Limited	16,812.78	6,988.04
		Edelweiss Securities And Investments Private Limited	-	2,746.50
		Edel Finance Company Limited	9,437.41	6,364.08
		Edelweiss Investment Adviser Limited	2,584.10	6,403.00
		Edel Investments Limited	-	1,100.00
		Edelweiss Alternative Asset Advisors Limited	220.00	220.00
6	Sale of Property Plant and Equipment from	Nuvama Wealth and Investment Limited	-	0.00
		Ecap Equities Limited	-	0.00
7	Purchase of Property Plant and Equipment from	ECL Finance Limited	-	0.01

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 35. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE”: (CONTINUED)

(i) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2024	31 March 2023
<b>8</b>	<b>Remuneration paid to</b>	Mr. Rashesh Shah	110.03	80.01
		Mr. Venkatchalam Ramaswamy	67.15	64.42
		Mr. Himanshu Kajji	23.85	32.50
		Mr. Rujan Panjwani	-	34.07
		Mr. Tarun Khurana	13.05	11.11
		Ms. Ananya Suneja	30.98	25.11
<b>9</b>	<b>Dividend paid on Equity Shares</b>	Mr. Rashesh Shah	218.40	211.12
		Mr. Venkatchalam Ramaswamy	89.00	84.28
		Ms. Vidya Shah	46.59	45.00
		Shah Family Discretionary Trust	58.13	56.19
		Spire Investment Advisors LLP	4.80	4.64
		Ms. Aparna T. C.	18.32	17.70
		Ms. Kaavya Venkat	17.69	17.10
		Mr. Rujan Panjwani	-	14.34
		Mr. Himanshu Kajji	0.74	4.31
		Ms. Sneha Sripad Desai	1.54	1.49
		Ms. Shilpa Mody	1.43	1.38
		Ms. Sejal Premal Parekh	1.43	1.38
		Ms. Shabnam Panjwani	-	0.19
		Mr. A V Ramaswamy	0.08	0.07
		Mr. Navtej S. Nandra	-	1.99
		Ms. Avanti Shah	3.00	2.90
		Mr P N Venkatachalam	-	0.07
		Mr. Neel Shah	3.00	2.90
		Mr. Tarun Khurana	0.09	0.09
		Mr. Kunnasagaran Chinniah	-	0.05
<b>10</b>	<b>Loan given to KMP</b>	Mr. Tarun Khurana	5.00	-
<b>11</b>	<b>Loan repaid by KMP</b>	Mr. Tarun Khurana	5.00	-
<b>12</b>	<b>Interest income received from loan given to KMP</b>	Mr. Tarun Khurana	0.25	-
<b>13</b>	<b>Share Application money received from KMP</b>	Ms. Ananya Suneja	0.41	-
<b>14</b>	<b>Fee / commission paid to</b>	Nuvama Wealth Management Limited	-	7.80
		Nuvama Financial Services Inc.	-	0.20

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 35. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE”: (CONTINUED)

(i) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2024	31 March 2023
		Edelweiss Rural & Corporate Services Limited	0.55	0.42
		Edel Finance Company Limited	-	0.09
		Edelweiss Asset Reconstruction Company Limited	3.60	2.20
<b>15</b>	<b>Management Fees paid to</b>	ECL Finance Limited	151.50	1,139.24
		Edelweiss Asset Reconstruction Company Limited	174.54	509.93
		NIDO Home Finance Limited	-	11.39
		Edelweiss Retail Finance Limited	5.57	11.66
<b>16</b>	<b>Fee / commission earned from</b>	NIDO Home Finance Limited	-	2.50
		Nuvama Wealth and Investment Limited	-	0.85
		Ecap Equities Limited	5.00	-
		Edel Finance Company Limited	5.00	-
		Edelweiss Alternative Asset Advisors Limited	5.00	-
		Edelweiss Asset Reconstruction Company Limited	7.20	-
<b>17</b>	<b>Royalty Fees received from</b>	Nuvama Wealth Management Limited	-	40.11
		Edelweiss Tokio Life Insurance Company Limited	42.50	37.50
		ZUNO General Insurance Limited	-	6.89
<b>18</b>	<b>Fee / Guarantee commission earned from</b>	Edel Finance Company Limited	1.07	0.71
		Nuvama Wealth Finance Limited	-	1.41
		Edelweiss Asset Reconstruction Company Limited	27.70	30.13
		Ecap Securities And Investments Limited	0.01	-
		Edelweiss Rural & Corporate Services Limited	0.08	-
		Ecap Equities Limited	1.28	2.10
		Edelweiss Alternative Asset Advisors Limited	0.00	0.04
		Edelweiss Investment Adviser Limited	0.91	0.19
Edelweiss Global Wealth Management Limited	1.50	-		

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 35. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE”: (CONTINUED)

(i) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2024	31 March 2023
19	Interest Income on Compulsory Convertible Debentures	Edel Finance Company Limited	0.01	-
20	Interest expense on loan taken	Ecap Equities Limited	1.97	-
21	Interest Income on loan given	Edelweiss Rural & Corporate Services Limited	388.22	1,009.00
		ECL Finance Limited	-	3.73
		Edelweiss Global Wealth Management Limited	207.04	36.63
		Ecap Equities Limited	849.96	538.81
		Edel Finance Company Limited	1,768.01	1,445.50
		Edelweiss Securities And Investments Private Limited	572.71	217.20
		Edelweiss Investment Adviser Limited	257.18	201.42
		Edel Investments Limited	-	1.66
		Edelweiss Alternative Asset Advisors Limited	0.30	0.66
22	Interest Expense on NCD	Ecap Equities Limited	91.23	40.70
		Edelweiss Tokio Life Insurance Company Limited	127.56	39.27
		ZUNO General Insurance Limited	26.79	13.67
23	Interest Expense on Market Linked Debentures	Ecap Equities Limited	17.41	-
24	Cost reimbursements paid to	Edelweiss Rural & Corporate Services Limited	81.39	75.93
		Nuvama Wealth Management Limited	-	172.62
		ECL Finance Limited	-	0.01
		Nuvama Clearing Services Limited	-	167.39
		Nuvama Wealth and Investment Limited	-	378.45
		Nuvama Asset Management Limited	-	5.33
		NIDO Home Finance Limited	17.00	-
		Edelweiss Asset Reconstruction Company Limited	1.30	-
25	Cost reimbursements recovered from	Edelweiss Rural & Corporate Services Limited	0.11	-
		ECL Finance Limited	39.53	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 35. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE”: (CONTINUED)

(i) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2024	31 March 2023
		Nuvama Clearing Services Limited	-	0.59
		Edelweiss Asset Management Limited	0.17	0.14
		Edelweiss Asset Reconstruction Company Limited	0.77	0.70
		NIDO Home Finance Limited	0.43	0.68
		Edelweiss Retail Finance Limited	0.18	0.20
		Edelweiss Alternative Asset Advisors Limited	-	0.01
		Ecap Equities Limited	0.11	-
		Edelcap Securities Limited	0.52	0.64
		Edel Finance Company Limited	0.11	-
26	Directors' sitting fees paid to	Mr. Biswamohan Mahapatra	0.53	0.65
		Mr. Kunnasagaran Chinniah	-	0.20
		Mr. Navtej S. Nandra	-	0.18
		Mr. P N Venkatachalam	-	0.22
		Ms. Dr. Ashima Goyal	0.83	0.48
		Mr. Ashok Kini	1.28	0.71
		Mr. Shiva Kumar	1.35	0.57
27	Commission paid to Non executive directors	Mr. Biswamohan Mahapatra	2.50	2.00
		Mr. Kunnasagaran Chinniah	-	2.00
		Mr. Navtej S. Nandra	-	2.00
		Mr. P N Venkatachalam	-	2.00
		Ms. Dr. Ashima Goyal	2.50	2.00
		Mr. Ashok Kini	2.50	2.00
		Mr. Shiva Kumar	2.50	-
		Ms. Vidya Shah	2.50	2.00
28	Redemption of Non Convertible Debentures & Market Linked Debentures	Ecap Equities Limited	4,084.85	-
		Edelweiss Tokio Life Insurance Company Limited	30.05	-
29	Contribution towards corporate social responsibility	EdelGive Foundation	125.00	100.00

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 35. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE”: (CONTINUED)

(I) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2024	31 March 2023
<b>Balances with Related Parties</b>				
<b>1</b>	<b>Investments in Equity Shares in</b>	ECL Finance Limited	-	11,504.96
		Edelweiss Tokio Life Insurance Company Limited	11,939.10	11,443.58
		Edelweiss Asset Management Limited	1,712.41	1,712.41
		EC International Limited	6.15	6.15
		ECap Securities And Investments Limited	1,599.95	1,599.95
		Nuvama Custodial Services Limited	280.50	280.50
		Ecap Equities Limited	147.71	147.71
		EdelGive Foundation	0.10	0.10
		NIDO Home Finance Limited	195.98	195.98
		Edelweiss Trusteeship Company Limited	1.00	1.00
		Edelweiss Global Wealth Management Limited	790.01	790.01
		ZUNO General Insurance Limited	8,716.16	6,786.16
		Edel Finance Company Limited	11,871.55	9,871.55
		Nuvama Wealth Management Limited	-	23,531.82
		Edelweiss Securities And Investments Private Limited	697.37	4,072.99
<b>2</b>	<b>Investments in Preference shares of</b>	Edel Finance Company Limited	1,650.00	1,650.00
<b>3</b>	<b>Investment in Compulsory Convertible debenture of</b>	Edel Finance Company Limited	8,000.00	-
<b>4</b>	<b>Interest accrued on Compulsory Convertible debenture of</b>	Edel Finance Company Limited	0.01	-
<b>5</b>	<b>Gratuity Payable to</b>	Edelweiss Alternative Asset Advisors Limited	-	0.00
		Edelweiss Asset Reconstruction Company Limited	0.42	0.42
<b>6</b>	<b>ESOP Charges Payable to</b>	NIDO Home Finance Limited	7.88	-
		Edelweiss Retail Finance Limited	0.64	-
		Edelweiss Alternative Asset Advisors Limited	-	0.33
		Edelweiss Tokio Life Insurance Company Limited	0.00	-
		Edelcap Securities Limited	-	7.39

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 35. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE”: (CONTINUED)

(I) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2024	31 March 2023
		Edelweiss Rural & Corporate Services Limited	-	1.63
		Edelweiss Asset Reconstruction Company Limited	-	0.08
		Edelweiss Alternative Asset Advisors Pte. Limited	2.11	2.11
		ECL Finance Limited	29.69	0.71
<b>7</b>	<b>ESOP Charges Receivable from</b>	Edelweiss Rural & Corporate Services Limited	0.55	0.62
		Edelweiss Asset Management Limited	0.44	2.54
		ECL Finance Limited	-	6.73
		Edelweiss Alternative Asset Advisors Limited	1.60	9.27
		Edelweiss Tokio Life Insurance Company Limited	1.29	3.22
		Edelweiss Asset Reconstruction Company Limited	0.86	5.17
		ZUNO General Insurance Limited	0.73	2.13
		Nuvama Custodial Services Limited	0.12	-
		Edelweiss Retail Finance Limited	-	0.33
		Ecap Equities Limited	1.84	14.03
		Edel Investments Limited	0.01	0.01
		NIDO Home Finance Limited	-	1.47
		Edelweiss International (Singapore) Pte. Limited	0.01	0.11
		Edelcap Securities Limited	0.05	-
<b>8</b>	<b>Accrued interest on loans given to</b>	Edelweiss Rural & Corporate Services Limited	32.19	50.63
		Edel Finance Company Limited	132.64	152.73
		ECL Finance Limited	-	3.36
		Edelweiss Global Wealth Management Limited	5.77	-
		Ecap Equities Limited	63.73	56.99
		Edelweiss Securities And Investments Private Limited	40.77	5.36
		Edelweiss Investment Adviser Limited	21.75	32.66
		Edelweiss Alternative Asset Advisors Limited	0.00	0.60
		Edel Investments Limited	-	1.49

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 35. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE”: (CONTINUED)

(i) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2024	31 March 2023
9	Accrued interest on loans taken from	Ecap Equities Limited	1.97	-
10	Loan given to	Edelweiss Rural & Corporate Services Limited	2,400.00	4,100.00
		Ecap Equities Limited	4,700.10	7,144.22
		Edel Finance Company Limited	23,890.00	11,389.53
		Edelweiss Securities And Investments Private Limited	4,500.00	4,500.00
		Edelweiss Investment Adviser Limited	600.00	1,589.90
11	Loans taken from	Ecap Equities Limited	1,595.42	-
12	Non Convertible Debentures held by	Ecap Equities Limited	139.01	33.29
		Edelweiss Tokio Life Insurance Company Limited	2,207.96	1,260.80
		ECL Finance Limited	2.74	-
		ZUNO General Insurance Limited	303.12	-
13	Trade payable to	NIDO Home Finance Limited	18.40	9.65
		ECL Finance Limited	2,926.34	1,989.36
		Edelweiss Retail Finance Limited	0.04	23.46
		EdelGive Foundation	-	0.00
		Edelweiss Alternative Asset Advisors Limited	0.87	-
		Edelweiss Asset Reconstruction Company Limited	0.28	19.21
		Edelweiss Rural & Corporate Services Limited	14.12	14.14
		Edelweiss Securities And Investments Private Limited	0.25	0.25
		Edel Finance Company Limited	-	0.00
		Ecap Equities Limited	0.70	0.50
		Edel Investments Limited	0.04	-
		Edelweiss Tokio Life Insurance Company Limited	0.06	-
		Edelweiss Asset Management Limited	0.63	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 35. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 – “RELATED PARTY DISCLOSURE”: (CONTINUED)

(i) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31 March 2024	31 March 2023
14	Trade receivable from	Edelweiss Tokio Life Insurance Company Limited	15.07	37.48
		Edelcap Securities Limited	-	0.08
		Edel Finance Company Limited	1.05	0.13
		Edelweiss Asset Management Limited	-	0.02
		Edelweiss Asset Reconstruction Company Limited	11.19	4.86
		ECap Securities And Investments Limited	0.05	-
		Edelweiss Alternative Asset Advisors Limited	0.06	0.07
		Ecap Equities Limited	0.64	0.41
		ZUNO General Insurance Limited	-	6.89
		Edel Investments Limited	0.00	-
		Edelweiss Rural & Corporate Services Limited	-	0.00
		Edelweiss Investment Adviser Limited	3.11	0.05
		Edelweiss International (Singapore) Pte. Limited	0.00	0.07
		Edelweiss Securities And Investments Private Limited	0.02	0.02
		ECL Finance Limited	43.71	85.29
		Edelweiss Retail Finance Limited	82.44	0.41
		NIDO Home Finance Limited	-	0.16
15	Risk and Reward undertaking	Edelweiss Retail Finance Limited	-	702.32
		NIDO Home Finance Limited	1,301.20	1,915.98
		ECL Finance Limited	-	32,880.84
16	Guarantee given on behalf of Group Company	ECap Securities And Investments Limited	2,200.00	-
		Ecap Equities Limited	3,330.60	6,523.30
		Edelweiss Asset Reconstruction Company Limited	10,396.20	16,575.40
		Edel Finance Company Limited	3,170.00	470.00
		Nuvama Wealth Finance Limited	-	-
		NIDO Home Finance Limited	1,095.71	917.10
		Edelweiss Investment Adviser Limited	2,622.35	3,284.89
		ECL Finance Limited	1,100.00	1,200.00
		Edelweiss Global Wealth Management Limited	2,500.00	-

0.00 indicates amounts less than ₹ 0.01 million.

**Notes:**

- Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and provision made for bonus which are provided for group of employees on an overall basis.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 36. CAPITAL MANAGEMENT

The Company manages the capital structure by a balanced mix of debt and equity. The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The Company maintains sound capitalisation both from an economic and regulatory perspective. The Company continuously monitors and adjusts overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives. These perspectives include specific capital requirements from rating agencies.

Capital structure includes infusion in the form of equity and structured debt from strategic business partners in certain of Company's subsidiaries to fund expansion and assist in achieving expected growth in the competitive market.

No changes were made in the objectives, policies or processes during the financial years ended 31 March 2024 and 31 March 2023.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment. Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

Particulars	As at	
	31 March 2024	31 March 2023
Total Debt	29,677.23	25,886.54
Equity	54,628.43	72,552.63
<b>Net Debt to Equity</b>	<b>0.54</b>	<b>0.36</b>

Total Debt = Debt securities+ Borrowings (Other than debt securities)

### 37. DISCLOSURE OF LOANS AND ADVANCES GIVEN PURSUANT TO REQUIREMENTS OF REGULATION 34(3) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED.

Entity	31 March 2024		31 March 2023	
	Loan outstanding**	Maximum amount outstanding during the year*	Loan outstanding**	Maximum amount outstanding during the year*
Edelweiss Rural and Corporate Services Limited	2,432.19	4,150.00	4,150.63	10,929.23
ECL Finance Limited	-	-	3.36	1,300.00
Edelweiss Global Wealth Management Limited	5.77	4,762.67	-	488.36
Ecap Equities Limited	4,763.83	8,250.72	7,201.21	7,338.19
Edel Finance Company Limited	24,022.65	23,890.00	11,542.26	14,638.30
Edelweiss Investment Adviser Limited	621.75	2,585.10	1,622.56	3,828.10
Edelweiss Alternative Asset Advisors Limited	-	220.00	0.60	220.00
Edel Investments Limited	-	-	1.49	1,100.00
Edelweiss Securities And Investments Private Limited	4,540.77	4,500.00	4,505.36	4,500.00

All the above loans have maturity of 0-3 years as per contracted terms.

\*Maximum amount outstanding during the year represents principle outstanding.

\*\*Loan outstanding includes principal and interest accrued

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 38. SHARE BASED PAYMENTS: EMPLOYEE STOCK OPTION PLANS AND STOCK APPRECIATION RIGHTS PLANS

Edelweiss Financial Services Limited ("EFSL" hereafter), has recognised share based payment expenses for the years ended 31 March 2024 and 31 March 2023 based on fair value as on the grant date calculated as per option pricing model. The grants represent equity-settled options under the Employee Stock Option Plans and Stock Appreciation Rights Plans (hereafter referred to as, "ESOP 2011" and "SAR 2019" or "ESOPs" "SARs" ).

The Edelweiss Group has granted ESOPs under the two plans viz., ESOP 2011 & SAR 2019 to its employees on an equity-settled basis as tabulated below. The ESOPs/SARs provide a right to its holders (i.e., Edelweiss group employees) to purchase one EFSL share for each option at a pre-determined strike price on the expiry of the vesting period. The ESOP/SAR hence represents an European call option that provides a right but not an obligation to the employees of the Edelweiss group to exercise the option by paying the strike price at any time on completion of the vesting period, subject to an outer boundary on the exercise period.

EFSL has granted stock options to employees of the Edelweiss group on an equity-settled basis as tabulated below.

Particulars	SAR 2019	ESOP 2011
Dates of grant	Varying	Varying
Option Type	Equity settled	Equity settled
No. of outstanding options at 31 March 2024	4,859,570	2,254,725
No. of outstanding options at 31 March 2023	8,057,420	4,592,500
No. of Equity shares represented by an option	1 share for 1 option	1 share for 1 option
Fair Value per option	Varies as per the grant date	Varies as per the grant date
Exercise Price	Varies as per the grant date	Varies as per the grant date
Vesting Period	2-6 years	1-4 years
Vesting Conditions	Service	Service

\*Includes, SAR 2019 1,75,100, ESOP Nil (previous year SAR 2019 345,050, ESOP Nil) approved but not granted.

The vesting of options is subject to the employee's continued employment with the Edelweiss group. The ESOPs and SARs shall vest as follows:

Particulars	SAR 2019	ESOP 2011
Duration from grant date	% options vesting	% options vesting
12 months from the grant date	-	25.00%
24 months from the grant date	33.33%	25.00%
36 months from the grant date	-	25.00%
48 months from the grant date	33.33%	25.00%
60 months from the grant date	-	-
72 months from the grant date	33.34%	-
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 38. SHARE BASED PAYMENTS: EMPLOYEE STOCK OPTION PLANS AND STOCK APPRECIATION RIGHTS PLANS (CONTINUED)

##### Plan description

Plan Name	Grant Date	Vesting Conditions	Term of Options	Payout
ESOP Plan 2011	Various	As specified in tables above	1-4 years	Equity settled
SAR Plan 2019	Various	As specified in tables above	2-6 years	Equity settled

##### Movement of number of Options for FY 2023-24 and 2022-23

Number of options	31 March 2024			31 March 2023		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Outstanding at the start of the year	8,057,420	4,592,500	12,649,920	10,914,200	7,182,488	18,096,688
Granted during the year	-	-	-	-	-	-
Exercised during the year	(99,000)	(556,500)	(655,500)	(1,034,220)	(25,000)	(1,059,220)
Lapsed/ cancelled during the year	(3,098,850)	(1,781,275)	(4,880,125)	(1,822,560)	(2,564,988)	(4,387,548)
Outstanding at the end of the year*	4,859,570	2,254,725	7,114,295	8,057,420	4,592,500	12,649,920
Exercisable at the end of the year	-	1,946,725	1,946,725	-	3,263,050	3,263,050

\*Includes, SAR 2019 175,100, ESOP Nil (previous year SAR 2019 345,050, ESOP Nil) approved but not granted.

##### Weighted Average Exercise Price for FY 2023-24 and 2022-23

Weighted Average Exercise Price (₹)	31 March 2024*		31 March 2023	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Outstanding at the start of the year	136.20	166.84	123.38	172.77
Granted during the year	-	-	-	-
Exercised during the year	52.36	34.79	61.00	60.75
Lapsed/ cancelled during the year	88.24	182.01	104.55	184.47
Outstanding at the end of the year	50.74	69.58	136.20	166.84
Exercisable at the end of the year	NA	76.25	NA	187.44
Weighted Average Share price at the exercise date	78.30	58.59	58.85	58.98

\* During the year, there is reduction in strike price on account of demerger (refer note 58).

##### Outstanding Options as at 31 March 2024 and 31 March 2023

Particulars	31 March 2024		31 March 2023	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options outstanding	4,859,570	2,254,725	8,057,420	4,592,500
Weighted average strike price (₹)	50.74	69.58	136.20	166.84
Weighted average remaining lifetime of options (in years)	1.35	0.07	1.65	0.16
Number of employees covered under the scheme	111	143	122	166

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 38. SHARE BASED PAYMENTS: EMPLOYEE STOCK OPTION PLANS AND STOCK APPRECIATION RIGHTS PLANS (CONTINUED)

##### Options granted during FY 2023-24 and 2022-23

Particulars	31 March 2024		31 March 2023	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options granted	-	-	-	-
Weighted average strike price (in ₹)	NA	NA	NA	NA
Weighted average remaining lifetime of options (in years)	NA	NA	NA	NA
Number of employees covered under the scheme	NA	NA	NA	NA
Weighted Average Fair value per option (in ₹)	NA	NA	NA	NA
Weighted Average Intrinsic value per option (in ₹)	NA	NA	NA	NA

##### Assumptions for Fair Value for FY 2023-24 and 2022-23

Particulars	31 March 2024		31 March 2023	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Weighted average share price (in ₹)	112.17	157.75	136.33	169.52
Weighted average strike price (in ₹)	50.74	69.58	136.20	166.84
Weighted average remaining lifetime of options (in years)	1.35	0.07	1.65	0.16
Expected volatility (% p.a.)	56% p.a. - 72% p.a.	41% p.a. - 72% p.a.	56% p.a. - 72% p.a.	41% p.a. - 72% p.a.
Risk-free discount rate (% p.a.)	5.1% p.a. - 6.9% p.a.	4.3% p.a. - 7.8% p.a.	5.1% p.a. - 6.9% p.a.	4.3% p.a. - 7.8% p.a.
Expected dividend yield (% p.a.)	0.7% p.a. - 2.4% p.a.	0.4% p.a. - 2.4% p.a.	0.7% p.a. - 2.4% p.a.	0.4% p.a. - 2.4% p.a.

##### Other Disclosure

Particulars	31 March 2024			31 March 2023		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Charges during the year due to share based payments	(22.57)	(4.83)	(27.40)	10.71	3.52	14.23
Liability due for share based payments	191.24	180.82	372.06	343.65	355.07	698.72
Intrinsic value of the liability above	1.93	10.40	12.33	4.83	20.36	25.19

#### 39. RISK MANAGEMENT

The Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 39. RISK MANAGEMENT (CONTINUED)

##### Risk management strategy:

The strategy at an execution level is supported by -

1. Three tiered risk management structure to manage and oversee risks
2. Board and Executive Level Committees to review and approve risk exposures
3. Risk Management framework to ensure each risk the Company is exposed to is given due importance and managed through a well-defined framework and guidelines
4. Well-defined Standard Operating Procedures and Product approval framework to ensure risks are mitigated at operational level
5. Adequate segregation of duties to ensure multi-layered checks and balances
6. Exception reporting framework to ensure process and policy deviations are adequately addressed

##### Risk management structure:

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has appointed the Risk Committee which is responsible for monitoring the overall risk process within the Company and reports to the Audit Committee

The Risk Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits.

The Company is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Company works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

##### Credit risk

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial /contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. The Company's lending activities is restricted to only its subsidiaries within the Edelweiss Group, the Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. Credit risk is monitored using various internal risk management measures and within limits approved by the board within a framework of delegated authorities. It is managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers. Presently Company has credit exposure only to its subsidiaries where adequate control and monitoring is ensured.

##### Liquidity risk

Liquidity risk emanates from the possible mismatches due to differences in maturity and repayment profile of assets and liabilities. To avoid such a scenario, the Company has maintained cash reserves in the form of Fixed Deposits, Cash, Loans which are callable any time at the Company's discretion, etc. These assets carry minimal credit risk and can be liquidated. These would be to take care of immediate obligations while continuing to honour commitments as a going concern.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 39. RISK MANAGEMENT (CONTINUED)

##### Analysis of financial assets and liabilities by remaining contractual maturities

The table below at note number 42 summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31 March. All OTC derivatives used for hedging are shown by maturity, based on their contractual undiscounted payment obligations. All exchange traded derivatives held for trading are analysed based on expected maturity.

##### Market Risk

Market risk is the risk which can affect the Company's performance due to adverse movements in market prices of instrument due to interest rates, equity prices, foreign exchange rates. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters.

Foreign exchange risk – Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's foreign exposure is limited to investments and loans to Group entities outside India. The Company aggregates the foreign exchange exposure emerging out of these loans/ investments and the same is hedged using OTC and exchange traded derivatives. Positions are regularly monitored by the Company and rebalanced/ rolled over based on the inflow and outflow of funds. The Company don't have any foreign currency exposure as at March 31, 2024.

#### 40. FAIR VALUE MEASUREMENT

##### 40.1 Valuation governance framework

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

##### 40.2 Fair value hierarchy

Fair values of financial assets and liabilities are determined according to the following hierarchy.

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

##### 40.3 Financial instruments measured at Amortised Cost

The following table sets out the fair values and fair value hierarchy of financial instruments measured at amortised cost. The information given with respect to financial instruments for which the fair value differs from the carrying amount. Carrying amounts of cash and cash equivalents, trade receivables, trade and other payables as on 31 March 2024 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financials assets and other financial liabilities is not significant in each of the years presented.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 40. FAIR VALUE MEASUREMENT (CONTINUED)

#### 40.3 Financial instruments measured at Amortised Cost (Continued)

Particulars	31 March 2024				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Loans	36,382.39	36,382.39	-	-	36,382.39
<b>Financial liabilities</b>					
Debt securities	28,079.84	28,079.84	28,079.84	-	-
Borrowings (other than debt securities)	1,597.39	1,597.39	-	-	1,597.39

Particulars	31 March 2023				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Loans	29,023.40	29,023.40	-	-	29,023.40
<b>Financial liabilities</b>					
Debt securities	25,886.54	25,886.54	22,366.27	3,520.27	-
Borrowings (other than debt securities)	-	-	-	-	-

40.4 The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy. Exchange traded and OTC derivatives are at gross amount i.e. before offsetting margin money.

Particulars	As at 31 March 2024			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
<b>Investments</b>				
Equity instruments	3.62	-	-	3.62
Mutual Fund	74.85	-	-	74.85
<b>Total investments measured at fair value</b>	<b>78.47</b>	<b>-</b>	<b>-</b>	<b>78.47</b>
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>78.47</b>	<b>-</b>	<b>-</b>	<b>78.47</b>

Particulars	As at 31 March 2023			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
<b>Investments</b>				
Equity instruments	3.07	108.86	23,531.82	23,643.75
<b>Total investments measured at fair value</b>	<b>3.07</b>	<b>108.86</b>	<b>23,531.82</b>	<b>23,643.75</b>
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>3.07</b>	<b>108.86</b>	<b>23,531.82</b>	<b>23,643.75</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 40. FAIR VALUE MEASUREMENT (CONTINUED)

#### 40.5 Movement in level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value.

Particulars	Financial assets
	Equity instruments at FVTPL
As at 31 March 2022	-
Transfer into level 3	23,531.82
<b>As at 31 March 2023</b>	<b>23,531.82</b>
Transfer into level 3	-
Transferred on account of demerger ( Refer Note 58 )	(23,531.82)
<b>As at 31 March 2024</b>	<b>-</b>

#### 40.6 Fair valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to formation that is considered to be more relevant and reliable.

#### 40.7 Fair valuation techniques

##### Equity instruments

The equity instruments which are actively traded on recognised stock exchanges are valued at readily available active prices on a regular basis. Such instruments are classified as Level 1. Equity instruments in non-listed entities are initially measured at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Such unlisted equity securities are classified at Level 2.

#### 40.8 Transfer between Level 1 and level 2

During the year there were no transfers between level 1 and level 2.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 40. FAIR VALUE MEASUREMENT (CONTINUED)

40.9 Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data  
As at 31 March 2024

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Investments in unquoted equity shares categorised at Level 3	Simple Average of discounted projected Cash Flows and Comparable Companies multiple	Nil	Nil	Nil	Nil	Nil	Nil

As at 31 March 2023

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Investments in unquoted equity shares categorised at Level 3	Simple Average of discounted projected Cash Flows and Comparable Companies multiple	Fair value per share	₹ 2,238 per share	5%	1,176.59	5%	(1,176.59)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 41. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the effective interest rate. Issued debt reflect the contractual coupon amortisations.

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>Financial assets</b>						
(a) Cash and cash equivalents	461.03	-	461.03	1,350.09	-	1,350.09
(b) Bank balances other than cash and cash equivalents	9.48	-	9.48	39.17	-	39.17
(c) Trade Receivables	154.50	-	154.50	305.64	-	305.64
(d) Loans	10,796.96	25,585.43	36,382.39	7,393.97	21,629.43	29,023.40
(e) Investments	78.47	46,001.90	46,080.37	111.93	71,988.77	72,100.70
(f) Other financial assets	12.35	92.24	104.59	58.71	141.18	199.89
<b>Total financial assets (A)</b>	<b>11,512.79</b>	<b>71,679.57</b>	<b>83,192.36</b>	<b>9,259.51</b>	<b>93,759.38</b>	<b>103,018.89</b>
<b>Non-financial assets</b>						
(a) Current tax assets (net)	-	826.03	826.03	-	1,143.22	1,143.22
(b) Deferred tax assets (net)	-	3,803.28	3,803.28	-	1,895.05	1,895.05
(c) Property, Plant and Equipment	-	6.96	6.96	-	10.34	10.34
(d) Other Intangible assets	-	-	-	-	-	-
(e) Other non- financial assets	26.06	934.44	960.50	80.19	1,038.17	1,118.36
<b>Total non-financial assets (B)</b>	<b>26.06</b>	<b>5,570.71</b>	<b>5,596.77</b>	<b>80.19</b>	<b>4,086.78</b>	<b>4,166.97</b>
<b>TOTAL ASSETS (C = A+B)</b>	<b>11,538.85</b>	<b>77,250.28</b>	<b>88,789.13</b>	<b>9,339.70</b>	<b>97,846.16</b>	<b>107,185.86</b>

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
(a) Trade Payables	3,112.59	-	3,112.59	2,233.99	-	2,233.99
(b) Debt securities	5,650.91	22,428.93	28,079.84	3,847.02	22,039.52	25,886.54
(c) Borrowings (other than debt securities)	1,597.39	-	1,597.39	-	-	-
(d) Other financial liabilities	482.43	806.31	1,288.74	1,120.26	5,360.19	6,480.45
<b>Total financial liabilities (D)</b>	<b>10,843.32</b>	<b>23,235.24</b>	<b>34,078.56</b>	<b>7,201.27</b>	<b>27,399.71</b>	<b>34,600.98</b>
<b>Non-financial liabilities</b>						
(a) Current tax liabilities (net)	-	29.21	29.21	-	7.86	7.86
(b) Provisions	4.00	-	4.00	9.31	-	9.31
(c) Other non-financial liabilities	48.93	-	48.93	15.08	-	15.08
<b>Total non-financial liabilities (E)</b>	<b>52.93</b>	<b>29.21</b>	<b>82.14</b>	<b>24.39</b>	<b>7.86</b>	<b>32.25</b>
<b>TOTAL LIABILITIES (F = D+E)</b>	<b>10,896.25</b>	<b>23,264.45</b>	<b>34,160.70</b>	<b>7,225.66</b>	<b>27,407.57</b>	<b>34,633.23</b>
<b>NET TOTAL ASSETS / (LIABILITIES) (C-F)</b>	<b>642.60</b>	<b>53,985.83</b>	<b>54,628.43</b>	<b>2,114.04</b>	<b>70,438.59</b>	<b>72,552.63</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 42. ANALYSIS OF FINANCIAL LIABILITIES, FINANCIAL ASSETS, DERIVATIVES AND FINANCIAL COMMITMENTS BY REMAINING CONTRACTUAL MATURITIES

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities, financial assets, derivatives and financial commitments as at 31 March. All OTC derivatives used for hedging are shown by maturity, based on their contractual undiscounted payment obligations. All exchange traded derivatives held for trading are analysed based on expected maturity.

As at 31 March 2024

Non-derivative financial liabilities	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	3,112.59	-	-	-	-	3,112.59
Borrowings (other than debt securities)	1,597.39	-	-	-	-	1,597.39
Debt securities	1,178.48	2,523.55	3,524.01	15,626.17	14,505.55	37,357.76
Other financial liabilities	482.43	-	-	806.31	-	1,288.74
<b>Total undiscounted non-derivative financial liabilities</b>	<b>6,370.89</b>	<b>2,523.55</b>	<b>3,524.01</b>	<b>16,432.48</b>	<b>14,505.55</b>	<b>43,356.48</b>

Non-derivative financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	470.51	-	-	-	-	470.51
Trade receivables	154.50	-	-	-	-	154.50
Loans	7,296.86	3,000.00	3,815.32	17,574.68	4,700.10	36,386.96
Investments	78.47	-	-	-	46,001.90	46,080.37
Other financial assets	12.35	-	-	89.46	2.78	104.59
<b>Total undiscounted non-derivative financial assets</b>	<b>8,012.69</b>	<b>3,000.00</b>	<b>3,815.32</b>	<b>17,664.14</b>	<b>50,704.78</b>	<b>83,196.93</b>

Commitments	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Financial Guarantee and contracts issued	923.50	1,148.70	9,965.70	12,160.35	2,216.61	26,414.86

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 42. ANALYSIS OF FINANCIAL LIABILITIES, FINANCIAL ASSETS, DERIVATIVES AND FINANCIAL COMMITMENTS BY REMAINING CONTRACTUAL MATURITIES (CONTINUED)

As at 31 March 2023

Non-derivative financial liabilities	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	2,233.99	-	-	-	-	2,233.99
Borrowings (other than debt securities)	-	-	-	-	-	-
Debt securities	156.74	78.96	3,611.32	11,743.46	10,296.06	25,886.54
Other financial liabilities	1,120.26	-	-	5,360.19	-	6,480.45
<b>Total undiscounted non-derivative financial liabilities</b>	<b>3,510.99</b>	<b>78.96</b>	<b>3,611.32</b>	<b>17,103.65</b>	<b>10,296.06</b>	<b>34,600.98</b>

Non-derivative financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	1,389.26	-	-	-	-	1,389.26
Trade receivables	305.64	-	-	-	-	305.64
Loans	7,393.97	-	-	21,629.43	-	29,023.40
Investments	111.93	-	-	-	71,988.77	72,100.70
Other financial assets	58.71	-	-	121.24	19.94	199.89
<b>Total undiscounted non-derivative financial assets</b>	<b>9,259.51</b>	<b>-</b>	<b>-</b>	<b>21,750.67</b>	<b>72,008.71</b>	<b>103,018.89</b>

Commitments	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Financial Guarantee and contracts issued	17,171.60	446.57	664.50	2,241.90	12,557.60	33,082.17

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 43. TOTAL MARKET RISK EXPOSURE

Fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. Fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. Such risks the market risk for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables. Non-trading positions are managed and monitored using other sensitivity analyses.

Particulars	As at 31 March 2024			As at 31 March 2023		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Assets</b>						
Cash and cash equivalent and other bank balances	470.51	-	470.51	1,389.26	-	1,389.26
Trade receivables	154.50	-	154.50	305.64	-	305.64
Loans at amortised cost	36,382.39	-	36,382.39	29,023.40	-	29,023.40
Financial investments- FVTPL	78.47	78.47	-	23,643.75	111.93	23,531.82
Financial investments- at cost	46,001.90	-	46,001.90	48,456.95	-	48,456.95
Other Financial assets	104.59	-	104.59	199.89	-	199.89
<b>Total</b>	<b>83,192.36</b>	<b>78.47</b>	<b>83,113.89</b>	<b>103,018.89</b>	<b>111.93</b>	<b>102,906.96</b>
<b>Liability</b>						
Debt securities	28,079.84	-	28,079.84	25,886.54	-	25,886.54
Trade payables	3,112.59	-	3,112.59	2,233.99	-	2,233.99
Borrowings (other than debt securities)	1,597.39	-	1,597.39	-	-	-
Other financial liabilities	1,288.74	-	1,288.74	6,480.45	-	6,480.45
<b>Total</b>	<b>34,078.56</b>	<b>-</b>	<b>34,078.56</b>	<b>34,600.98</b>	<b>-</b>	<b>34,600.98</b>

### 44. DISCLOSURE RELATED TO COLLATERAL

The table sets out availability of Company assets to support funding

As at 31 March 2024	Pledge as collateral	Available as collateral	Total carrying amount
Cash and cash equivalent including bank balance	-	470.51	470.51
Trade receivables	154.50	-	154.50
Loans	22,368.63	14,013.76	36,382.39
Investments	1,712.41	44,367.96	46,080.37
Other financial assets	-	15.13	15.13
Property, plant and equipment	-	6.96	6.96
Other non financial assets	-	960.50	960.50
<b>Total assets</b>	<b>24,235.54</b>	<b>59,834.82</b>	<b>84,070.36</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 44. DISCLOSURE RELATED TO COLLATERAL (CONTINUED)

As at 31 March 2023	Pledge as collateral	Available as collateral	Total carrying amount
Cash and cash equivalent including bank balance	30.87	1,358.39	1,389.26
Trade receivables	305.64	-	305.64
Loans	15,739.10	13,284.30	29,023.40
Investments	1,712.41	70,388.29	72,100.70
Other financial assets	-	78.65	78.65
Property, plant and equipment	-	10.34	10.34
Other non financial assets	-	1,118.36	1,118.36
<b>Total assets</b>	<b>17,788.02</b>	<b>86,238.33</b>	<b>104,026.35</b>

### 45. ANALYSIS OF RISK CONCENTRATION

Industry analysis - risk concentration

As at 31 March 2024	Financial services	Others	Total
<b>Financial assets</b>			
Cash and cash equivalent and other bank balances	470.51	-	470.51
Trade receivables	154.50	-	154.50
Loans	36,382.39	-	36,382.39
Investments	46,080.37	-	46,080.37
Other financial assets	104.59	-	104.59
<b>Total assets</b>	<b>83,192.36</b>	<b>-</b>	<b>83,192.36</b>

As at 31 March 2023	Financial services	Others	Total
<b>Financial assets</b>			
Cash and cash equivalent and other bank balances	1,389.26	-	1,389.26
Trade receivables	305.64	-	305.64
Loans	29,023.40	-	29,023.40
Investments	72,100.70	-	72,100.70
Other financial assets	199.89	-	199.89
<b>Total assets</b>	<b>103,018.89</b>	<b>-</b>	<b>103,018.89</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 46. EVENTS AFTER REPORTING DATE

The Company has evaluated all events that occur after balance sheet date through the date when the financial statements were issued to determine if they must be reported. The management of the Company determined that there were no reportable subsequent events

### 47. DETAILS OF BENAMI PROPERTY HELD

The Company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

### 48. SECURITY OF CURRENT ASSETS AGAINST BORROWINGS

During the year, the Company not availed any borrowings based on the current assets

### 49. WILFUL DEFAULTER

The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.

### 50. RELATIONSHIP WITH STRUCK OFF COMPANIES

Where the company has any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, the Company shall disclose the following details, namely:-

As at 31 March 2024

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
There are no transactions with struck-off Company during the year			

As at 31 March 2023

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Marvel Limited	Commission Income	-	None
Four Seasons Hotel	Professional Fees	-	None
Anahat Organisation Development Consultancy Pvt Ltd	Professional Fees	-	None
Shams Cable Network	Office Expense	-	None

### 51. REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 52. UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM:

A) During the year, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall, other than as disclosed in note (1) below:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries

#### Note (1)

During the year, the Company has given loans to its subsidiaries/fellow subsidiary companies in the ordinary course of business, which are at Arm's length and the same is approved by Board Audit Committee of the Company. The Company confirms that the below transactions are in accordance with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013 and the such transactions are not in violation of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

As at 31 March 2024

S. No.	Name of Intermediary	Nature	Date	Rupees in millions	Name of Company in which investment done by Intermediary	Nature	Date	Rupees in millions	Remarks
1	Ecap Equities Limited(Ecap Eq)	Loan Given	30-Jun-23	700.00	Ecap Securities and Investment Limited (Ecap Sec)	Loan Given	30-Jun-23	700.00	Ecap Eq and Ecap Sec are subsidiary of EFSL.
2	Ecap Equities Limited(Ecap Eq)	Loan Given	31-Jul-23	670.00	Edelcap Securities Limited (Edelcap)	Loan Given	31-Jul-23	670.00	Ecap Eq and Edelcap are subsidiary of EFSL.
3	Ecap Equities Limited(Ecap Eq)	Loan Given	30-Aug-23	800.00	Edelcap Securities Limited (Edelcap)	Loan Given	06-Sep-23	800.00	Ecap Eq and Edelcap are subsidiary of EFSL.
4	Edelweiss Investment Adviser Limited(EIAL)	Loan Given	27-Sep-23	325.00	Ecap Equities Limited(Ecap Eq)	Investment	27-Sep-23	250.40	EIAL and Ecap Eq are subsidiary of EFSL.
5	Edelweiss Investment Adviser Limited(EIAL)	Loan Given	13-Mar-24	250.00	Ecap Equities Limited(Ecap Eq)	Investment	13-Mar-24	250.00	EIAL and Ecap Eq are subsidiary of EFSL.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 52. UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM: (CONTINUED)

As at 31 March 2023

S.No.	Name of Intermediary	Nature	Date	Rupees in millions	Name of Company in which investment done by Intermediary	Nature	Date	Rupees in millions	Remarks
1	Ecap Equities Limited(Ecap Eq)	Loan Given	04-Apr-22	2,300.00	Edelweiss Rural & Corporate Services Limited (ERCSSL)	Non convertible Debenture	04-Apr-22	2,300.00	Ecap Eq and ERCSSL are subsidiary of EFSL.
2	Edelweiss Rural & Corporate Services Limited (ERCSSL)	Loan Given	28-Dec-22	960.00	India Credit Investment Fund II (ICIF II)	Units of Funds	28-Dec-22	957.09	ERCSSL is subsidiary of EFSL and ICIF II investments are held through ERCSSL.
3	Edelweiss Rural & Corporate Services Limited (ERCSSL)	Loan Given	Various Dates	2,120.00	Edel Finance Company Limited (EFCL)	Loan Given	24-Jun-22	2,120.00	ERCSSL and EFCL are subsidiary of EFSL.
4	Edelweiss Rural & Corporate Services Limited (ERCSSL)	Loan Given	Various Dates	1,750.00	Edelweiss Retail Finance Limited (ERFL)	Loan Given	26-Dec-22	1,750.00	ERCSSL and ERFL are subsidiary of EFSL.
5	Edelweiss Rural & Corporate Services Limited (ERCSSL)	Loan Given	Various Dates	2,148.00	Edelweiss Investment Advisors Limited (EIAL)	Loan Given	30-Dec-22	2,148.00	ERCSSL and EIAL are subsidiary of EFSL.
6	Edelweiss Rural & Corporate Services Limited (ERCSSL)	Loan Given	Various Dates	200.00	Ecap Equities Limited (Ecap Eq)	Loan Given	Various Dates	200.00	ERCSSL and Ecap Eq are subsidiary of EFSL.
7	Ecap Equities Limited(Ecap Eq)	Loan Given	01-Mar-23	830.00	Edelweiss Securities And Investments Private Limited(ESIPL)	Loan Given	01-Mar-23	830.00	Ecap Eq and ESIPL are subsidiary of EFSL.
8	Ecap Equities Limited(Ecap Eq)	Loan Given	17-Mar-23	650.00	Edel Investment Limited (EIL)	Compulsorily Convertible Debenture Infusion	17-Mar-23	650.00	Ecap Eq is wholly owned subsidiary of EFSL and EIL is wholly owned subsidiary of Ecap Eq.
9	Edelweiss Securities And Investments Private Limited(ESIPL)	Loan Given	28-Mar-23	2,300.00	Edelweiss Alternative Asset Advisors Limited (EAAA)	Compulsorily Convertible Debenture	28-Mar-23	2,300.00	ESIPL is wholly owned subsidiary of EFSL. As per Group restructuring plan, ESIPL will be holding Company for EAAA.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 52. UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM: (CONTINUED)

(B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall, other than as disclosed in note (2) below

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries

#### Note (2)

During the year, the Company has taken loans and given loans to its subsidiary company in the ordinary course of business, are at Arm's length and the same is approved by Board Audit Committee of the Company. The Company confirms that the below transactions are in accordance with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013 and the such transactions are not in violation of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

As at 31 March 2024

S.No.	Name of Lender	Nature	Date	Rupees in millions	Loan given to	Nature	Date	Rupees in millions	Remarks
1	Ecap Equities Limited(Ecap Eq)	Loan taken from	Various dates	1,595.42	Edel Finance Company Limited (EFCL)	Loan given	Various dates	1,595.42	Ecap Eq and EFCL are subsidiary of EFSL

As at 31 March 2023

S.No.	Name of Lender	Nature	Date	Rupees in millions	Loan given to	Nature	Date	Rupees in millions	Remarks
									Nil

#### Note (3)

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

### 53. UNDISCLOSED INCOME

The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

54. The Company Doesn't have any immovable properties whose title deeds are not held in name of the Company.

### 55. LOANS AND ADVANCES

As at 31 March 2024

Type of Borrowers	Amount of loan or advance in the nature of loan outstanding	Aggregate amount of loans/ advances in nature of loans	Percentage to the total Loans and Advances in the nature of loans*
Promoters	-	-	-
Directors	-	-	-
KMPs	-	5.00	0.01%
Related Parties	36,386.96	45,455.62	99.99%

\* Percentage of aggregate loans granted during the year

As at 31 March 2023

Type of Borrowers	Amount of loan or advance in the nature of loan outstanding	Aggregate amount of loans/ advances in nature of loans	Percentage to the total Loans and Advances in the nature of loans*
Promoters	-	-	-
Directors	-	-	-
KMPs	-	-	-
Related Parties	29,027.73	46,507.42	100.00%

\* Percentage of aggregate loans granted during the year

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

56.1 The Board of Directors at their meeting held on 14 May 2024, have recommended a final dividend of ₹ 1.50 per equity share (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting.

56.2 During the year, the Company has declared and paid the final dividend of ₹ 1.25 per equity share (on face value of ₹ 1 per equity share) for the financial year ended 31 March 2023, based on the approval of the members of the Company at the Annual General Meeting held on 26 September 2023.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

57. During the year ended 31 March 2024, the Company and two subsidiaries of the Group, ECL Finance Limited and Edelweiss Retail Finance Limited (subsidiaries), has agreed to discontinue risk and reward agreement in respect of security receipts (SRs). Basis this agreement, the Company has agreed to settle net outstanding unrealized losses on SRs amounting to ₹ 7,165.30 millions. Accordingly, the Company has paid ₹ 5,232.50 millions during the year ended 31 March 2024 and balance will be paid subsequent to the year end.

During the previous year ended 31 March 2023, two subsidiaries of the Company had sold certain financial assets amounting to ₹ 16,718.90 million (net of provisions) to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 5,227.20 million from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from these subsidiaries' financial statements. The Company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognized in the subsidiaries' financial statements. Based on assessment of probability of default, loss given default in respect of these financial assets (i.e. sold during the year ended 31 March 2023 and in earlier years) and in light of various factors viz. exposures to certain sectors and assessment of credit and market risks for certain counter parties relative to such risks at initial recognition, the Company has recorded fair value loss of ₹ 3,786.01 million (net) for year ended and is included in "Net gain / (loss) on fair value changes.

58. The Board of Directors of the Company at its meeting held on 13 May 2022, had approved the Scheme of arrangement between Edelweiss Financial Services Limited ('EFSL') and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) ('NWML') and their respective shareholders and creditors ('the Scheme'), under section 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013, which inter-alia envisaged demerger of Wealth Management Business Undertaking ('Demerged Undertaking' as defined in the Scheme) of EFSL into the NWML and issue of shares of NWML to the shareholders of EFSL pursuant to demerger.

The National Company Law Tribunal Bench at Mumbai (Tribunal ) has approved the Scheme on 27 April 2023. The certified copy of the order of the Tribunal approving the Scheme was received by the Company on 12 May 2023 and was filed with the Registrar of Companies on 18 May 2023 ('Effective Date').

As per the Scheme, the Appointed Date of the Scheme is same as Effective Date i.e., 18 May 2023.

Pursuant to the Scheme, the equity share capital of NWML held by EFSL stand cancelled. Further, NWML has allotted 1,05,28,746 equity shares to the shareholders of EFSL as on the record date as per the Scheme. In accordance with Appendix A of Indian Accounting Standard ( Ind AS) 10 Distribution of Non-cash Assets to Owners and as per the scheme, the distribution of non-cash assets to shareholders of the Company and carrying value of net assets of Wealth Management Business Undertaking have been adjusted against the Retained Earnings amounting to ₹ 23,531.80 millions . In view of above, the financials of the Current period are after giving effect of the Scheme as on appointed date i.e., 18<sup>th</sup> May, 2023 and hence previous period numbers are not comparable to that extent.

Further, on account of demerger, Company has accounted for net gain amounting to ₹ 83.20 millions during the current year ended 31 March 2024.

As per the Scheme, Company transferred assets and liabilities of Demerged Undertaking to the NWML and Company derecognised all assets and liabilities of Demerged Undertaking using acquisition method.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

58.	Particulars	Amount
	<b>ASSETS</b>	
	<b>Financial assets</b>	
	Cash and cash equivalents	20.00
	Trade Receivables	73.38
	Investments	23,531.80
	Other financial assets	264.92
	<b>Total financial assets (A)</b>	<b>23,890.10</b>
	<b>Non-financial assets</b>	
	Property, Plant and Equipment	0.79
	Other non-financial assets	225.37
	<b>Total Non-financial assets (B)</b>	<b>226.16</b>
	<b>TOTAL ASSETS (C)= ((A)+(B))</b>	<b>24,116.26</b>
	<b>LIABILITIES</b>	
	<b>Financial liabilities</b>	
	Trade Payables	35.64
	Other financial liabilities	353.10
	<b>Total financial liabilities (D)</b>	<b>388.74</b>
	<b>Non-financial liabilities</b>	
	Current tax liabilities (net)	-
	Provisions	14.17
	Other non-financial liabilities	181.55
	<b>Total non-financial liabilities (E)</b>	<b>195.72</b>
	<b>TOTAL LIABILITIES (F)=((D)+(E))</b>	<b>584.46</b>
	<b>Networth Adjusted to Equity on demerger (G)= ((C)-(F))</b>	<b>23,531.80</b>

59. Under the Shareholders' Agreement dated 05 March 2019, entered between Edelweiss Financial Services Limited (EFSL), CDPQ Private Equity Asia PTE. Limited (CDPQ) and ECL Finance Limited (together referred as Parties), EFSL had agreed, pursuant to clause 8.1 & 8.2 to make equity investment of an amount equivalent to the amount of losses on Select real estate/structured finance Loans (Select Loans) into ECL Finance Limited within six months of the default leading to loss incurred by the ECL Finance Limited on or before the date of the conversion of the Investor CCDs into Equity Shares. The rationale for this undertaking was to keep the total equity/net worth of ECL Finance Limited unimpacted on account of impairment in the selected loan accounts. During the previous year ended 31 March 2023, Parties have agreed and concluded that loss event for three of the borrowers in the Select Loans have crystalized and hence, EFSL has agreed to make good the loss amounting to ₹ 1,295.20 million incurred by ECL Finance Limited in earlier years. Accordingly, EFSL has recorded such loss in its profit and loss for the year ended 31 March 2023. The Parties have agreed that no loss event has been crystalized in respect of other Select Loans amounts mentioned in above said clauses of the agreement and hence there is no obligation of EFSL.

60. During the year ended 31 March 2024 and 31 March 2023, an investor has invested in Security receipts issued by ARC trusts as senior class investor in such trusts amounting to ₹ 3,250 million and ₹ 12,000 million respectively. These pertain to certain loans and security receipts sold by one of the subsidiary company, ECL Finance Limited to the ARC trusts. EFSL and another subsidiary company, Edelweiss Securities and Investments Private Limited ("ESIPL") have provided a Put option to the investor assuring to pay or guarantee the payment of agreed aggregated total pay-out value after reducing any payment to investors from underlying assets during the period i.e., amount invested along with a minimum guaranteed return as per the agreement. Further, based on management assessment and given current estimates/cash flows from underlying assets, the likelihood of any payment to investor is considered as remote.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

61. Nuvama Clearing Services Limited (NCSL), a former associate, received a show cause notice and order from NSE Clearing Ltd (NCL) in the matter of Angra Stock and Broking Pt. Ltd (Angra or Trading member) and Vries Securities Pt. Limited. Securities Appellate Tribunal (SAT) has upheld NCL order on 15 December 2023. NCSL has appealed against the SAT order at the Supreme Court of India, asserting compliance with all relevant laws and regulations. The appeal is in the process of admission with the Supreme Court of India. The Company has obtained legal opinion on the matter and the Company believes that the NCSL will receive a favourable order in this regard. Accordingly, there is no adjustment required in the Standalone Financial Statements of the Company.
- 62.1 The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact if any, and account for the same once the rules are notified and become effective.
- 62.2 The Company has complied with the Rule 3 of Companies (Accounts) Rules, 2014 amended on 5 August 2022 relating to maintenance of electronic books of account and other relevant books and papers. The Company's books of accounts and relevant books and papers are accessible in India at all times and backup of accounts and other relevant books and papers are maintained in electronic mode within India and kept in servers physically located in India on daily basis.
63. **DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY**  
The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and any of the previous financial years.
64. During the year ended 31 March 2024, other income includes gain amounting to ₹ 11,527.78 million (previous year ₹ 6,795.64 million) on sale of investments in its subsidiaries ( Namely ECL Finance Limited and Edelweiss Securities and Investments Private Limited).
65. The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

(Currency : Indian rupees in millions)

#### 66. RATIO ANALYSIS

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023	% Change	Remarks
1 Debt-Equity Ratio	0.54	0.36	51%	Increase in the debt is more than the increase in the equity , resulted in increase in Debt-Equity ratio during the year.
2 Interest Service Coverage Ratio	2.58	8.65	(70%)	Decrease in the profit before tax compare to the previous year has resulted in decrease in Interest service coverage ratio.
3 Total debt to Total assets	0.33	0.24	38%	Decrease in Total assets from ₹ 107,185.86 million in previous year to ₹ 88,789.13 million in current year, resulted in increase in Total Debt-Total Assets ratio during the year.
4 Net profit margin (%)	67.65%	77.32%	(13%)	Decrease in Net Profit from ₹ 23,882.47 million in previous year to ₹ 6,952.12 million in current year, resulted in decrease in Net profit margin ratio during the year.

#### Notes:

- Debt-equity Ratio = Total debt (Debt securities + Borrowings other than debt securities) / Net worth
- Interest Service Coverage Ratio = Profit before interest and Tax / interest expense
- Total debt to Total assets = (Debt securities + Borrowings other than debt securities) / Total assets
- Net profit margin = Net Profit for the year / Total income
- Current ratio, Long term debt to working capital, Bad Debts to account receivables ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin (%) are not applicable owing to the business model of the company

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

CIN-L99999MH1995PLC094641

(Currency : Indian rupees in millions)

- The Company is in compliance with number of layers of companies, as prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- Previous year's figures have been regrouped / reclassified to conform to current year presentation.
- All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirements of Schedule III, unless otherwise stated.

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date attached

**For Nangia & Co. LLP**  
Chartered Accountants  
ICAI Firm's Registration Number: 002391C/N500069

**Jaspreet Singh Bedi**  
Partner  
Membership No: 601788

Mumbai 14 May 2024

**For and on behalf of the Board of Directors of**  
Edelweiss Financial Services Limited

**Rashesh Shah**  
Chairman & Managing Director  
DIN: 00008322

**Ananya Suneja**  
Chief Financial Officer

14 May 2024

**Venkatchalam Ramaswamy**  
Vice Chairman & Executive Director  
DIN: 00008509

**Tarun Khurana**  
Company Secretary  
Membership No: 12344

**FORM AOC-I**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

**PART A: SUBSIDIARIES\***

(Currency : Indian rupees in million)

Name of the Subsidiary Company	ECL Finance Limited	Edelcap Securities Limited	Edelweiss Asset Management Limited	Ecap Securities and Investments Limited	Edelweiss Trusteeship Company Limited	Nido Home Finance Limited	Edelweiss Investment Adviser Limited
Date since when Subsidiary acquired	18-07-2005	11-01-2008	23-08-2007	11-01-2008	03-09-2007	30-05-2008	11-01-2008
Reporting currency	INR	INR	INR	INR	INR	INR	INR
Exchange rate	-	-	-	-	-	-	-
Paid-up Equity Share Capital**	2,138.27	3,639.25	733.43	317.40	1.00	693.50	6,755.50
Paid-up Preference Share Capital	-	-	-	-	-	-	-
Reserves of the Subsidiary	25,552.81	456.69	1,653.32	(1,651.32)	5.80	7,454.38	(13,361.94)
Total Assets of the Subsidiary	1,08,282.08	6,901.62	3,277.76	14,951.17	7.72	37,649.46	5,003.45
Total Liabilities of the Subsidiary	80,591.00	2,805.68	891.03	16,285.09	0.93	29,501.58	11,609.89
Investments	73,978.96	6,094.22	1,778.72	14,802.28	6.74	2,058.23	1,808.22
Total Turnover	12,737.53	1,524.52	2,545.24	105.46	3.38	4,657.12	1,349.45
Profit/(Loss) before taxation	1,844.22	239.85	376.18	(803.36)	1.54	260.55	(2,407.87)
Provision for taxation	492.35	(39.57)	-	-	0.37	67.50	-
Profit/(Loss) after taxation	1,351.87	279.42	376.18	(803.36)	1.17	193.05	(2,407.87)
Proposed dividend	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%

**FORM AOC-I (CONTINUED)**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

**PART A: SUBSIDIARIES\* (CONTINUED)**

(Currency : Indian rupees in million)

Name of the Subsidiary Company	Edelweiss Rural & Corporate Services Limited	Comtrade Commodities Services Limited	Edel Finance Company Limited	Edelweiss Retail Finance Limited	Zuno General Insurance Limited	Edelweiss Securities and Investments Private Limited	EC International Limited
Date since when Subsidiary acquired	30-04-2010	16-07-2010	16-07-2010	19-07-2012	02-03-2016	14-12-2009	11-12-2008
Reporting currency	INR	INR	INR	INR	INR	INR	USD
Exchange rate	-	-	-	-	-	-	83.38
Paid-up Equity Share Capital**	13,179.40	300.00	19,216.75	429.50	8,710.00	6.13	6.20
Paid-up Preference Share Capital	13.60	-	1,650.00	-	-	-	-
Reserves of the Subsidiary	(6,180.55)	(291.77)	6,812.15	5,081.40	(6,221.76)	2,890.44	(1.63)
Total Assets of the Subsidiary	27,285.34	33.62	74,409.94	10,144.92	15,470.44	9,826.33	6.11
Total Liabilities of the Subsidiary	20,286.49	25.39	48,381.04	4,634.02	12,982.19	6,929.76	1.54
Investments	10,282.62	-	72,945.70	2,219.34	10,576.03	8,795.66	-
Total Turnover	3,109.37	0.66	4,046.85	1,085.45	6,043.92	1,140.82	150.57
Profit/(Loss) before taxation	(1,008.71)	(8.83)	142.48	181.84	(1,228.19)	(542.52)	157.77
Provision for taxation	17.66	0.02	(649.00)	37.66	-	(169.46)	-
Profit/(Loss) after taxation	(1,026.37)	(8.85)	791.48	144.18	(1,228.19)	(373.06)	157.77
Proposed dividend	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%

**FORM AOC-I (CONTINUED)**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

**PART A: SUBSIDIARIES\* (CONTINUED)**

(Currency : Indian rupees in million)

Name of the Subsidiary Company	Edelweiss Alternative Asset Advisors Pte. Limited	Edelweiss International (Singapore) Pte. Limited	Edeigive Foundation	Edelweiss Alternative Asset Advisors Limited	Edelweiss Reconstruction Company Limited	Edelweiss Tokio Life Insurance Company Limited	Allium Finance Private Limited
Date since when Subsidiary acquired	08-08-2008	02-05-2008	29-05-2008	14-05-2008	16-09-2016	25-11-2009	15-06-2009
Reporting currency	SGD	USD	INR	INR	INR	INR	INR
Exchange rate	61.81	83.38	-	-	-	-	-
Paid-up Equity Share Capital**	446.64	1,320.52	104.20	2,488.45	2,632.53	9,155.52	68.26
Paid-up Preference Share Capital	-	-	-	-	-	-	-
Reserves of the Subsidiary	3,162.74	498.62	43.97	3,286.60	28,866.01	(1,969.02)	1,365.55
Total Assets of the Subsidiary	5,993.13	1,877.49	235.95	14,121.65	53,584.07	93,159.90	1,436.10
Total Liabilities of the Subsidiary	2,383.75	58.36	87.79	8,346.60	22,085.53	85,973.40	2.29
Investments	5,086.78	-	-	7,429.78	42,659.63	77,779.33	-
Total Turnover	1,670.31	301.78	608.85	4,093.71	10,685.08	29,476.48	157.22
Profit/(Loss) before taxation	648.07	(81.85)	(5.33)	1,472.49	4,775.97	(1,565.96)	158.39
Provision for taxation	10.71	25.78	-	360.34	1,224.02	-	32.92
Profit/(Loss) after taxation	637.36	(107.63)	(5.33)	1,112.15	3,551.95	(1,565.96)	125.47
Proposed dividend	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	59.82%	75.08%	88.28%

**FORM AOC-I (CONTINUED)**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

**PART A: SUBSIDIARIES\* (CONTINUED)**

(Currency : Indian rupees in million)

Name of the Subsidiary Company	Edelweiss Global Wealth Management Limited	Nuvama Custodial Services Limited	Sekura India Management Limited	Edelweiss Real Assets Managers Limited	ECap Equities Limited	Edel Investments Limited	Nuvama Investment Advisors LLC***
Date since when Subsidiary acquired	09-10-2007	12-02-2021	29-06-2021	25-06-2021	08-10-2008	24-11-2009	21-08-2013
Reporting currency	INR	INR	INR	INR	INR	INR	USD
Exchange rate	-	-	-	-	-	-	83.38
Paid-up Equity Share Capital**	930.00	550.00	0.50	0.62	12,784.49	1,140.22	-
Paid-up Preference Share Capital	-	-	-	-	-	-	-
Reserves of the Subsidiary	3,614.59	90.64	16.84	134.03	(3,389.66)	2,416.54	-
Total Assets of the Subsidiary	8,069.49	5,239.76	111.84	148.60	51,460.25	3,871.78	-
Total Liabilities of the Subsidiary	3,524.90	4,599.12	94.50	13.95	42,065.42	315.03	-
Investments	8,022.75	10.86	-	113.28	34,723.39	3,228.54	-
Total Turnover	801.85	818.64	357.66	62.80	14,388.97	544.19	14.82
Profit/(Loss) before taxation	(412.33)	88.59	(21.91)	28.23	865.67	20.60	3.08
Provision for taxation	-	22.19	(1.26)	5.50	(534.22)	(28.97)	-
Profit/(Loss) after taxation	(412.33)	66.39	(20.65)	22.73	1,399.89	49.57	3.08
Proposed dividend	-	-	-	-	-	-	-
% of shareholding	100%	51%	100%	100%	100%	100%	-

\*Subsidiary as defined under the Companies Act, 2013

\*\*Includes convertible instruments

\*\*\*ceased to be a subsidiary w.e.f. September 5, 2023

For and on behalf of the Board of Directors of Edelweiss Financial Services Limited

**Rashesh Shah**  
Chairman & Managing Director  
DIN: 00008322

**Venkatchalam Ramaswamy**  
Vice Chairman & Executive Director  
DIN: 00008509

**Ananya Suneja**  
Chief Financial Officer

**Tarun Khurana**  
Company Secretary  
Membership No: 12344

14 May 2024

**FORM AOC-1 (CONTINUED)**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

**Part "B": Associates**

(Currency : Indian rupees in million)

Sr. No.	Name of the Associate	-
1	Latest Audited Balance sheet date	-
2	Share of Associate held by the Company on the year end No.	-
	Amount of Investment in Associates (₹ in million)	-
	Extend of Holding %	-
3	Reason why the associate is not consolidated	-
4	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in million)	-
5	Profit / Loss for the year	-
	i. Considered in Consolidation	-
	ii. Not Considered in Consolidation (including exceptional items)	-

**For and on behalf of the Board of Directors of**  
Edelweiss Financial Services Limited

**Rashesh Shah**  
Chairman & Managing Director  
DIN: 00008322

**Venkatchalam Ramaswamy**  
Vice Chairman & Executive Director  
DIN: 00008509

**Ananya Suneja**  
Chief Financial Officer  
14 May 2024

**Tarun Khurana**  
Company Secretary  
Membership No: 12344

**FORM AOC-2**

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

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

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

(₹ in million)

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

(₹ in million)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ Transactions	Duration of the contracts/ arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	Edel Finance Company Limited (wholly owned subsidiary)	Sale of securities of subsidiaries	-	26,408.40	January 31, 2023	-
2	Edel Finance Company Limited (wholly owned subsidiary)	Interest received	-	1,768.01	January 31, 2023	-

For and on behalf of the Board  
**Edelweiss Financial Services Limited**

**Rashesh Shah**  
Chairman & Managing Director  
DIN: 00008322

## — NOTICE

### NOTICE OF THE 29<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 29<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF EDELWEISS FINANCIAL SERVICES LIMITED (THE COMPANY) WILL BE HELD ON FRIDAY, SEPTEMBER 27, 2024 AT 4.00 P.M. THROUGH VIDEO CONFERENCING (VC) OR OTHER AUDIO VISUAL MEANS (OAVM), TO TRANSACT THE FOLLOWING BUSINESS:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt:-
  - a. the audited Financial Statements of the Company for the financial year ended March 31, 2024, together with the Report of the Board and the Auditors thereon; and
  - b. the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, together with the Report of the Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Venkatchalam Ramaswamy (DIN: 00008509), who retires by rotation and, being eligible, offered himself for re-appointment.

#### SPECIAL BUSINESS:

##### 4. Appointment of Mr. C. Balagopal as an Independent Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“**RESOLVED** that Mr. C. Balagopal (DIN: 00430938), who was appointed as an Additional Director of the Company with effect from August 2, 2024 by the Board of Directors (hereinafter referred to as the Board) and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (the Act) and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

**FURTHER RESOLVED** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act (including any statutory modification or re-enactment thereof for the time being in force) and the Rules framed thereunder, as amended from time to time, Mr. C. Balagopal, who meets the criteria of independence as provided in Section 149 of the Act and Regulations 16 and 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions, who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director for a term of 5 years commencing August 2, 2024 and that he shall continue to hold office even after attaining the age of 75 years in the year 2027, during his said term of appointment.

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

For and on behalf of the Board of Directors  
Edelweiss Financial Services Limited

Tarun Khurana  
Company Secretary  
(Membership No. A12344)

August 2, 2024

**Registered Office:**  
**Edelweiss House,**  
**Off C.S.T. Road, Kalina,**  
**Mumbai – 400 098**  
**CIN: L99999MH1995PLC094641**  
**Email: [Efsl.Shareholders@edelweissfin.com](mailto:Efsl.Shareholders@edelweissfin.com)**  
**Website: [www.edelweissfin.com](http://www.edelweissfin.com)**

#### NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in respect of the Special Business to be transacted at the Annual General Meeting (AGM/Meeting) is annexed hereto.
2. Pursuant to the Circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) from time to time (MCA Circulars/SEBI Circulars), the AGM is conducted through VC/OAVM without the physical presence of the Members at a common venue. Accordingly, as per the MCA Circulars and the SEBI Circulars and the applicable provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (Listing Regulations), the 29<sup>th</sup> AGM of the Company shall be conducted through VC/OAVM on Friday, September 27, 2024 at 4.00 P.M.
3. Pursuant to Regulation 36 of the Listing Regulations and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), the information in respect of the Directors seeking appointment/re-appointment at the AGM is given as an Annexure to the Notice.
4. As per the provisions of the Act and the Articles of Association of the Company, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since the AGM is being conducted in accordance with the MCA Circulars and SEBI Circulars through VC/OAVM, the requirement of physical attendance of Members has been dispensed with. Accordingly, the facility of appointment of proxies by Members will not be available for the Meeting. Hence, the Proxy Form, Attendance Slip and Route Map of the venue of the AGM are not annexed to the Notice of the AGM. However, the Body Corporates, can appoint the authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

Pursuant to the MCA Circulars, the Members are provided with the facility to join the AGM through the VC/OAVM mode 15 minutes before the scheduled time of commencement of the AGM and the same shall be kept open until 15 minutes after the scheduled time of commencement. The Members are requested to follow the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to 1,000 Members on a first come first serve basis as per the MCA Circulars. The shareholders holding 2% and more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. can attend the Meeting without restriction on account of first come first served principle.

Pursuant to the provisions of the Act, such Members are required to send a scanned certified true copy (PDF/JPG Format) of the resolution/authorisation of its Board/ governing body, authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said certified Resolution/Authorisation shall be sent to the Scrutinizer at [narasimhan.b8@gmail.com](mailto:narasimhan.b8@gmail.com)/[ab@bnpassociates.in](mailto:ab@bnpassociates.in)/[support@bnpassociates.in](mailto:support@bnpassociates.in) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com).

5. In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members/Beneficial Owners of the Company will be entitled to vote at the AGM.

#### 6. QUORUM

The attendance of the Shareholders attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. Pursuant to the provisions of Section 108 of the Act read with the Rules framed thereunder and Regulation 44 of the Listing Regulations and the MCA Circulars, the Company has provided the facility of electronic voting (e-voting) to its Members in respect of the business to be transacted at the AGM. The Company has engaged National Securities Depository Limited (NSDL), as an authorised e-voting agency, for facilitating voting through electronic means (remote e-voting and e-voting during the AGM). The detailed procedure for participating in the AGM through VC / OAVM and instructions for e-voting i.e. remote e-voting / e-voting during the AGM, forms part of this Notice.

#### 8. BOOK CLOSURE

Pursuant to the provisions of Section 91 of the Act, the Register of Members and the Share Transfer Books of the Company will remain closed from September 18, 2024 to September 26, 2024 (both days inclusive), for the purpose of payment of dividend and 29<sup>th</sup> AGM of the Company.

#### 9. DIVIDEND

The dividend, as recommended by the Board, if declared at the AGM, will be paid subject to deduction of tax at source, as may be applicable, on and from the date of AGM, to those Members:

- a) whose names appear as Beneficial Owners as on the Record Date i.e. September 17, 2024 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the equity shares held in electronic form; and
- b) whose names appear as Members in the Register of Members of the Company as on the Record Date i.e. September 17, 2024 in respect of the equity shares held in physical form, after giving effect to valid request(s) received for transfer/transmission/ transposition of equity shares by the Company.

As per the provisions of the Income-tax Act, 1961, dividend income will be taxable in the hands of Members and the Company is required to deduct tax at source at the prescribed rates, as applicable, from the dividend being paid to the Members. The TDS rate would vary depending on the residential status of the Members in accordance with the applicable provisions of the Income Tax Act, 1961. For detailed information on the same, please refer the Company's website at [www.edelweissfin.com](http://www.edelweissfin.com).

The Members are requested to update their bank account details in the manner as set out in this Notice, in order to enable the Company to provide timely credit of dividend in their bank accounts. In case the Company is unable to pay the dividend to any Member (holding shares in dematerialised mode), by the electronic mode due to non-availability of the details of bank account, the Company shall dispatch the demand draft to such Members by post/courier.

#### 10. UNCLAIMED DIVIDEND

The Members are requested to note that the dividend which has remained unpaid or unclaimed for 7 consecutive years or more from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF) as per Section 124 of the Act.

Accordingly, pursuant to the provisions of the Act and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company has during the financial year ended March 31, 2024, transferred the Unclaimed Dividend of ₹ 3,52,319 to the IEPF.

Further, 22,194 Equity Shares of ₹ 1 each of the Company, in respect of which the dividend has not been claimed for 7 consecutive years or more, have also been transferred to the IEPF Authority.

The Members are further requested to note that the unpaid or unclaimed dividends and/or the equity shares transferred to the IEPF can be claimed by them by making an online/electronic application in Form IEPF-5. Upon submitting duly completed form, applicants are requested to take a print of the same and send the physical copy, duly signed, along with the requisite documents specified in Form IEPF-5, to the Company/ Registrar & Transfer Agent (RTA) of the Company, M/s. Link Intime India Private Limited (Unit: Edelweiss Financial Services Limited), C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083, e-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)/[iepf.shares@linkintime.co.in](mailto:iepf.shares@linkintime.co.in). The Rules and the application form (Form IEPF-5), as prescribed by the MCA for claiming the shares/ dividends are available on the website of MCA/IEPF authority – [www.iepf.gov.in](http://www.iepf.gov.in).

In view of the above, the Members who have not claimed/encashed the Dividend Warrants for Final Dividend 2016-17 and/ or any subsequent years are requested to claim their unpaid dividends within stipulated timeline by writing to the Company / RTA giving the necessary details.

#### 11. GENERAL GUIDANCE TO SHAREHOLDERS

##### • NOMINATION FACILITY

As per the provisions of Section 72 of the Act read the Rules framed thereunder, the facility for making nomination is available to the Members in respect of the shares held by them. The Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The Members are requested to submit the said form to their Depository Participant (DP) in case the shares are held in electronic form and to the Company/RTA in case the shares are held in physical form.

##### • BANK MANDATES

Members holding shares in physical form are requested to intimate the RTA under the signature of the Sole/First holder, the following information:

- i Name of the Sole/First holder and the folio number
- ii Particulars of Bank Account viz.,
  - a) Name of the Bank
  - b) Name of the Branch

- c) Complete address of the Branch with Pin code
- d) Bank Account Number allotted by the Bank.

In respect of the matters pertaining to Bank details, NECS mandates, nomination, power of attorney, change in name/address, etc., the Members are requested to approach:

- the Company's RTA, in case of shares held in physical form; and
- the respective Depository Participants, in case of shares held in electronic form.

In any correspondence with the Company/RTA, the Members are requested to quote their account/ Folio numbers or DP ID and Client ID in respect of physical or electronic holdings, respectively.

#### • **MODE OF HOLDING SHARES**

As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form except in case of request received for transmission or transposition of securities. In view of this and to eliminate the risks associated with holding physical shares, the Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. The Members can contact the Company/RTA for any support in this regard.

#### • **UPDATION OF MANDATORY KYC DETAILS**

- i. Pursuant to SEBI Circular dated April 20, 2018, shareholders who have not furnished the details with regard to PAN and Bank particulars are requested to compulsorily furnish the same to the Company RTA/ for registration in the folio.
  - ii. Members are requested to intimate the changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to the Company/RTA in case the shares are held in physical form.
- SEBI has made it mandatory for all the Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. With effect from April 1, 2024 any payments including dividend in respect of shares held in physical mode shall only be made electronically upon registering the required KYC details.

#### **12. DISPATCH OF ANNUAL REPORT IN ELECTRONIC FORM AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT BY E-MAIL:**

- i. In accordance with Sections 101 and 136 of the Act read with the Rules framed thereunder and Regulations 34 and 36 of the Listing Regulations read with relevant Circulars, the Annual Report for the financial year 2023-24 (including the Financial Statements, Board's Report, Auditor's report and other documents required to be attached thereto) (the Annual Report 2023-24), and the Notice of the AGM, are being sent in electronic mode to Members and other persons entitled to receive the Notice, whose e-mail address is registered with the Company or the Depositories.

The Member who wishes to obtain a hard copy of the Annual Report can send a request for the same at email ID- [Efsl.Shareholders@edelweissfin.com](mailto:Efsl.Shareholders@edelweissfin.com) mentioning Folio No./ DP ID and Client ID.

- ii. The Members holding Equity Shares of the Company in Demat Form or Physical Form and who have not yet registered their e-mail address are requested to follow the procedure stated in point No. 13 given below for the purpose of registration.

- iii. A copy of the Annual Report 2023-24 along with the Notice of the AGM and Explanatory Statement is available on the website of the Company at [www.edelweissfin.com](http://www.edelweissfin.com), BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and National Securities Depository Limited (NSDL) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

#### **13. PROCEDURE FOR REGISTRATION OF EMAIL IDS WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND FOR E-VOTING ON THE RESOLUTIONS SET OUT IN THIS NOTICE:**

- i. In case the shares are held in physical mode, shareholders are requested to provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN and Aadhar Card by e-mail to the Company at [Efsl.Shareholders@edelweissfin.com](mailto:Efsl.Shareholders@edelweissfin.com).
- ii. In case the shares are held in demat mode, please provide DP ID & Client ID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, self-attested scanned copy of client master or copy of Consolidated Account statement, PAN, Aadhar to the respective Depository Participants.
- iii. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained in these notes.
- iv. Alternatively, shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.

#### **14. PROCEDURE TO RAISE QUESTIONS/SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:**

- i. As the AGM is being conducted through VC/OAVM, the Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number (DP ID & Client ID) / Folio No., email id, mobile number at [Efsl.Shareholders@edelweissfin.com](mailto:Efsl.Shareholders@edelweissfin.com).
- ii. The Members desirous of getting any information in respect of the contents of the Annual Report are requested to forward the same to the Company Secretary at least 10 days prior to the AGM so that the required information can be made available. The same will be replied by/on behalf of the Company suitably.
- iii. In order to enable smooth conduct of AGM, the Members who would like to express their views during the AGM may register themselves as a Speaker by sending an email to [Efsl.Shareholders@edelweissfin.com](mailto:Efsl.Shareholders@edelweissfin.com), mentioning name and Folio No., DP ID/CLIENT ID from Saturday, September 21, 2024 (9.00 A.M.) to Monday, September 23, 2024 (5.00 P.M.)

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

#### **15. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:**

The remote e-voting period begins on Tuesday, September 24, 2024 at 9:00 A.M. and ends on Thursday, September 26, 2024 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the cut-off date i.e. September 21, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes Member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. September 21, 2024, may obtain the login ID and password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and

password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/ Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022-48867000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. September 21, 2024, may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.

#### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:


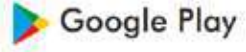


##### Step 1: Access to NSDL e-Voting system

#### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Type of shareholders	Login Method
	<p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <p style="text-align: center;">   </p> <p style="text-align: center;">   </p>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from the e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.



**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- (i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- (ii) Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- (iii) A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- (iv) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- (v) Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- c) How to retrieve your ‘initial password’?

- If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
- If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

- (vi) If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

- (vii) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

- (viii) Now, you will have to click on “Login” button.

- (ix) After you click on the “Login” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [arasimhan.b8@gmail.com](mailto:arasimhan.b8@gmail.com)/ [ab@bnpassociates.in](mailto:ab@bnpassociates.in)/ [support@bnpassociates.in](mailto:support@bnpassociates.in) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre at [evoting@nsdl.com](mailto:evoting@nsdl.com).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [Efsl.Shareholders@edelweissfin.com](mailto:Efsl.Shareholders@edelweissfin.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [Efsl.Shareholders@edelweissfin.com](mailto:Efsl.Shareholders@edelweissfin.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. The Members are encouraged to join the Meeting through desktop/laptop for better experience.
3. Further, the Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that the Members connecting from Mobile Devices/ Tablets may experience Audio/Video loss due to fluctuation in their network. It is, therefore, recommended to use Stable Wi-Fi/ LAN Connection to mitigate any kind of aforesaid glitches.

**SCRUTINIZER'S REPORT AND DECLARATION OF RESULTS:**

The Scrutinizer shall, immediately after the conclusion of voting at the 29<sup>th</sup> AGM, submit the report to the Chairman or any person authorized by him after completion of the scrutiny of the votes and the results of voting will be announced after the AGM. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM.

The results will be displayed on the website of the Company at <https://www.edelweissfin.com> and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of results and will be communicated to BSE Limited and National Stock Exchange of India Limited.

## ANNEXURE TO THE NOTICE DATED AUGUST 2, 2024

### EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

#### ITEM NO. 4:-

Based on the recommendations of the Nomination and Remuneration Committee (NRC), the Board of Directors of the Company (the Board) at its Meeting held on August 2, 2024, had appointed Mr. C. Balagopal (DIN: 00430938) as an Additional Director of the Company. As per the provisions of Section 161 of the Companies Act, 2013 and the Rules framed thereunder (the Act), Mr. Balagopal holds office up to the date of the forthcoming Annual General Meeting (AGM). Mr. Balagopal was also appointed as an Independent Director for a period of 5 years with effect from August 2, 2024. The Company has received a notice from a Member proposing the candidature of Mr. Balagopal as an Independent Director of the Company.

A brief profile of Mr. C. Balagopal is as under:

Mr. C. Balagopal is the former Chairman (Independent) of the Board of Federal Bank Ltd. He is also a Trustee of Anaha Trust; Member of the Governing Council of the Centre for Management Development, Trivandrum; Member of the Advisory Board of Fourth Wave Foundation; Member of the Board of TIMed Medical Devices Incubator of SCTIMST. Mr. Balagopal completed his BA and MA from Loyola College, Madras University, and joined the IAS in 1977 and worked in Manipur and Kerala. In 1983 he resigned from the IAS to promote a venture to make hi-tech biomedical devices for the first time in the country. Acquiring the knowhow from Sree Chitra Tirunal Institute for Medical Sciences & Technology, Trivandrum (SCTIMST) and with the support of National Research Development Corporation and KSIDC, he set up his venture, Penpol Ltd, near Trivandrum.

In 1999, Penpol entered into a joint venture with the Terumo Corporation of Japan. Today, Terumo Penpol Ltd is the biggest manufacturer of blood bags in India and one of the world's biggest makers of high-tech bio-medical devices. In 2012, he sold his stake in Penpol and turned to investing in startups, mentoring entrepreneurs, writing (four books to his credit), travel, and his many other interests.

Mr. Balagopal runs a Trust, which supports social projects in Kerala and Manipur in primary health, primary education, and rural livelihoods.

Mr. Balagopal is also an Independent Director on the Board of Edelweiss Life Insurance Company Limited, a subsidiary of the Company.

Mr. Balagopal has given his consent for appointment as an Independent Director of the Company and a declaration to the effect that he meets the criteria of independence as prescribed under Section 149 of the Act and the Securities and Exchange Board of India (Listing Obligations and Requirements) Regulations, 2015 (the Listing Regulations), as applicable, and that he is not disqualified from being appointed as a Director of the Company as per the provisions of the Act and the Listing Regulations. Mr. Balagopal is not debarred from being appointed as a Director by SEBI, MCA and any such Statutory Authority.

As per Regulation 17 of the Listing Regulations, the approval of the Members is also sought for continuation of the appointment of Mr. Balagopal as an Independent Director since he would be attaining the age of 75 years in the year 2027 during the term of his appointment.

Mr. Balagopal is a person of integrity and has relevant skills, experience and expertise in the area of financial services, for him to be appointed as an Independent Director on the Board of the Company. The Board is of the view that Mr. Balagopal possesses and has the requisite skills and capabilities having worked as Chairman of a private sector bank and expertise in financial services sector, regulatory contexts, strategic planning and understanding of economic trends. He has leadership experience in the financial services sector as identified and required for appointment as an Independent Director of the Company.

Based on the recommendations of the NRC and considering the qualification and, experience, the Board recommends the appointment of Mr. Balagopal as an Independent Director for the term of 5 years from August 2, 2024 by a Special Resolution as set out in Item No. 4 of the Notice.

Mr. Balagopal is not related to any Promoter, Director and Key Managerial Personnel of the Company.

Except Mr. Balagopal, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested in this item of business, in any manner whatsoever.

**For and on behalf of the Board of Directors  
Edelweiss Financial Services Limited**

**Tarun Khurana  
Company Secretary  
(Membership No. A12344)**

**August 2, 2024**

**Registered Office:  
Edelweiss House,  
Off C.S.T. Road, Kalina,  
Mumbai – 400 098  
CIN: L99999MH1995PLC094641  
Email: [Efsl.Shareholders@edelweissfin.com](mailto:Efsl.Shareholders@edelweissfin.com)  
Website: [www.edelweissfin.com](http://www.edelweissfin.com)**

**Details of Directors seeking appointment/re-appointment at the Annual General Meeting (AGM) pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings:**

Particulars	Mr. Venkatchalam Ramaswamy	Mr. C. Balagopal
<b>Date of Birth</b>	August 12, 1966	October 2, 1952
<b>Age</b>	58 years	72 years
<b>Date of first Appointment</b>	February 20, 1996	August 2, 2024
<b>Experience in functional Area</b>	Over three decades of experience in financial services sector	Varied experience in his capacity as ex-IAS Officer and former Chairman (Independent) of Federal Bank Limited. Also providing philanthropic services in the rural and social sector.
<b>Qualification</b>	<ul style="list-style-type: none"> <li>B.E. (Electronics &amp; Communication)</li> <li>MBA from the University of Pittsburgh</li> </ul>	<ul style="list-style-type: none"> <li>BA and MA from Loyola College, Madras University</li> </ul>
<b>Terms and Conditions of Appointment/ Re-appointment</b>	Appointed as an Executive Director, liable to retire by rotation	Appointed as an Independent Director for a period of 5 years w.e.f. August 2, 2024
<b>Remuneration to be paid</b>	Entitled for payment of Salary, Perquisites and Bonus as approved by the Members at the AGM of the Company held on September 3, 2021	Entitled for sitting fees for attending Meetings of Board & Committees and also commission
<b>Remuneration last drawn</b>	Refer Corporate Governance Report forming a part of the Annual Report	N.A.
<b>No. of Board Meetings attended during the year ended March 31, 2024</b>	5	N.A.
<b>Directorship in other Companies (Public Limited Companies)</b>	<ul style="list-style-type: none"> <li>Edelweiss Asset Reconstruction Company Limited;</li> <li>Edelweiss Asset Management Limited;</li> <li>Edelweiss Real Assets Managers Limited;</li> <li>Edelweiss Global Wealth Management Limited;</li> <li>Edelweiss Alternative Asset Advisors Limited.</li> </ul>	<ul style="list-style-type: none"> <li>Trivandrum Centre for Performing Arts;</li> <li>Accelerated Freeze Drying Co Limited;</li> <li>Edelweiss Life Insurance Company Limited.</li> </ul>
<b>Name of listed entities from which the person has resigned in the past three years</b>	ECL Finance Limited (a High Value Debt Listed Entity as defined under the Listing Regulations)	None

Particulars	Mr. Venkatchalam Ramaswamy	Mr. C. Balagopal
<b>Membership/ Chairmanship of Committees of other public limited companies*</b>	Member of the: <ol style="list-style-type: none"> <li><b>Audit Committee:</b> <ul style="list-style-type: none"> <li>Edelweiss Asset Management Limited;</li> <li>Edelweiss Asset Reconstruction Company Limited.</li> </ul> </li> <li><b>Stakeholder Relationship Committee:</b> <ul style="list-style-type: none"> <li>Edelweiss Asset Reconstruction Company Limited (Chairman);</li> <li>Edelweiss Real Assets Managers Limited.</li> </ul> </li> </ol>	Nil
<b>Relationship with other Directors inter-se and with Key Managerial Personnel of the Company</b>	None	None
<b>No. of shares held in the Company</b>	5,95,76,560 Equity Shares of ₹ 1 each	80 Equity Shares of ₹ 1 each

\*Only Audit Committee and Stakeholders' Relationship Committee have been considered for the Committee position.





**Edelweiss**  
Ideas create, values protect

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