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**EDELWEISS FINANCIAL SERVICES LIMITED**

Edelweiss Financial Services Limited (the “Company” or “Issuer”) was incorporated at Mumbai on November 21, 1995, as a public limited company with the name ‘Edelweiss Capital Limited’ under the provisions of the Companies Act, 1956. Thereafter, a certificate of commencement of business was issued to the Issuer by the Registrar of Companies Maharashtra, at Mumbai, (“RoC”), on January 16, 1996. Subsequently, the name of the Issuer was changed to ‘Edelweiss Financial Services Limited’ pursuant to a fresh certificate of incorporation issued by the RoC on August 1, 2011. For more information about the Issuer, please refer “General Information” and “History and Main Objects” on pages 63 and 162.

**Registered & Corporate Office:** Edelweiss House, Off C.S.T. Road, Kalina, Mumbai 400 098, Maharashtra, India; **Tel.:** +91 22 4079 5199

**CIN:** L99999MH1995PLC094641; **PAN:** AAACE1461E; **Website:** [www.edelweissfin.com](http://www.edelweissfin.com); **Email:** [efslncd@edelweissfin.com](mailto:efslncd@edelweissfin.com)

**Company Secretary and Compliance Officer:** Mr. Tarun Khurana; **Tel.:** +91 22 4079 5199; **Email:** [efslncd@edelweissfin.com](mailto:efslncd@edelweissfin.com)

**Chief Financial Officer:** Ms. Ananya Suneja; **Tel.:** +91 22 4079 5199; **Email:** [efslncd@edelweissfin.com](mailto:efslncd@edelweissfin.com)

**PUBLIC ISSUE BY THE ISSUER OF 30,00,000 SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH (“NCDs” OR “DEBENTURES”) FOR AN AMOUNT UP TO ₹ 1,500 MILLION (“BASE ISSUE SIZE”) WITH A GREEN SHOE OPTION OF UP TO ₹ 1,500 MILLION, CUMULATIVELY AGGREGATING UP TO ₹ 3,000 MILLION (“ISSUE LIMIT”) HEREINAFTER REFERRED TO AS THE “ISSUE”. THE NCDs WILL BE ISSUED ON THE TERMS AND CONDITIONS AS SET OUT IN THIS PROSPECTUS FILED WITH THE ROC, STOCK EXCHANGE AND SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED (THE “SEBI NCS REGULATIONS”), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED AND THE SEBI NCS MASTER CIRCULAR. THE ISSUE IS NOT UNDERWRITTEN.**

**OUR PROMOTERS**

(i) Rashesh Chandrakant Shah; Email: [efslncd@edelweissfin.com](mailto:efslncd@edelweissfin.com); Tel: +91 22 4079 5199; (ii) Venkatchalam A Ramaswamy; Email: [efslncd@edelweissfin.com](mailto:efslncd@edelweissfin.com); Tel: +91 22 4079 5199, (iii) Vidya Rashesh Shah; Email: [efslncd@edelweissfin.com](mailto:efslncd@edelweissfin.com); Tel: +91 22 4079 5199; and (iv) Aparna T.C; Email: [efslncd@edelweissfin.com](mailto:efslncd@edelweissfin.com); Tel: +91 22 4079 5199. For details of our Promoters, see “Our Promoter” on page 179.

**GENERAL RISKS**

Investment in non-convertible securities is risky and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under “Risk Factors” and “Material Development” on page 19 and 215 respectively. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor’s decision to purchase such securities. This Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), any registrar of companies or any stock exchange in India or do they guarantee the accuracy or adequacy of this document.

**COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS**

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, please refer to the section titled “Issue Related Information” on page 311.

**CREDIT RATINGS**

The NCDs proposed to be issued under the Issue have been rated “Crisil A+/ Stable” (pronounced as “Crisil A plus rating” with stable outlook) for an amount of ₹ 10,000 million by Crisil vide their rating letter dated May 26, 2025, with rating rationale dated May 23, 2025. Securities with these ratings are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk. The rating given by the Credit Rating Agency is valid as on the date of this Prospectus and shall remain valid until the rating is revised or withdrawn. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. Please refer to Annexure A of this Prospectus for the rating letter, rationale and press release of the above ratings. There are no unaccepted ratings and any other ratings other than as specified in this Prospectus.

**LISTING**

The NCDs offered through this Prospectus and the Draft Prospectus are proposed to be listed on BSE Limited (“BSE”) and BSE shall be the Designated Stock Exchange. The Issuer has received an ‘in-principle’ approval from BSE vide their letter no. DCS/BM/PI-BOND/04/25-26 dated June 19, 2025.

**PUBLIC COMMENTS**

The Draft Prospectus dated June 13, 2025, was filed with the BSE, pursuant to the provisions of the SEBI NCS Regulations and was kept open for public comments for a period of 1 (one) Day (i.e., until 5 p.m.) immediately after the date of filing of the Draft Prospectus with the BSE. No comments were received on the Draft Prospectus until 5 pm on June 14, 2025.

**LEAD MANAGERS TO THE ISSUE**



**Trust Investment Advisors Private Limited**  
109/110, Balarama, Bandra Kurla Complex, Bandra (East),  
Mumbai – 400 051, Maharashtra, India  
**Tel:** +91 22 4084 5000  
**Fax:** +91 22 4084 5066  
**Email:** [projectpragati9.trust@trustgroup.in](mailto:projectpragati9.trust@trustgroup.in)  
**Investor Grievance Email:** [customercare@trustgroup.in](mailto:customercare@trustgroup.in)  
**Website:** [www.trustgroup.in](http://www.trustgroup.in)  
**Contact Person:** Hani Jalan



**Nuvama Wealth Management Limited<sup>#</sup>**  
801-804, Wing A, Building No 3, Inspire BKC, G Block,  
Bandra Kurla Complex, Bandra East, Mumbai – 400 051  
**Tel:** +91 22 4009 4400  
**Email:** [efsl.ncd@nuvama.com](mailto:efsl.ncd@nuvama.com)  
**Investor Grievance Email:**  
[customerservice.mb@nuvama.com](mailto:customerservice.mb@nuvama.com)  
**Website:** [www.nuvama.com](http://www.nuvama.com)  
**Contact Person:** Saili Dave



**Tipsons Consultancy Services Private Limited**  
1st Floor, Sheraton House, Opp. Ketav Petrol Pump, Polytechnic  
Road, Ambawadi, Ahmedabad – 380015 Gujarat  
**Tel:** +91 79 66828064 / 9589801774  
**Email:** [efsl.projectpragati3@tipsons.com](mailto:efsl.projectpragati3@tipsons.com)  
**Investor Grievance Email:** [igr@tipsons.com](mailto:igr@tipsons.com)  
**Website:** [www.tipsons.com](http://www.tipsons.com)  
**Contact Person:** Nagesh Chauhan

DEBENTURE TRUSTEE TO THE ISSUE	REGISTRAR TO THE ISSUE	CREDIT RATING AGENCY	STATUTORY AUDITOR
 <b>Beacon Trusteeship Limited*</b> 5W, 5th Floor, The Metropolitan, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra, India, 400051 <b>Tel.:</b> +91 22 4606 0278 <b>Email:</b> <a href="mailto:compliance@beacontrustee.co.in">compliance@beacontrustee.co.in</a> <b>Investor Grievance Email:</b> <a href="mailto:investorgrievances@beacontrustee.co.in">investorgrievances@beacontrustee.co.in</a> <b>Website:</b> <a href="http://beacontrustee.co.in/">http://beacontrustee.co.in/</a> <b>Contact Person/ Compliance Officer:</b> Kaustubh Kulkarni	 <b>KFIN TECHNOLOGIES LIMITED</b> 301, The Centrum, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Kurla, Mumbai, Maharashtra, India, 400070 <b>Tel:</b> +91 40 6716 2222/18003094001 <b>Fax:</b> +91 40 6716 1563 <b>Email:</b> <a href="mailto:efsl.ncdipo@kfintech.com">efsl.ncdipo@kfintech.com</a> <b>Investor Grievance Email:</b> <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a> <b>Contact Person:</b> M. Murali Krishna	 <b>Crisil Ratings Limited</b> Lightbridge IT Park Saki Vihar Road, Andheri East, Mumbai, Maharashtra, 400072 <b>Tel:</b> + 91 22 6137 3000 <b>Email:</b> <a href="mailto:crisilratingsdesk@crisil.com">crisilratingsdesk@crisil.com</a> <b>Website:</b> <a href="http://www.crisilratings.com">www.crisilratings.com</a> <b>Contact Person:</b> Ajit Velonice	<b>Nangia &amp; Co. LLP,</b> <b>Chartered Accountants</b> 4 <sup>th</sup> Floor, Iconic Tower, Urmi Estate, 95 Ganpatrao Kadam Marg, Lower Parel (West), Mumbai 400 013 Maharashtra, India <b>Tel:</b> + 91 22 4474 3400 <b>Email:</b> <a href="mailto:info@nangia.com">info@nangia.com</a> <b>Contact Person:</b> Rakesh Nangia / Jaspreet Singh Bedi

**ISSUE PROGRAMME\*\***

**ISSUE OPENS ON: TUESDAY, JULY 08, 2025**

**ISSUE CLOSES ON: MONDAY, JULY 21, 2025**

\*Beacon Trusteeship Limited under Regulation 8 of SEBI NCS Regulations has by its letter dated June 13, 2025 given its consent for its appointment as the Debenture Trustee to the Issue and for its name to be included in this Prospectus and the Draft Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to the Issue.

# Nuvama Wealth Management Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (“Merchant Bankers Regulations”). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, Nuvama Wealth Management Limited would be involved only in marketing of the Issue and as per Regulation 25 (3) of SEBI NCS Regulations and shall not issue a due diligence certificate, in relation to the issue of the NCDs.

\*\* The Issue shall remain open for subscription on Working Days from 10 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated in the Prospectus, except that the Issue may close on such earlier date or extended date (subject to a minimum period of 2 (two) working days and a maximum period of 10 (ten) working days from the date of opening of this Issue) as may be decided by the Board of Directors of the Issuer or the Debenture Fund Raising Committee, thereof, subject to relevant approvals. In the event of an early closure or extension of the Issue, the Issuer shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation and a regional daily at the place where the registered office of the Issuer is situated on or before such earlier or extended date of Issue closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 PM on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled “Issue Related Information” on page 311. A copy of this Prospectus has been filed with the Registrar of Companies, Maharashtra at Mumbai in terms of Section 26 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please refer to the section titled “Material Contracts and Documents for Inspection” on page 395.

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## SECTION I - GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such definitions and abbreviations set forth herein. References to any legislation, act, regulation, rules, guidelines, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines, clarifications or policies as amended, supplemented or re-enacted from time to time until the date of this Prospectus, and any reference to a statutory provision shall include any subordinate legislation notified from time to time pursuant to such provision.*

*The words and expressions used in this Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI NCS Regulations, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations notified thereunder.*

General Terms: Unless the context otherwise requires, the following terms have the meaning as ascribed to them below:

Term	Description
Associates	Associates of the Issuer as at and for the relevant financial year/period as applicable.
“EFSL” or “Company” or “the Issuer”	Edelweiss Financial Services Limited, a public limited company incorporated under the Companies Act, 1956, and having its Registered Office at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai 400 098, Maharashtra, India.
“we” or “us” or “our”	Edelweiss Financial Services Limited together with its Subsidiaries, Associates and Trusts for the relevant financial year/period as applicable.
Subsidiaries	Subsidiaries of the Issuer as at and for the relevant financial year/period as applicable. For the details of the subsidiaries of the Issuer, as on the date of this Prospectus, see “History and Main Objects” on page 162.
Trusts	Trusts of the Issuer as at and for the relevant financial year/period as applicable. For the details of the trusts of the Issuer, on the date of this Prospectus, see “History and Main Objects” on page 162.

#### Issuer Related Terms

Term	Description
2023 Audited Consolidated Financial Statement	The annual consolidated balance sheet as at March 31, 2023 and the annual consolidated statement of profit and loss for the year ended 2023 and the annual consolidated statement of cash flows for the year ended 2023 and the annual consolidated statement of changes in equity for the year ended 2023 of the Issuer prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
2024 Audited Consolidated Financial Statement	The annual consolidated balance sheet as at March 31, 2024 and the annual consolidated statement of profit and loss for the year ended 2024 and the annual consolidated statement of cash flows for the year ended 2024 and the annual consolidated statement of changes in equity for the year ended 2024 of the Issuer prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
2025 Audited Consolidated Financial Statement	The annual consolidated balance sheet as at March 31, 2025 and the annual consolidated statement of profit and loss for the year ended 2025 and the annual consolidated statement of cash flows for the year ended 2025 and the annual consolidated statement of changes in equity for the year ended 2025 of the Issuer prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards)

Term		Description
		Rules, 2015, as amended.
2023 Standalone Financial Statement	Audited	The annual standalone balance sheet as at March 31, 2023 and the annual standalone statement of profit and loss for the year ended 2023 and the annual standalone statement of cash flows for the year ended 2023 and the annual standalone statement of changes in equity for the year ended 2023 of the Issuer prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
2024 Standalone Financial Statement	Audited	The annual standalone balance sheet as at March 31, 2024 and the annual standalone statement of profit and loss for the year ended 2024 and the annual standalone statement of cash flows for the year ended 2024 and the annual standalone statement of changes in equity for the year ended 2024 of the Issuer prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
2025 Standalone Financial Statement	Audited	The annual standalone balance sheet as at March 31, 2025 and the annual standalone statement of profit and loss for the year ended 2025 and the annual standalone statement of cash flows for the year ended 2025 and the annual standalone statement of changes in equity for the year ended 2025 of the Issuer prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
Adjusted Networth		Networth along with equity attributable to non-controlling interest.
Annual Financial Statements	Financial	Annual Consolidated Financial Statements and Annual Standalone Financial Statements.
Annual Consolidated Financial Statements	Consolidated	2023 Audited Consolidated Financial Statement, 2024 Audited Consolidated Financial Statement and 2025 Audited Consolidated Financial Statement.
Annual Standalone Financial Statements	Standalone	2023 Audited Standalone Financial Statement, 2024 Audited Standalone Financial Statement and 2025 Audited Standalone Financial Statement.
Articles or Articles of Association or AOA		Articles of Association of the Issuer.
Audit Committee		Audit Committee as constituted by the Board of Directors.
Auditors or Statutory Auditors		The current statutory auditors of the Issuer, Nangia & Co. LLP, Chartered Accountants.
Board or Board of Directors or our Board or our Board of Directors		Board of directors of the Issuer or any duly constituted Committee thereof, as the context may require/include any Committee of the Board.
Corporate Responsibility Committee	Social	Corporate Social Responsibility Committee as constituted by the Board of Directors.
Committee		A committee constituted by the Board, from time to time.
Debenture Fund Raising Committee		Debenture Fund Raising Committee as constituted by the Board of Directors pursuant to the Board meeting dated October 30, 2020.
Directors		Directors of the Issuer.
Equity Shares		Equity shares of the Issuer of face value of ₹ 1 each.
ESOPs		Employee stock options.
Executive Director		Executive director(s) of the Issuer, as disclosed under “Our Management” on page 166.
Independent Director(s)		The independent director(s) on our Board, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations.
KMP / Key Managerial Personnel		Key managerial personnel, as defined under section 2(51) of the Companies Act, 2013 and appointed by the Issuer and disclosed in this Prospectus.
LAP		Loan against property.
“MoA”	or	Memorandum of Association of the Issuer.



Term	Description
“Memorandum” or “Memorandum Association”	
Networth	As defined in Section 2(57) of the Companies Act, 2013, as follows:  “ <i>Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.</i> ”
Nomination and Remuneration Committee	Nomination and Remuneration Committee as constituted by the Board of Directors.
Non-Executive Director	Non-executive Director(s) of the Issuer, as disclosed under “ <i>Our Management</i> ”, beginning on page 166.
Preference Shares	Preference Shares of the Issuer having face value of ₹ 5 each.
Promoter Group	Includes such persons and entities constituting the promoter group of the Issuer pursuant to Regulation 2 (1) (pp) of the SEBI ICDR Regulations.
Promoters or our Promoter	Rashesh Chandrakant Shah, Venkatchalam A Ramaswamy, Vidya Rashesh Shah and Aparna T.C.
Public Issue 1	Public issue of secured redeemable non-convertible debentures of face value ₹ 1,000 each aggregating to ₹ 2,000 million pursuant to the prospectus dated December 17, 2020.
Public Issue 2	Public issue of secured redeemable non-convertible debentures of face value ₹ 1,000 each aggregating to ₹ 4,000 million pursuant to the prospectus dated March 26, 2021.
Public Issue 3	Public issue of secured redeemable non-convertible debentures of face value ₹ 1,000 each aggregating to ₹ 4,000 million pursuant to the prospectus dated August 9, 2021.
Public Issue 4	Public issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each aggregating to ₹ 5,000 million pursuant to the tranche I prospectus dated November 29, 2021.
Public Issue 5	Public issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each aggregating to ₹ 4,000 million pursuant to the tranche II prospectus dated September 26, 2022.
Public Issue 6	Public issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each aggregating to ₹ 4,000 million pursuant to the tranche I prospectus dated December 27, 2022.
Public Issue 7	Public issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each aggregating to ₹ 4,000 million pursuant to the tranche II prospectus dated March 31, 2023.
Public Issue 8	Public issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each aggregating to ₹ 3,000 million pursuant to the tranche III prospectus dated June 28, 2023.
Public Issue 9	Public issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each aggregating to ₹ 2,000 million pursuant to the prospectus dated September 22, 2023.
Public Issue 10	Public issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each aggregating to ₹ 2,500 million pursuant to the prospectus dated December 29, 2023.
Public Issue 11	Public issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each aggregating to ₹ 2,000 million pursuant to the prospectus dated March 28, 2024.
Public Issue 12	Public issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each aggregating to ₹ 2,000 million pursuant to the prospectus dated June 28, 2024.
Public Issue 13	Public issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each aggregating to ₹ 2,000 million pursuant to the prospectus dated September 30, 2024
Public Issue 14	Public issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each aggregating to ₹ 2,000 million pursuant to the prospectus dated

Term	Description
	December 27, 2024
Public Issue 15	Public issue of secured redeemable non-convertible debentures of face value of ₹ 1,000 each aggregating to ₹ 2,000 million pursuant to the prospectus dated March 27, 2025
Registered Office	The registered office of the Issuer is situated at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai 400 098, Maharashtra, India.
Risk Committee	Risk Committee as constituted by the Board of Directors.
Senior Management	The officers and personnel of the Issuer who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the chief executive officer or managing director or whole time director or manager (including chief executive officer and manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the company secretary and the chief financial officer.
Stakeholders' Relationship Committee	Stakeholders' Relationship Committee as constituted by the Board of Directors.
Total Borrowing(s) / Total Debt	Debt securities, borrowings (other than debt securities), deposits and subordinated liabilities.

#### Issue Related Terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of the Prospectus.
Acknowledgement Slip/ Transaction Registration Slip/ TRS	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment.
"Allotment", "Allot" or Allotted	Unless the context otherwise requires, the allotment of NCDs to the successful Applicants pursuant to the Issue.
Allottee(s)	The successful Applicant to whom the NCDs are Allotted either in full or part, pursuant to the Issue.
"Applicant" or "Investor"	Any person who applies for issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of this Prospectus and the Draft Prospectus, the Abridged Prospectus and the Application Form.
"Application" or "ASBA Application"	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of up to ₹ 500,000 which will be considered as the application for Allotment in terms of the Prospectus.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the Issue.
Application Form / ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of the Prospectus.
ASBA Account	An account maintained with a SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the Application Amount mentioned in the Application Form by an Applicant and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value up to ₹ 500,000.
Banker(s) to the Issue	Collectively Public Issue Account Bank, Refund Bank and Sponsor Bank.
Base Issue Size	₹ 1,500 million
Basis of Allotment	The basis on which NCDs will be allotted to successful applicants as specified

Term	Description
	under the Issue and which is described in “ <i>Issue Procedure – Basis of Allotment</i> ” on page 379.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the websites of the Stock Exchange at: <a href="http://www.bseindia.com">www.bseindia.com</a> .
CAAPL	CARE Analytics & Advisory Private Limited.
CAAPL Research Report	Industry report titled “Research Report on Financial Services Industry” dated June 12, 2025, prepared by CAAPL.
Category I (Institutional Investors)	<ul style="list-style-type: none"> <li>Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;</li> <li>Provident funds and pension funds each with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;</li> <li>Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;</li> <li>Resident Venture Capital Funds registered with SEBI;</li> <li>Insurance companies registered with the IRDAI;</li> <li>State industrial development corporations;</li> <li>Insurance funds set up and managed by the army, navy, or air force of the Union of India;</li> <li>Insurance funds set up and managed by the Department of Posts, the Union of India;</li> <li>systemically important non-banking financial companies;</li> <li>National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and</li> <li>Mutual funds registered with SEBI.</li> </ul>
Category II (Non Institutional Investors)	<ul style="list-style-type: none"> <li>Companies within the meaning of Section 2(20) of the Companies Act, 2013;</li> <li>Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;</li> <li>Co-operative banks and regional rural banks;</li> <li>Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;</li> <li>Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;</li> <li>Partnership firms in the name of the partners;</li> <li>Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).</li> <li>Association of Persons; and</li> <li>Any other incorporated and/ or unincorporated body of persons.</li> </ul>
Category III (High Net Worth Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue.
Category IV (Retail Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹ 500,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.

Term	Description
CIBIL	TransUnion CIBIL Limited.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
Consortium Agreement	Agreement dated June 26, 2025, entered between our Company, the Lead Managers and the Consortium Members.
Consortium Members	Trust Financial Consultancy Services Private Limited, Trust Securities Services Private Limited, Nuvama Wealth and Investment Limited and Tipsons Stock Brokers Private Limited.
“Collecting Depository Participant” or “CDP”	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications in the Issue, at the Designated CDP Locations in terms of the SEBI NCS Master Circular.
Credit Rating Agency(s)	Crisil
Debentures / NCDs	Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000 each.
Debenture Holder(s)/ NCDHolder(s)	The holders of the NCDs whose name appears in the database of the Depository and/or the register of NCD Holders (if any) maintained by the Issuer if required under applicable law.
Debenture Trust Deed	The trust deed to be entered between the Debenture Trustee and the Issuer which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure at least 100% security cover for the NCDs and the interest due thereon issued pursuant to the Issue. The contents of the Debenture Trust Deed shall be as prescribed by SEBI or any other applicable statutory/regulatory body from time to time.
Debenture Trustee/ Trustee	Trustees for the NCD holders, in this case being Beacon Trusteeship Limited.
Debenture Trustee Agreement	Agreement dated June 13, 2025 entered into between the Debenture Trustee and the Issuer wherein the appointment of the Debenture Trustee, is agreed as between the Issuer and the Debenture Trustee.
Deemed Date of Allotment	The date on which the Board/or the Debenture Fund Raising Committee approves the Allotment of NCDs or such date as may be determined by the Board of Directors/or the Debenture Fund Raising Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. However, all benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.
Demographic Details	The demographic details of the Applicants such as their respective addresses, email, PAN, investor status, MICR Code and bank account detail.
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of the SEBI at: <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;in tmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;in tmId=34</a> or at such other websites as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange at <a href="http://www.bseindia.com">www.bseindia.com</a> .
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/or the Refund Account, as appropriate, after finalization of the Basis of Allotment, in terms of the Prospectus following which the NCDs will be Allotted in the Issue.
Designated Intermediaries	Collectively, the Lead Managers, the Consortium Members, Trading Members, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Application Forms from the Applicants in the Issue.
Designated RTA Locations	Such locations of the CRTAs where Applicants can submit the ASBA Forms to CRTAs, a list of which, along with names and contact details of the CRTAs eligible to accept ASBA Forms are available on the website of the Stock Exchange.
Designated Stock	The designated stock exchange for the Issue, being BSE Limited.

Term	Description
Exchange	
Direct Online Application	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility.
Draft Prospectus	The Draft Prospectus dated June 13, 2025 filed with the Designated Stock Exchange for receiving public comments and with, SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations.
Interest / Coupon Payment Date	Please refer to section titled “Issue Related Information” on page 311.
Interest Rate / Coupon Rate	Please refer to section titled “Issue Related Information” on page 311.
Issue	Public issue by the Issuer of 30,00,000 secured redeemable non-convertible debentures of face value of 1,000 each for an amount up to ₹ 1,500 million (“ <b>Base Issue Size</b> ”) with a green shoe option of up to ₹ 1,500 million, cumulatively aggregating up to ₹ 3,000 million (“ <b>Issue Limit</b> ”). The NCDs will be issued on the terms and conditions as set out in this Prospectus which should be read together with the Draft Prospectus (collectively the “ <b>Offer Documents</b> ”).
Issue Agreement	The Issue Agreement dated June 13, 2025 entered between the Issuer and the Lead Managers.
Issue Closing Date	Monday, July 21, 2025
Issue Opening Date	Tuesday, July 08, 2025
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms.
Lead Managers	Collectively, Trust Investment Advisors Private Limited (“ <b>TIAPL</b> ”), Nuvama Wealth Management Limited (“ <b>NWML</b> ”)# and Tipsons Consultancy Services Private Limited (“ <b>TCSPL</b> ”). #Nuvama Wealth Management Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (“ <b>Merchant Bankers Regulations</b> ”). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, Nuvama Wealth Management Limited would be involved only in marketing of the Issue and as per Regulation 25 (3) of SEBI NCS Regulations and shall not issue a due diligence certificate, in relation to the issue of the NCDs.
Market Lot	1 (One) NCD.
Members of the Syndicate	Members of the syndicate includes Lead Managers.
Mobile App(s)	The mobile applications listed on the website of Stock Exchange as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism.
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue.
Offer Documents	This Prospectus, the Draft Prospectus and the Abridged Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by the Issuer with Lead Managers, Public Issue Account and Sponsor Bank Agreement, Consortium Agreement and/or other intermediaries for the purpose of the Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Registrar Agreement, the Agreement with the Lead Managers, Securities Pledge Agreement, executed or to be executed by the Issuer, as the case may be. For further details see the chapter titled “ <i>Material Contracts and Documents for Inspection</i> ” on page 395.
Pledged Securities	Includes (i) eligible securities detailed in the Debenture Trust Deed and Securities Pledge Agreement; and (ii) any additional security that the Issuer may pledge in

Term	Description
	favour of the Debenture Trustee at its sole discretion for securing the Debentures.
Prospectus	This Prospectus dated June 26, 2025, filed with the RoC and submitted with SEBI and BSE in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations.
Public Issue Account	A bank account to be opened with the Public Issue Account and Sponsor Bank to receive money from the ASBA Accounts on the Designated Date
Public Issue Account and Sponsor Bank Agreement	Agreement dated June 26, 2025, entered into amongst the Issuer, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and the Sponsor Bank and the Lead Managers for the appointment of the Sponsor Bank in accordance with the SEBI NCS Master Circular for collection of the Application Amounts from ASBA Accounts and where applicable, refunds from the amounts collected from the Applicants on the terms and conditions thereof.
Public Issue Account Bank	ICICI Bank Limited
Record Date	<p>The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days or such other day prior to the date on which interest is due and payable, and/or the date of redemption or such other date under this Prospectus as may be determined by the Issuer in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be.</p> <p>In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.</p>
Recovery Expense Fund	An amount which has been deposited by the Issuer with the Designated Stock Exchange, equal to 0.01% of the issue size, subject to a maximum of deposit of ₹ 25,00,000.
Redemption Amount	Please see the section titled “ <i>Issue Related Information</i> ” on page 311 of this Prospectus.
“Redemption Date” or “Maturity Date”	Please see the section titled “ <i>Issue Related Information</i> ” on page 311 of this Prospectus.
Refund Account	Account to be opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount, would paid to the Applicants.
Refund Bank	ICICI Bank Limited
Register of NCD holders	The register of NCD holders maintained by the Depositories in case of NCDs held in dematerialized form, and/or the register of NCD holders maintained by the Registrar, where the NCDs are held in physical form.
Registrar Agreement	Agreement dated June 13, 2025 entered into between the Issuer and the Registrar under the terms of which the Registrar has agreed to act as the Registrar to the Issue.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulation, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Applications from Applicants.
Registrar to the Issue or Registrar	KFIN Technologies Limited
Resident Individual	An individual who is a person resident in India as defined in the FEMA.
“Registrar and Share Transfer Agents” or “RTAs”	Registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue.
Security	The principal amount of the NCDs to be issued in terms of this Prospectus and the Draft Prospectus, thereof shall be secured by way of a pari passu charge in favor of the Debenture Trustee on the assets of the entities permissible under applicable law and/or the Issuer including loans and advances, receivables, investments, stock in trade, current & other assets and/or immovable property / fixed assets held by the entities permissible under applicable law and/or the Issuer, created in favour of the Debenture Trustee, and/or over the Pledged Securities in favour of the Debenture

Term	Description
	Trustee for the benefit of the Debenture holders, except those specifically and exclusively charged in favour of certain existing charge holders as specifically set out in and fully described in the Debenture Trust Deed and/or Securities Pledge Agreement, such that a security cover of atleast 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. We undertake that the assets on which the charge is proposed to be created are free from any encumbrances. For further details on date of creation of security/likely date of creation of security, minimum security cover etc., please refer to the “ <i>Terms of the Issue – Security</i> ” on page 324.
Securities Pledge Agreement	The pledge agreement to be entered <i>inter alia</i> between the Debenture Trustee, the Issuer, and pledgor which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements for creation of security, in favour of the Debenture Trustee for the NCD Holders to ensure 100% security cover for the NCDs and the interest due thereon issued pursuant to the Issue.
“Self-Certified Syndicate Banks” or “SCSBs”	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at: <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Series/Option	Collectively the Series of NCDs being offered to the Applicants as stated in the section titled “ <i>Issue Related Information</i> ” beginning on page 311.
“Specified Cities” or “Specified Locations”	Bidding centres where the Members of the Syndicate shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Sponsor Bank	A Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate to collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value upto ₹ 500,000 and carry out any other responsibilities in terms of the UPI Mechanism Circular. The Sponsor Bank for this Issue being, ICICI Bank Limited.
Stock Exchange	BSE
Syndicate ASBA	Applications through the Syndicate or the Designated Intermediaries.
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers, Consortium Members, the Trading Members of the Stock Exchange or the Designated Intermediaries.
Syndicate Bidding Centres	Syndicate Bidding Centres established for acceptance of Application Forms.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised</a> Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Tenor	Please see “ <i>Terms of the Issue</i> ” on page 323 of this Prospectus.
Trading Members	Intermediaries registered with a Consortium Member or a sub-broker under the SEBI (Stock Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchange.
Tripartite Agreements	Tripartite Agreement dated December 17, 2020, entered into between the Issuer, the Registrar to the Issue and NSDL and Tripartite Agreement dated December 8, 2020 entered into between the Issuer, the Registrar to the Issue and CDSL for offering demat option to the NCD Holders.

Term	Description
“UPI” or “UPI Mechanism”	Unified Payments Interface mechanism in accordance with SEBI NCS Master Circular to block funds for application value up to ₹ 500,000 submitted through intermediaries, namely the Registered Stockbrokers, Consortium Members, Registrar and Transfer Agent and Depository Participants.
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India.
“UPI Mandate Request” or “Mandate Request”	A request initiated by the Sponsor Bank on the Retail Individual Investor to authorise blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount and subsequent debit of funds in case of allotment.
Wilful Defaulter(s)	As defined under Regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
Working Days	Working day means all days on which commercial banks in Mumbai, are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business (provided that on any trading day of Stock Exchange if commercial banks in Mumbai are closed, it will be considered as Working Day). Further, in respect of the time period between the bid/ issue closing date and the listing of the NCDs on the Stock Exchange, working day shall mean all trading days of the Stock Exchange for NCD, excluding Saturdays, Sundays and bank holidays, as specified by SEBI.

#### Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/Full Form
“₹”, “Rupees”, “Indian Rupees”, “Rs.” or “INR”	The lawful currency of the Republic of India
“US\$”, “USD”, and “U.S. Dollars”	The lawful currency of the United States of America
ACH	Automated Clearing House
ACUITE	Acuité Ratings & Research Limited.
AGM	Annual General Meeting
ALM	Asset Liability Management
ALM Guidelines	Guidelines for ALM system in relation to NBFCs
AMC	Asset Management Company
AS or Accounting Standards	Accounting Standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time
ASBA	Application supported by blocked amounts
AUM	Assets Under Management
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016
Brickwork	Brickwork Ratings India Private Limited
BSE	BSE Limited
CAGR	Compounded annual growth rate over a specified period of time of a given value (the year-over-year growth rate)
CARE	CARE Ratings Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Crisil	Crisil Ratings Limited
Companies Act/ Companies Act, 2013	Companies Act, 2013 and the Rules made thereunder
CPC	Code of Civil Procedure, 1908
CRAR	Capital to risk-weighted assets ratio means (Tier I Capital + Tier II Capital)/ Total Risk Weighted Assets *100



Term/Abbreviation	Description/Full Form
CrPC	Code of Criminal Procedure, 1973
CY	Calendar Year
Depositories Act	Depositories Act, 1996
Depository(ies)	NSDL and /or CDSL
DIN	Director Identification Number
“DP” or “Depository Participant”	Depository Participant as defined under the Depositories Act, 1996
DT Master Circular	Circular no. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 issued by SEBI on May 16, 2024, as amended from time to time
DRR	Debenture Redemption Reserve
EGM	Extraordinary General Meeting
EOW	Economic Offences Wing
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FEMA Regulations / FEMA20 (R)	FEMA (Non-debt Instruments) Rules, 2019, as amended from time to time
FII	Foreign Institutional Investor(s)
FPI	Foreign Portfolio Investor as defined and registered under the SEBI (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time.
“Financial Year”, “Fiscal” or “FY” or “for the year ended”	Period of 12 months ended March 31 of that particular year
GDP	Gross Domestic Product
“Government”	Government of India
G-Sec	Government Securities
GST	Goods and Services Tax
HNI	High Net worth Individual
HFC	Housing Finance Company
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
ICRA	ICRA Limited
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards
“Income Tax Act” or “IT Act”	Income Tax Act, 1961
Ind AS	Indian Accounting Standards as prescribed by Section 133 of the Companies Act, 2013 and notified by the Ind AS Rules
Ind AS Rules	Indian Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended from time to time
India	Republic of India
INFM	Infomeries Valuation and Rating Private Limited
IPC	Indian Penal Code, 1860
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information Technology
ITR	Income Tax Returns
KYC	Know Your Customer
LLP	Limited Liability Partnership
LLP Act	Limited Liability Partnership Act, 2008
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
MLD	Market Linked Debentures
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NHB	National Housing Bank
NHB Act	National Housing Bank Act, 1987
NAV	Net Asset Value

Term/Abbreviation	Description/Full Form
NBFC	Non-Banking Financial Company, as defined under Section 45-IA of the RBI Act
NEFT	National Electronic Fund Transfer
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PCR	Provisioning Coverage Ratio
PMLA	Prevention of Money Laundering Act, 2002
PP MLD	Principal Protected Market Linked Debentures
OEM	Original Equipment Manufacturer
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RBI SBR Framework Master Directions	Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, as amended, modified or supplemented, from time to time
RERA	Real Estate Regulatory Authority
RERAD Act	Real Estate Regulation and Development Act, 2016
RTGS	Real Time Gross Settlement
RIB	Retain Individual Bidders
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002, as amended, modified or supplemented, from time to time
SBR Framework	RBI Scale based regulation circular dated October 22, 2021, as amended, modified or supplemented, from time to time
SCRA	Securities Contracts Regulation Act, 1956, as amended, modified or supplemented, from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended, modified or supplemented, from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended, modified or supplemented, from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended, modified or supplemented, from time to time
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Banker Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time and circulars issued thereunder
SEBI NCS Master Circular	SEBI circular no. SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024, as amended from time to time
Stage 1 Assets	Stage 1 Assets includes financial instruments that have not had a significant increase in credit risk (SICR) since initial recognition or that have low credit risk at the reporting date as defined under Ind AS
Stage 1 Provision	Stage 1 provision are 12-month ECL resulting from default events that are possible within 12 months after the reporting date as defined under Ind AS
Stage 2 Assets	Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment as defined under Ind AS
Stage 2 Provision	Stage 2 provision are lifetime ECL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS
Stage 3 Assets	Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS
Stage 3 Provision	Stage 3 provision are lifetime ECL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS
TDS	Tax Deducted at Source

Term/Abbreviation	Description/Full Form
Trademarks Act	Indian Trademarks Act, 1999

#### Technical and Industry Related Terms

Term/Abbreviation	Description/Full Form
MFI	Microfinance institutions
NBFC-MFI	An NBFC-MFI is defined as a non-deposit taking NBFC which extends loans to Micro Finance Sector
NBFC-BL	Base Layer NBFC as identified under RBI SBR Framework Master Directions
NBFC-ML	Middle Layer NBFC as identified under RBI SBR Framework Master Directions
NBFC-UL	Upper Layer NBFC as identified under RBI SBR Framework Master Directions
NBFC-TL	Upper Layer NBFC as identified under RBI SBR Framework Master Directions
NPA	Non-Performing Assets
PPP	Purchasing Power Parity
Prudential Norms	Prudential norms as provided under the RBI SBR Framework Master Directions, as amended, modified, supplemented, from time to time
MSME	Micro, Small and Medium Enterprises
Tier I Capital	The owned fund as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by a non-deposit taking NBFC in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II Capital	Includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier-I capital

*Notwithstanding the foregoing, the terms defined as part of “General Information”, “Risk Factors”, “Industry Overview”, “Regulations and Policies”, “Statement of Possible Tax Benefits”, “Summary of Key Provisions of Articles of Association”, “Financial Information” and “Other Regulatory and Statutory Disclosures” on pages 63, 19, 111, 184, 94, 384, 214, and 290 respectively shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of the sections “Our Business”, “Risk Factors”, “Industry Overview” and “Regulations and Policies”, on pages 140, 19, 111, and 184 respectively, shall have the meaning ascribed to them hereunder.*

## **CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION**

### **Certain Conventions**

In this Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms, all references to “Edelweiss Financial Services Limited” and “our Company” or to “the Issuer” are to Edelweiss Financial Services Limited on a standalone basis, while all references to “we”, “us”, “our” are to Edelweiss Financial Services Limited together with its Subsidiaries. Unless stated otherwise, all references to page numbers in this Prospectus are to the page numbers of this Prospectus.

All references in this Prospectus to “India” are to the Republic of India and its territories and possessions. All references to the “Government” or “State Government” are to Government of India, Central or State, as applicable.

### **Presentation of Financial Information**

The Issuer’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31 of that calendar year.

In accordance with the road map for Ind AS implementation, issued by MCA, the Issuer is required to prepare its financial statements in accordance with Ind AS for periods beginning on or after April 1, 2018.

Accordingly, the Issuer’s audited standalone financial statements for the years ended March 31, 2025, March 31, 2024, and March 31, 2023, and the Issuer’s audited consolidated financial statement for the year ended March 31, 2025, March 31, 2024, and March 31, 2023, have been prepared in accordance with IndAS. Our audited standalone financial statements for the years ended March 31, 2025, and March 31, 2024, and our audited consolidated financial statement for the year ended March 31, 2025, and March 31, 2024, have been audited by M/s. Nangia & Co. LLP, Chartered Accountants. Our audited standalone financial statements for the year ended March 31, 2023, and audited consolidated financial statement for the year ended March 31, 2023, have been audited by M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (the Issuer’s former statutory auditors).

The Annual Financial Statements is included in this Prospectus and is referred to hereinafter as the “Annual Financial Statements”. The audit reports on the Annual Financial Statements are included in this Prospectus in the section titled “*Financial Information*” on page 214.

Unless stated otherwise or unless the context requires otherwise, the financial data on standalone and consolidated basis as at and for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 used in this Prospectus is derived from our Annual Financial Statements.

Unless stated otherwise and unless the context requires otherwise, the financial data used in this Prospectus is on a consolidated basis. Further, Annual Standalone Financial Statements are not comparable with Annual Consolidated Statements. Due to the demerger of the wealth management business of the Issuer to Nuvama Wealth Management Limited, the amounts are not comparable with corresponding period.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Unless stated otherwise, macroeconomic and industry data used throughout this Prospectus has been obtained from publications prepared by providers of industry information including the Industry Report Provider, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used this Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data.

### **Currency and Unit of Presentation**

In this Prospectus, all references to 'Rupees'/'₹'/'Rs.'/'INR' are to Indian Rupees, the official currency of the Republic of India.

Except where stated otherwise in this Prospectus, all figures have been expressed in 'in millions'. All references to 'million/millions/mn.' refer to one million, which is equivalent to 'ten lakhs' or 'ten lacs', the word 'lakhs/lacs/lac' means 'one hundred thousand' and 'Crore' means 'ten million' and 'billion/bn./billions' means 'one hundred crores'.

Certain figures contained in this Prospectus, including financial statements, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

### **Industry and Market Data**

Any industry and market data used in this Prospectus consists of estimates based on data reports compiled by Government bodies, professional organizations and analysts, data from other external sources including CAAPL, available in public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us, its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe that the industry and market data used in this Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may not be comparable. The extent to which the industry and market data presented in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

## General Risk

Investment in NCDs is risky, and investors should not invest any funds in NCDs unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the Issue including the risks involved in it.

Specific attention of investors is invited to statement of risk factors contained under section “Risk Factors” on page 19. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the NCDs or Investor’s decision to purchase such securities.

## FORWARD LOOKING STATEMENTS

Certain statements contained in this Prospectus that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

- We operate in an increasingly competitive financial services industry, which creates significant pricing pressures and may adversely affect our net interest margins, income and market share;
- Performance of the financial and capital markets in India and globally;
- We are involved in certain legal and other proceedings which, if determined against us, could have a material adverse impact on our financial condition;
- Any increase in the levels of non-performing assets (“NPA”) on our loan portfolio, for any reason; whatsoever, would adversely affect our business and results of operations;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Changes in Indian and/or foreign laws and regulations, including tax, accounting, banking, securities, insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations;
- Our inability to successfully diversify our portfolio;
- Any disruption in our sources of funding;
- Our inability to obtain or maintain statutory or regulatory approvals and licenses for conducting our business; and
- Occurrence of natural calamities, pandemics, or natural disasters affecting the areas in which the Issuer has operations.

For further discussion of factors that could cause our actual results to differ, see “*Risk Factors*” on page 19.

All forward-looking statements are subject to risks, uncertainties and assumptions about the Issuer that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled “*Industry Overview*”, “*Our Business*” and “*Legal and Other Information*” on pages 111, 140, and 239. The forward-looking statements contained in this Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although the Issuer believes that the expectations reflected in such forward-looking statements are

reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of the Issuer's underlying assumptions prove to be incorrect, the Issuer's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements.

Neither the Issuer, its Directors, its KMPs, its Senior Management, and officers, nor any of their respective affiliates or associates or the Lead Managers have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI NCS Regulations, the Issuer and Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.



## SECTION II - RISK FACTORS

An investment in this type of security involves a certain degree of risk. The investor should carefully consider all the information contained in this Prospectus, including the risks and uncertainties described below, before making an investment decision. The risks described below are those that we consider to be most significant to our business, results of operations and financial conditions as of the date of this Prospectus. However, they are not the only risks relevant to us or the NCDs or the industry in which we currently operate. Unless otherwise stated in the relevant risk factors set forth below, financial or other implications of the risk factors mentioned below are not quantifiable. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business prospects, results of operations and financial condition. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risks that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse impact on our business, results of operations, cash flows and financial condition. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us on a standalone and consolidated basis and the terms of the Issue, including the merits and risks involved. Investors should consult their respective tax, financial and legal advisors about the particular consequences of an investment in this Issue.

The financial and other related implications of the risks described in this section, have been disclosed to the extent quantifiable as on the date of this Prospectus. This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Prospectus.

The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

Unless otherwise stated or unless context requires otherwise, the financial information used in this section is derived from and should be read in conjunction with the Annual Financial Statements as included in this Prospectus. For further information, see section titled “Financial Statements” on page 214 of this Prospectus. In this section, unless the context otherwise requires, a reference to “the Issuer” is a reference to Edelweiss Financial Services Limited on a standalone basis, while any reference to “we”, “us”, “our” or “our Group” is a reference to Edelweiss Financial Services Limited on a consolidated basis.

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “Research Report on Financial Services Industry” dated June 12, 2025 (“**CAAPL Research Report**”) prepared and issued by CAAPL, appointed by us and exclusively commissioned and paid for by us for the purposes of confirming our understanding of the industry in connection with the Issue for industry related data in this Prospectus, including in the sections titled “Industry Overview” and “Our Business” on pages 111 and 140, respectively.

### **Risk factors relating to our business**

- 1. The financing industry is becoming increasingly competitive, which creates significant pricing pressures for us to retain existing customers and solicit new business. Our growth will depend on our ability to compete effectively in this environment.***

Our business operates in a highly competitive market and we face significant competition from other players in the financing industry. Many of our competitors are large institutions, which may have a larger customer base, funding sources, branch networks and capital base compared to us. Some of our competitors may be more flexible and better positioned to take advantage of market opportunities. This competition is likely to

further intensify as a result of securitization and regulatory changes. Our future success will depend, to a large extent, on our ability to respond in a timely and effective manner to these competitive pressures.

Our credit business competes based on a number of factors, including cost effective sources of funding, successful implementation of new technologies, securitization and branches to manage operational costs. Terms and conditions of loans such as variable (or floating) rate interest options, lower processing fees and monthly reset periods are becoming increasingly common in the Indian financial sector, thereby increasing competition.

Our insurance business competes for business based on various factors, including product features, price, coverage offered, quality of customer service, distribution network, relationships with agents, bancassurance partners and other intermediaries, brand recognition, size of operations, financial strength and credit ratings. In addition, life insurance products also compete with certain other financial services products which may not be exactly comparable but provide slightly different alternatives to the customers. For example, in the area of savings-oriented insurance products, we compete with mutual fund companies, bank fixed deposits and Government small saving schemes. Some of our competitors may offer higher commissions or more attractive rewards to agents and other distribution intermediaries or offer similar insurance products at lower pricing.

If we are unable to effectively respond to these various competitive pressures, it could result in a decrease of market share, decrease in our margins and spreads, reduced customer base, increase in pricing of our products, increase in operating expenses, as well as higher attrition rates among management and sales staff, lower growth rates, or even losses, which could have material adverse effect on our business, results of operations, cash flows and financial condition.

2. ***We have grown in the past but there can be no assurance that our growth will continue at a similar rate or that we will be able to manage our rapid growth. If we are unable to implement or sustain our growth strategy effectively it could adversely affect our business, results of operations, cash flows and financial condition.***

Our consolidated profit for the year/ period attributable to owners of the parent was ₹ 3,988.30 million and standalone profit/ (loss) for the year/ period was ₹ (519.08) million for the Fiscal 2025. If we are unable to implement or sustain our growth strategy effectively it could adversely affect our *business*, results of operations, cash flows and financial condition.

Our growth strategy includes growing our asset management, asset reconstruction, and insurance businesses and expanding our retail customer base. A principal component of our strategy is to continue diversifying the development of our new portfolio of products to suit our customers' needs and increase the scale of our businesses. This growth strategy will place significant demands on our management, financial and other resources and will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment as well as developing and improving our internal administrative infrastructure.

We also face a number of operational risks in executing our growth strategy. In-line with our new strategy of asset light growth, we will see transitory period of degrowth of our credit book and slow scale up of our retail credit businesses which will eventually translate to increase in our assets under management. Any rapid growth in our credit book exposes us to a wide range of increased risks, including business and operational risks, such as the possibility of increased NPA, fraud risks as well as regulatory and legal risks. Dealing with a large base of retail clients in businesses like retail credit, insurance, asset management and brokerage also exposes us to a wide range of increased risks, including business, regulatory, legal, fraud, compliance and

reputation risks.

The insurance industry or other financial services industry segments have also seen a few takeovers in the recent past. As a result of this consolidation, competitors may emerge that are larger in scale and/or have other competitive advantages. We may not be able to sustain our growth in light of competitive pressure or other factors. Additionally, there may be scenarios wherein the newly launched products may not generate anticipated returns from the market or may have negative impact on the returns and may be withdrawn. Business models may not succeed in the market and technological and other costs incurred towards automating and developing new customer-friendly interfaces may not yield desired results.

Our ability to sustain our rate of growth also depends, to a large extent, upon our ability to recruit trained and efficient personnel, retain key managerial personnel, maintain effective risk management policies, continue to offer products, which are relevant to our target base of clients, develop managerial experience to address emerging challenges and ensure a high standard of client service. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rate, a need to hire additional employees, erosion in the quality of customer service, a diversion of the management's resources, an increase in our exposure to high-risk credit and an increase in costs for us. If we grow our credit book too rapidly or fail to make proper assessments of credit risks associated with new customers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition. If we are unable to manage such growth it could disrupt our business prospects, impact our financial condition and adversely affect our results of operations, cash flows and financial condition.

Our growth has placed and will continue to place significant demands on our operational, credit, financial and other internal risk controls, including:

- preserving our asset quality as our geographical presence increases and our customer profile changes;
- developing and improving our products and delivery channels;
- recruiting, training and retaining sufficient skilled personnel;
- upgrading, expanding and securing our technology platform;
- securitization of our newly set up businesses;
- complying with regulatory requirements, including KYC norms and other regulations; and
- maintaining high levels of customer satisfaction.

If we are not successful in implementing or executing these operational measures and risk controls, we may not be able to expand our business as we have in the past, and our growth rate may decline. We may not be able to manage our new operations effectively or efficiently, which would mean that our operations would suffer, and our performance and financial results as a whole would be materially and adversely affected.

**3. *Difficult conditions in financial markets can adversely affect our business, which could materially reduce our revenue and income.***

As a financial services firm, our businesses are materially affected by conditions in the domestic and global financial markets, as well as economic conditions in India. If there is a prolonged or significant downturn or

extreme volatility in the Indian capital markets, our revenue generated from these products and services, as well as our net investment income and fund management fees, could decrease, which would have a material adverse effect on our business, results of operations, cash flows and financial condition.

We have in the past incurred trading losses in certain of the equity investments, derivatives, fixed income securities and commodities in our portfolio. Any significant or sustained trading losses could place the capital invested by us at risk, thereby adversely affecting our consolidated business, results of operations, cash flows and financial condition. Market and economic climate may deteriorate in the future because of many factors beyond our control, including rising interest rates or inflation, terrorism or political uncertainty, any adverse global or domestic events, including events that may negatively impact liquidity and investment inflows from foreign and domestic investors.

Our ability to grow relatively recent business ventures such as retail financing, insurance and asset management may also be limited in difficult market conditions. Performance of our capital businesses such as investment of our excess liquidity through our internal liability management operations may be affected due to conditions in the financial markets and economic conditions. A credit crunch in the markets or a liquidity squeeze will increase the cost of borrowings for NBFC industry which may aggravate in future.

We will be unable to quantify the impact of any such adverse market conditions on our business and/or financial condition. Our operating results may vary significantly from quarter to quarter as a result of volatility in market conditions. Therefore, period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as an indication of our future performance.

**4. *High levels of customer defaults and the resultant non-performing assets could adversely affect our business, financial condition, results of operations and future financial performance.***

Our credit business involves lending money and accordingly, we are subject to risks of customer default, which includes default or delays in repayment of principal and/or interest on the loans we provide to customers. Customers may default on their obligations as a result of various factors, including certain external factors, which may not be within our control such as developments in the Indian economy and the real estate market, movements in global markets, changes in interest rates, changes in regulations, government policies. Any negative trends or financial difficulties affecting our customers could increase the risk of their default. Our customers could also be adversely affected by factors such as, bankruptcy, lack of liquidity, lack of business and operational failure. If our customers fail to repay loans in a timely manner or at all, then our results of operations, cash flows and financial condition will be adversely impacted. If we are not able to successfully manage the risks associated with lending to these customers, then it may become difficult for us to make recoveries on these loans. We may also experience higher delinquency rates due to prolonged adverse economic conditions or a sharp increase in interest rates. Any increase in delinquency rates could result in a reduction in our total interest income (i.e., our accrued interest income from loans, including any interest income from credit substitutes) and as a result, lower revenue from our operations, while increasing our costs due to increased expenses associated with the servicing and collection of delinquent loans. We may also be required to make loss provisions in respect of loans to such customers in accordance with applicable regulations and, in certain cases, may be required to write-off such loans. This is also corroborated by the fact that our loan loss provisions and write offs have been at an elevated levels during the past year or two.

We have previously faced certain instances of customers defaulting and/or failing to repay dues in connection with loans or finance provided by us. We have, in certain instances, initiated legal proceedings to recover amounts due from delinquent customers. For further details in relation to some of such litigations, see “Outstanding Litigations” on page 239. Customer defaults could also adversely affect our levels of NPA and increase our provisions made for our NPA, which could in turn adversely affect our operations, cash flows

and profitability. Our gross NPA for our three credit entities were 2.31%, 1.85% and 2.01% of our gross advances as at March 31, 2025, March 31, 2024 and March 31 2023, respectively. Our net NPA for our three credit entities were 1.70%, 1.29% and 1.36% of our gross advances as at March 31, 2025, March 31, 2024 and March 31, 2023, respectively. Though there can be no assurance that the trend of improvement in the asset quality will be maintained in the future. As our loan portfolio matures, we may experience increased defaults in principal or interest repayments. If we are not able to control or reduce our level of NPA, the overall quality of our loan portfolio may deteriorate, and our results of operations may be adversely affected. Our total provision cover for our three credit entities was 82.34%, 107.92% and 188.79% at March 31, 2025, March 31, 2024 and March 31, 2023, respectively. Our loan loss provisions may not be comparable to that of other similar financial institutions. There can be no assurance that there will be no further deterioration in our provisioning coverage ratio or that the percentage of NPA that we will be able to recover will be similar to our past experience in recovering our NPA. In the event of any deterioration in the quality of our loan portfolio, there could be further adverse impact on our results of operations. If we are unable to effectively perform credit appraisal, portfolio monitoring and recovery processes and the related deterioration in the credit quality of our loan portfolio, the proportion of NPA in our loan portfolio could increase, which would, in turn, have a material adverse effect on our business, results of operations, cash flows and financial condition.

**5. *Revisions to laws and regulations or regulatory investigations, including recent RBI AIF Circular restricting certain investments by Regulated Entities in the schemes of alternate investment funds ("AIFs"), may have a material adverse effect on our business, results of operations, cash flows and financial condition.***

Our subsidiaries are regulated by and report to a wide variety of Indian regulatory bodies, including RBI, NHB, SEBI, IRDAI and other regulators, each of which promulgate guidelines governing a wide variety of activities, including but not limited to capital adequacy, investment and credit exposure, reserves and other prudential norms.

Our subsidiary, ECL Finance Limited, is regulated principally by the RBI and is subject to the RBI SBR Framework Master Directions on the regulation of the NBFC-ML. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to the NBFCs. In order to provide enhanced control, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented.

Further, the RBI has through its circular dated December 19, 2023, ("**RBI AIF Circular**") prohibited *inter alia* NBFCs and HFCs (collectively "**Regulated Entities**"), from making any investments in any scheme of AIFs which has downstream investments, either directly or indirectly, in a debtor company of such respective Regulated Entities. The RBI has further directed the Regulated Entities with existing investments in such schemes of AIFs to either liquidate their investments with a period of 30 (thirty) days from the date of the RBI AIF Circular or make 100% provision on such investments. Any of our investments which require compliance with the RBI AIF Circular may adversely impact our business, results of operations, financial condition and reputation. It must be however highlighted that we have filed intimations to BSE and NSE on January 16, 2024 stating *inter alia* that we have exited all such AIFs, through either partial unwinding of the AIFs and/or by way of sale of AIF holdings at par value. We have further confirmed in the aforesaid intimations that we are not required to take any provisions or make any capital adjustments on account of the RBI AIF Circular.

**6. *Regulatory restrictions may have a material adverse effect on our reputation, business, financial condition and result of operations.***

Based on the submissions and remedial measures by the ECL Finance, the RBI, through its order dated December 17, 2024, has lifted the restrictions imposed on ECL Finance to cease and desist, with immediate effect, from undertaking structured transactions in respect of its wholesale exposures, other than repayment and/ or closure of accounts in the normal course of business, acknowledging their commitment to ongoing compliance with regulatory guidelines. Further, the ECL Finance has received the RBI inspection report for the financial year 2023-24. The financial impact, as applicable, has been taken in financial statements for period ended March 31, 2025.

With respect to EARC, based on the submissions and remedial measures by the EARC, the RBI, through its order dated December 17, 2024, has lifted the restrictions imposed on EARC to cease and desist from acquisition of financial assets including security receipts and re-organising the existing security receipts (SRs) into senior and subordinate tranches. Further, the Company has received the RBI inspection report and the final Risk Mitigation Plan ("**RMP**") for the FY2023-2024. The financial impact, as applicable, has been taken in financial statements for period ended March 31, 2025.

Mr. Rajkumar Bansal ceased to be the Managing Director & Chief Executive Officer ("**MD**" & "**CEO**") as the RBI had not acceded to the Company's request of his re-appointment. The RBI, by way of its letter dated March 17, 2025, has approved the appointment of Ms. Mythili Balasubramanian as the MD & CEO of EARC for a term up to September 30, 2025.

While the restrictions under both the ECL Order and the EARC Order have been lifted, we cannot assure that no further actions will be taken by the RBI or any other regulatory authority in the future. Any such actions or failure to comply with applicable regulatory requirements could materially and adversely affect our business, financial condition, results of operations, and reputation.

**7. *We are a widely regulated business and revisions to laws and regulations or regulatory investigations may have a material adverse effect on our business, results of operations, cash flows and financial condition.***

Our life and general insurance subsidiaries are regulated by IRDAI. The laws and regulations governing the insurance industry cover a wide variety of issues, including foreign investment, solvency requirements, investments, money laundering, privacy, record keeping, marketing and selling practices, and have become increasingly complex over time. Any change in the policies of the IRDAI, including in relation to investment or provisioning, may result in our inability to meet such increased or changed requirements as well as require us to increase our coverage to relatively riskier segments. In addition, the Insurance Act, 1938 and regulations issued by the IRDAI could restrict our insurance subsidiaries' operating flexibility as it restricts the types of capital that can be issued by an insurer in India to equity shares having a single face value, preference share capital, subordinated debt instruments and any other debt instrument as may be permitted by the IRDAI. Accordingly, our insurance subsidiaries' ability to issue capital of varied nature is limited. In addition, the Insurance Act, 1938 provides that appointment, reappointment or termination of a managing or whole-time director, a manager or a chief executive officer, of an insurance company shall be made only with the prior approval of the IRDAI. The regulations prescribed by IRDAI further require that the right to appoint a chairman who exercises a casting vote and the right to appoint a chief executive officer has to necessarily be appointed by the Indian promoters and/or investors or the board of directors of the insurance company. Further, according to the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, certain requirements are imposed on investments by insurers.

We are also subject to periodic inspections by RBI, NHB, SEBI, IRDAI and other regulators. In the past

certain observations were made by the regulators during such inspections regarding our business and operations. These observations relate to, amongst others, financial aspects such as calculation of CRAR in our NBFC (including diversions), operational aspects such as data errors and use of customer data, and governance aspects such as formulation of fit and proper criteria for appointment of directors on one of the Subsidiaries. While we generally respond to the observations issued by the regulators in the inspection reports, we cannot assure you that such responses would be found to be acceptable by the regulators in all cases. For instance, Edelweiss Rural and Corporate Services Limited has, in the past, been subject to penalties arising out of inspections carried out by the Forwards Markets Commission and the MCX. While we attempt to be in compliance with all regulatory provisions applicable to us, in the event we are not able to comply with the observations made by the regulators, we could be subject to supervisory actions, which may have a material adverse effect on our reputation, results of operations, cash flows and financial condition. For details of outstanding proceedings in this respect, see “*Outstanding Litigations*” on page 239.

The Issuer has received a notice dated February 9, 2024 bearing reference number SEBI/HO/DDHS SEC/P/OW/2024/5802/1 and SEBI/HO/DDHS-SEC-1/P/OW/2024/5821/1 from SEBI (“**SEBI Letter**”), under Section 15 HB for summary settlement in relation to alleged payments of additional interest for publicly issued NCDs and in its capacity as an Issuer and the merchant banker. The SEBI pursuant to its notice dated June 14, 2024 addressed to the Issuer, issued a notice for summary settlement of the probable proceedings under the SEBI (Settlement Proceedings) Regulations, 2018 as provided in the SEBI Letter. Subsequently, the Issuer has filed the settlement applications and an aggregate amount of ₹ 1.95 million have been remitted.

The Issuer is registered as merchant banker and also acts as an investment manager to certain AIFs registered with the SEBI. The Issuer is required to undertake compliance with the applicable regulatory framework. Accordingly, in the ordinary course of business, the Issuer receives notices and warning letters from SEBI from time to time, which are addressed on an ongoing basis.

We are also subject to corporate, taxation and other laws in force in India. The abovementioned regulations are subject to frequent amendments, which may require us to restructure our activities, incur additional costs or could otherwise adversely affect our business and financial performance. Further, the guidelines promulgated by the regulators may overlap, which could lead to interpretational ambiguities and subject us to potential liability in case of divergent views. There can be no assurance that these regulatory bodies will not implement further regulations or policies, including legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that may have an adverse impact on our subsidiaries. Further, if we are unable to comply with such regulatory requirements, our business and results of operations may be materially and adversely affected. The RBI, SEBI, NHB, IRDAI and other regulators in India and jurisdictions where we operate are empowered to impose and have in the past given administrative warnings and imposed penalties, including for matters such as failure to exercise adequate due diligence in case of certain public offerings on which we were mandated. We cannot predict the initiation or outcome of any current or future investigations by other authorities or different investigations by the regulators in India or in other jurisdictions we operate in. Past penalties imposed by the regulators have generated adverse publicity for our business. Such adverse publicity, or any future scrutiny, investigation, inspection or audit, which could result in fines, public reprimands, damage to our reputation, significant time and attention from our management, costs for investigations and remediation of affected customers, may materially adversely affect our business and financial results.

8. ***We may not be able to recover the full value of collateral or amounts sufficient to cover the outstanding amounts due under defaulted loans on a timely basis or at all, or the value of collateral may decrease, which could adversely affect our results of operations, cash flows and financial condition.***

The value of collateral that we take for loans given by us is dependent on various factors, including (i)

prevailing market conditions, (ii) the general economic and political conditions in India, (iii) growth of the stock markets, capital markets and real estate sector in India and the areas in which we operate, (iv) any change in statutory and/or regulatory requirements, and (v) the credit profile of our borrower.

Delays in recovery, bankruptcy and foreclosure proceedings, defects in the title and delays in obtaining regulatory approvals for the enforcement of such collaterals may affect the valuation of the collateral. As a result, we may not be able to recover the full value of the collateral for the loans provided by our customers within the expected timeframe or at all. Further, legal proceedings may have to be initiated by us in order to recover overdue payments on loans and as a consequence, the money and time spent on initiating legal proceedings may adversely affect our cash flow.

The value of the security provided by the borrowers to us may be subject to a reduction in value on account of various reasons. While our customers may provide alternative security to cover the shortfall, the realizable value of the security for the loans provided by us in the event of liquidation may continue to be lower than the combined amount of the outstanding principal amount, interest and other amounts recoverable from the customers.

Any default in the repayment of outstanding credit obligations by our customers may also expose us to losses. A failure or delay recovering the loan value from sale of collateral security could expose us to potential losses. Any such losses could adversely affect our results of operations, cash flows and financial condition. Furthermore, the process of litigation to enforce our legal rights against defaulting customers in India is generally a slow and potentially expensive process. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

**9. *Any adverse development in the real estate sector would negatively affect our results of operations.***

A significant portion of our credit book is exposed to the real estate sector. In addition, our asset reconstruction business also has exposure to loans to companies in the real estate sector. Our wholesale mortgage, retail mortgages and small and medium enterprises (“SME”) & business loans are exposed to the real estate sector and any significant decline in property prices can adversely affect our ability to realise the value of our collateral or fully recover principal and interest in the event of a default. Delay in completion of real estate developments may also affect the value of our collateral and our ability to enforce our rights. Failure to recover the expected value of collateral could expose the Issuer to losses and, in turn, result in a material adverse effect on our business, results of operations, cash flows and financial condition. Following the introduction of the SARFAESI Act, we are allowed to foreclose on secured property after 60 (sixty) days’ notice to a borrower, whose loan has been classified as non-performing. Although the enactment of the SARFAESI Act has strengthened the rights of creditors by allowing expedited enforcement of security in an event of default, there is still no assurance that we will be able to realize the full value of our collateral, due to, among other things, delays on our part in taking action to secure the property, delays in bankruptcy foreclosure proceedings, stock market downturns, defects in the perfection of collateral and fraudulent transfers by borrowers.

Further, among the various regulatory developments that have impacted the real estate sector recently, we believe that the implementation of the Real Estate Regulation and Development Act, 2016 (“**RERA Act**”) is expected to have the biggest impact over the long term. After notification of certain provisions of the RERA Act with effect from May 2016, the remaining provisions of the RERA Act became effective from May 2017 onwards. Subsequent to this, the obligations of real estate project developers under the provisions of the RERA Act, including mandatory project registration, enhanced disclosure norms and penal provisions for violation of rules have become effective across India.



To ensure compliance with the requirements of the RERA Act, companies in the real estate sector may need to allocate additional resources, which may increase compliance and they may face regulatory actions or be required to undertake remedial steps, which may have an adverse effect the business, operations and financial condition of various companies in the sector leading to less than anticipated growth in the housing sector, resulting in adverse effect on our business.

**10. *Our current statutory auditors and former statutory auditors have reported a statement on certain matters specified in Companies (Auditors Report) Order, 2020 (“the Order”) as an annexure to the main audit report in respect of Standalone and Consolidated Audited Financial Statements for March 31, 2025, March 31, 2024 and March 31, 2023 and with respect to Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, in the current statutory auditor’s and former statutory auditor’s audit report in respect of Standalone and Consolidated Audited Financial Statements for March 31, 2025, March 31, 2024 and March 31, 2023, which were prepared and modified, which may affect our future financial results.***

Our current statutory auditors had reported a statement included as an annexure to the auditors report on audited standalone financial statements of the Issuer for the year ended March 31, 2025, a statement on certain matters specified in the Companies (Auditor's Report) Order, 2020 which were modified to indicate (a) generally regular in payment of undisputed statutory dues; (b) disclosure of statutory dues outstanding on account of a dispute; and (c) cash losses incurred.

Our current statutory auditors had reported a statement included as an annexure to the auditors report on standalone financial statements of the Issuer for the year ended March 31, 2024, a statement on certain matters specified in the Companies (Auditor’s Report) Order, 2020 (“**the Order**”) which were modified to indicate (a) generally regular in payment of undisputed statutory dues; and (b) disclosure of statutory dues outstanding on account of a dispute.

Our current statutory auditors had reported a statement included in the auditors report on standalone financial statements of the Issuer for the year ended March 31, 2024, with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 (e) of the Companies (Audit and Auditors) Rules, 2014, which was modified, with respect to the Issuer, has not advanced or loaned or invested or has not received any fund to/from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall, except with respect to certain loans given to its subsidiary company in the ordinary course of business, which are at arm’s length and the same is approved by Board Audit Committee of the Issuer. The Issuer has also confirmed that the transactions were in accordance with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act, 2013 and the such transactions are not in violation of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Our former statutory auditors had reported a statement included as an annexure to the auditors report on standalone financial statements of the Issuer for the year ended March 31, 2023, a statement on certain matters specified in the Companies (Auditor’s Report) Order, 2020 (“**the Order**”) which were modified to indicate (a) funds obtained to meet obligations of subsidiaries, in accordance with terms of agreement with the lenders; (b) slight delay in payment of undisputed statutory dues; (c) disclosure of statutory dues outstanding on account of a dispute.

Our former statutory auditors had reported a statement included in the auditors report on standalone financial statements of the Issuer for the year ended March 31, 2023, with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 (e) of the Companies (Audit and Auditors) Rules, 2014, which was modified, with respect to the Issuer, has not advanced or loaned or invested or has not received any fund to/from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall, except with respect to certain loans given to its subsidiary company

in the ordinary course of business, which are at arm's length and the same is approved by Board Audit Committee of the Issuer. The Issuer has also confirmed that the transactions were in accordance with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act, 2013 and the such transactions are not in violation of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Our current statutory auditors have reported the annexure in the auditors report on consolidated financial statements of the Issuer for the year ended March 31, 2025, a statement on certain matters by the Companies'(Auditor's Report) Order, 2020 which indicated unfavourable or adverse remarks by the respective auditors in the report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated financial statements which indicated for respective entities with respect to clause iii (c), iii (d), ix(d) and xvii.

Our current statutory auditors have reported the annexure in the auditors report on consolidated financial statements of the Issuer for the year ended March 31, 2024, a statement on certain matters by the Companies'(Auditor's Report) Order, 2020 which indicated unfavourable or adverse remarks by the respective auditors in the report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated financial statements which indicated for respective entities with respect to clause iii (c), iii (d), vii(a), ix(d) and xvii.

Our former statutory auditors have reported the annexure in the auditors report on consolidated financial statements of the Issuer for the year ended March 31, 2023, a statement on certain matters by the Companies'(Auditor's Report) Order, 2020 which indicated unfavourable or adverse remarks by the respective auditors in the report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated financial statements which indicated for respective entities with respect to clause iii (c) and iii (d), ix (d) xvii, i (c), ix (e) and xix.

For further details, please see "*Financial Information*" on page 214. There can be no assurance that our Statutory Auditors will not include similar comments in the audit reports to our audited financial statements in the future, or that such remarks will not affect our financial results in future fiscal periods.

***11. We and certain of our Promoters and Directors, group companies, Subsidiaries are involved in certain legal and other proceedings and further certain penalties have been imposed by statutory, governmental or regulatory authorities and there can be no assurance that we and our Promoters and Directors, group companies, Subsidiaries will be successful in any of these legal actions. In the event we are unsuccessful in litigating any of the disputes, our business and results of operations may be adversely affected.***

We are involved in certain legal proceedings, including civil suits, criminal proceedings, and tax disputes. These legal proceedings are pending at different levels of adjudication before various courts, authorities and tribunals. Some of our Promoters and Directors, group companies, Subsidiaries have been named as parties to criminal and regulatory proceedings, which are currently pending. Further pursuant to the certain proceedings initiated by statutory, governmental and regulatory authorities, penalties (monetary and non-monetary) have been imposed against the Subsidiaries and group companies of the Issuer, for violation of certain legal requirements. For further details in relation to legal proceedings, among other things, involving us and certain of our Promoters and Directors, group companies, Subsidiaries, see "*Outstanding Litigations*" on page 239. These proceedings have been disclosed to the extent: (i) the monetary amount of any claim by or against the entity or person in any such pending litigation is in excess of an amount of ₹ 245 million, or (ii) where any such litigation or regulatory action the outcome of which has a bearing on the business, operations, prospects or reputation of the Issuer, irrespective of the amount involved in such litigation ("**Materiality Threshold**"). The Materiality Threshold is applicable to the disclosures required to be made in connection with this Issue in this Prospectus in connection with all pending litigation involving the Issuer,

Promoter, Directors, Subsidiaries and group companies, (other than criminal proceedings, and regulatory proceedings) and does not extend to any other disclosure or issuance or any other purpose, in any manner whatsoever

A summary of number of the outstanding litigations as detailed in “*Outstanding Litigations*” on page 239 is as provided below:

<b>Name of the Company</b>	<b>Criminal Proceedings</b>	<b>Tax Proceedings</b>	<b>Statutory or Regulatory Proceedings</b>	<b>Disciplinary actions by the SEBI or Stock Exchanges against our Promoters</b>	<b>Material Civil Litigations</b>	<b>Aggregate amount involved (₹ in million)</b>
<b>Company</b>						
By the Company	2	Nil	Nil	Nil	2	2000
Against the Company	1	3	2	Nil	Nil	1,038.77
<b>Directors</b>						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
<b>Promoters</b>						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	4	Nil	2	Nil	Nil	16.57
<b>Subsidiaries</b>						
By the Subsidiaries	40	Nil	Nil	Nil	6	8,340.32
Against the Subsidiaries	42	9	30	Nil	16	50,337.35

We are subject to routine supervisory processes and periodic inspections inter alia by SEBI and stock exchanges, pursuant to which observations and warning, deficiency and advisory letters may be issued, on various issues including our operations, internal controls and regulatory compliance. We may be delayed or in the process of implementation of any prescribed operational procedures or compliance with certain regulatory requirements prescribed pursuant to such supervisory processes, which could affect our future growth and business. For instance, our group companies have been subject to joint inspections by SEBI and stock exchanges for which monetary and non-monetary penalties have been prescribed. While we have taken actions and responded to such observations, findings, directions and regulatory non-compliances in the past, these regulatory authorities may make similar observations in the future. For details in relation to penalties imposed on our Company and Subsidiaries in last three years, please see section “*Outstanding Litigations*” on page 239. In the event, we are unable to resolve such deficiencies and other matters to their satisfaction, or are otherwise found to be in non-compliance with the observations or directions, we may be subject to penalties or enforcement actions. Imposition of any penalty or action during ongoing or any future inspections may therefore have an adverse effect on our business, results of operations, financial condition and reputation.

We are required to devote management and financial resources in defence or prosecution of these disputes. There can be no assurance that these disputes will not be determined against us or that we will not be required to pay all or a portion of the disputed amounts or that we will be able to recover amounts for which we have

filed recovery proceedings. Even if we are successful in defending such cases, we will be subject to legal and other costs relating to defending such litigation, and such costs may be substantial and not recoverable. There can also be no assurance that similar proceedings will not be initiated against us in the future.

**12. *If we are unable to recover the amounts due from customers to whom we have provided unsecured loans it could adversely affect our operations and profitability.***

Our unsecured loan portfolio includes working capital loans to SMEs, rural finance and other loans. Since loans to these customers are unsecured, upon the occurrence of an event of default, our ability to realise the amounts due would be restricted to initiating legal proceedings for recovery. There can be no guarantee as to the length of time it could take to conclude such legal proceedings or for the legal proceedings to result in a favourable decision for us. Moreover, since these loans are securitized, there can be no assurance that we will be able to fully recover the outstanding due, or at all, even in the event of a favourable decision for us. With respect to some of our loans, we do not have any direct control over how the customer actually utilised the loan proceeds. Although our credit appraisal system conducts a due diligence during its securitization process and exercises caution in its lending, any use of loan proceeds for purposes outside those stated on the loan application form may negatively affect the repayment capacity of the borrowers to repay the loan. Any failure to repay such loans could have an adverse effect on our financial condition, results of operations and cash flows.

**13. *SMEs to which we provide loans may not perform as expected and we may not be able to control the non-performance of such businesses.***

We provide loans to SMEs against their assets. Our SME & other business loan portfolio aggregated to ₹ 8,383.13 million, ₹ 12,025.63 million and ₹ 10,821.67 million as at March 31, 2025, March 31, 2024 and March 31, 2023, respectively. Some of our SME loans are also unsecured. We do not manage, operate or control such SME businesses or entities and have no control over those businesses' functions or operations. Such SME businesses may make business, financial or management decisions with which we do not agree, or the majority shareholders or the management of such companies may make business, financial or management decisions that may be adverse to, or otherwise act in a manner that does not serve, our best interests. The repayment of the loans extended to such SME businesses will depend to a significant extent on the specific management team of the relevant borrower entity. The actions taken by the management of our SME customers may lead to significant losses and affect their ability to repay our loans, and this may adversely affect our financial performance.

**14. *We may be impacted by volatility in interest rates, which could cause our net interest margins to decline and adversely affect our profitability.***

Our results of operations are substantially dependent upon our net interest income, which is a function of the amount of our credit book and net interest margin. The net interest income for our credit NBFCs was as follows:

(₹ in million, unless otherwise stated)

Name of entity	Fiscal 2025	Fiscal 2024	Fiscal 2023
ECL Finance Limited	(2,129.20)	(3,221.96)	(22.18)
Edelweiss Retail Finance Limited	402.80	475.77	703.33
Nido Home Finance Limited	1,247.88	1,123.17	1,204.34

We borrow and lend funds on both fixed and floating rates. While any reduction in interest rates at which we borrow may be passed on to our customers, we are unable to pass on any increase in interest rates to customers who have existing loans on fixed interest rates. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, and conversely, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. Competitive pressure may also require us to reduce the interest rates at which we lend to our customers without a proportionate reduction in interest rates at which we raise funds. Our customers may also prepay their loans to take advantage of a declining interest rate environment. An increase in interest rates could result in our customers, particularly those with variable interest rate loans, prepaying their loans if less expensive loans are available from other sources. In a declining interest rate environment, especially if the decline is sudden or sharp, we could be adversely affected by a decline in the market value of fixed income securities and this could reduce our earnings from liability management operations.

Accordingly, our operations are susceptible to fluctuations in interest rates. Interest rates are highly sensitive and volatility in interest rates could be a result of many factors, including the monetary policies of the RBI, inflationary pressures in the economy, de-regulation of the financial services sector in India, domestic and international economic and political conditions and inflation. An increase in inflation and consequent changes in bank rates, repo rates and reverse repo rates by the RBI have led to an increase in interest rates on loans provided by banks and financial institutions and consequently, interest rates in India have been volatile in recent financial periods. There can be no assurance that we will be able to adequately manage our interest rate risk in the future, which could have an adverse effect on our net interest income and net interest margins, which could in turn have a material adverse effect on our business, results of operations, cash flows and financial condition.

**15. *Our contingent liabilities could adversely affect our financial condition.***

As at March 31, 2025 our contingent liabilities on a consolidated basis not provided for, as per Ind AS 37 issued by MCA, were amounting to ₹ 2,359.11 million (which included taxation matters in respect of which appeal is pending amounting to ₹ 2,120.65 million, litigation pending against group amounting to ₹ 238.46 million). If, for any reason, these consolidated contingent liabilities materialise, it may adversely affect our financial condition. For more details of contingent liability as at March 31, 2025 as per Ind AS 37, see “*Financial Information*” on page 214.

**16. *We are subject to certain litigations involving income tax authorities, outcome of which is currently not known to us.***

Pursuant to the Income Tax Authorities (the “ITA”) investigation during March 2023 at the offices of the Issuer, and at its subsidiaries namely, Edelweiss Rural and Corporate Services Limited, Allium Corporate Services Private Limited (formerly known as Allium Finance Private Limited), Edelweiss Asset Reconstruction Company Limited, ECL Finance Limited and Edel Finance Company Limited, notices were received for various years by the Issuer and its Subsidiaries in relation to proceedings. Subsequently assessment orders/demand notices have been received in relation to completion of the investigation. The Issuer and its above mentioned subsidiaries have filed an appeal against relevant assessment orders. On the basis of legal opinion taken by the group, the Issuer believes that there may not be any significant impact on standalone or consolidated financial statements in this regard. In case of an adverse outcome from higher authorities, it may affect our business, financial condition, and results of operation.

**17. *Our businesses require substantial operating capital and any disruption in the sources of its funding or an increase in its average cost of borrowings could have a material adverse effect on our liquidity and financial condition.***

Our liquidity and ongoing profitability are, to a large extent, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements have historically been met through a combination of borrowings such as term loans, working capital limits from banks, issuance of commercial papers and non-convertible debentures as well as retained earnings. We are also in the process of diversifying our sources of funding by securitizing some of our loan portfolio. Our finance costs (on a consolidated basis) was ₹ 25,370.44 million, ₹ 27,865.03 million and ₹ 25,745.63 million for the Fiscals 2025, 2024 and 2023, respectively. Our business growth, liquidity and profitability depend and will continue to depend on our ability to access diversified, relatively stable and low-cost funding sources as well as our financial performance, capital adequacy levels, credit ratings and relationships with lenders. As a financial services company, we face certain additional regulatory restrictions on our ability to obtain financing. Any adverse developments or changes in applicable laws and regulations, which limit our ability to raise funds through securitization or direct assignment transactions or through private placements of non-convertible debentures can disrupt our sources of funding and as a consequence, could have a material adverse effect on our liquidity and financial condition.

As on March 31, 2025, our Total Borrowings on a consolidated basis was ₹ 1,78,745.14 million and on standalone basis was ₹ 30,724.42 million. In order to meet these debt obligations, we will either need to refinance, which may prove to be difficult in the event of volatility in the credit markets, or alternatively, raise additional retained earnings or generate sufficient operating cash flows to retire the debt. There can be no assurance that our business will generate sufficient cash to enable it to service its existing debt or to fund its other liquidity needs.

Our ability to borrow funds and refinance existing debt may also be affected by a variety of factors, including deterioration in our financial performance or profitability, regulatory policies impacting the ability of lenders to lend to certain sectors such as NBFCs, liquidity in the credit markets, the strength of the lenders from which we borrow, the amount of eligible collateral, credit rating downgrade and accounting changes that may impact calculations of covenants in our financing agreements. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions that constricts the availability of credit may increase our cost of funds and make it difficult for us to access financing in a cost-effective manner. A disruption in sources of funds or increase in cost of funds as a result of any of these factors may have a material adverse effect on our liquidity and financial condition.

Pursuing our growth strategy and introducing new product offerings to our customers will have an impact on our long- term capital requirements. The market for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors. If we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors, including the regulatory environment and policy initiatives in India, liquidity in the market, developments in international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition. If we are unable to obtain adequate financing or financing on terms satisfactory to us or refinancing and in a timely manner, our ability to grow or support our business and to respond to business challenges could be limited and our business prospects, results of operations, cash flows and financial condition would be materially and adversely affected.

**18. Any downgrade in our credit ratings could increase interest rates for refinancing our outstanding borrowings, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis, which could adversely affect our business, financial condition, results of operations and cash flows.**

As on the date of this Prospectus, various rating agencies had rated the Issuer's long-term credit ratings as: "Crisil A+/ Stable" (pronounced as "Crisil A plus rating" with stable outlook), "Acuité A+/Rating Watch with Negative Implications (read as ACUITE A plus rating watch with negative implications) (Outlook: Rating Watch with Negative Implications)", "BWR A+/Stable (BWR A Plus; Outlook: Stable), "CARE A/ Stable (CARE A with stable outlook); "ICRA A+ (Stable)" and our short term credit ratings as Crisil A1+, IVR A1+. The long-term and short-term rating or outlook of the Issuer and our group subsidiaries have been downgraded in the recent past by some rating agencies.

The NCDs proposed to be issued under the Issue have been rated "Crisil A+/ Stable" (pronounced as Crisil A Plus with Stable Outlook) for an amount of ₹ 10,000 million by Crisil vide their rating letter dated May 26, 2025, with rating rationale dated May 23, 2025. Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk. The rating given by the Credit Rating Agency is valid as on the date of this Prospectus and shall remain valid until the rating is revised or withdrawn. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. These rating is not a recommendation to buy, sell or hold securities and Investors should take their own decisions. Please refer to Annexure A of this Prospectus for the rating letter, rationale and press release of the above ratings. There are no unaccepted ratings and any other ratings other than as specified in this Prospectus.

Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position and ability to meet our obligations. As a diversified set of businesses, many of whom are dependent upon our ability to access capital, our liquidity and ongoing profitability are primarily dependent upon our timely access to, and the costs associated with raising capital. Our business is significantly dependent on funding from the debt capital markets and commercial borrowings. The demand for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors, including our ability to maintain positive credit ratings. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets. A reduction or withdrawal of the ratings may also adversely affect the market price and liquidity of the non-convertible debentures and our ability to access the debt capital markets. This would negatively affect our net interest margin and our business. Any downgrade of our credit ratings could also increase the possibility of additional terms and conditions being imposed upon future financing or refinancing arrangements. Any downgrade of our credit ratings could also accelerate the repayment of certain of our borrowings in accordance with the applicable covenants of our borrowing arrangements. Any such adverse development could adversely affect our business, results of operations, cash flows and financial condition.

We also face certain restrictions on our ability to raise money from international markets, which may further constrain our ability to raise funds at attractive rates. While our borrowing costs have been competitive in the past due to our ability to raise debt products, credit rating and our asset portfolio, we may not be able to offer competitive interest rates for loans to our customers if we are unable to access funds at an effective cost that is comparable to or lower than our competitors. This may adversely impact our business and results of operations.

**19. *We have diversified into our insurance business but we may not be able to scale up and grow this business***

Edelweiss Life Insurance Company Limited (“**Edelweiss Life / ELI**”) incurred a loss after tax after minority interest flowing through our consolidated profit & loss account was ₹ 981.43 million, ₹ 1,175.72 million and ₹ 1,401.57 million for the years ended March 31, 2025, March 31, 2024 and March 31, 2023, respectively.

While Edelweiss Life will be required to increase its capital requirements as it increases the scale of our life insurance business, which will require further increase in Edelweiss Life’s capital base and may increase the loss after tax in our insurance business.

Further, Zuno General Insurance Limited (“**ZGIL**”), a wholly owned subsidiary of the Issuer, is an IRDAI registered general insurance company. ZGIL’s loss after tax was ₹ 479.94 million, ₹ 1,228.19 million and ₹ 1,254.87 million, for the years ended March 31, 2025, March 31, 2024 and March 31, 2023, respectively. Like our life insurance business, our general insurance business is also a long gestation period business.

Our growth also depends on our ability to develop new products and product add-ons/extensions, expanding in target markets and consumer segments with the perspective of growing market share and profitability. There may be scenarios wherein the newly launched products may not generate anticipated returns from the market or may have negative impact on the returns and may have to be withdrawn. Business models may not succeed in the market and technological and other costs incurred towards automating and developing new customer-friendly interfaces may not yield desired results.

While we believe that in the long-term our diversification into the insurance business will provide a stable growth platform, there can be no assurance that we will succeed in building scale in this business or that our insurance business will ever achieve a profit after tax, and our failure to do so could have a material adverse effect on our business, results of operations, cash flows and financial condition.

**20. *Any significant variation from the various assumptions and estimates used in the pricing of, and maintaining reserves for, our insurance products, could have a material adverse effect on our business, results of operations, cash flows and financial condition.***

We price our life insurance products based on various assumptions and estimates relating to, among other factors, benefits, claim patterns, mortality rates and persistency ratios etc. General insurance covers multiple product categories and the key risks relate to parametric risks wherein we price our insurance products based on various assumptions and estimates relating to, among other factors, benefits, claim frequency and claim severity, etc.

We determine liabilities that provide for future obligations relating to our products, and our earnings from our insurance business are dependent on the extent to which actual benefits, claims and persistency ratios are consistent with the assumptions and estimates we have used in the pricing of our insurance products and the determination of the appropriate amount of policy reserves. Due to the nature of the underlying risks and the high degree of uncertainty associated with the determination of liabilities relating to unpaid insurance policy claims, we cannot determine in any precise manner the amount that will ultimately be required to settle such liabilities. The pricing of our insurance products, and the estimation of reserves, involves various assumptions and estimates based on our management’s assessment of the information available, historical data, probable forecast of future events that could affect our policyholders or the insurance industry in general, as well as anticipated estimates of a future claims’ severity and frequency, loss trends in claim frequency and severity experienced by us, our loss history and loss history in the Indian insurance industry and information regarding claims. These assumptions and estimates are also affected by other factors beyond our control, such as regulatory development or judicial determination relating to insurance claims and damages, any change in the political environment or general macroeconomic trends affecting the Indian economy, including inflation.



We also organise policyholder information in our modelling exercise, which could be inaccurate or incomplete.

We typically make certain assumptions relating to future persistency of policyholders, and on the basis of such assumptions and past experience, we can generally anticipate the overall level of policy surrenders, withdrawals, discontinuance and lapses in a given period. In addition, the modelling methodologies we use may not be either accurate or optimal and are also likely to be more complex and less accurate as we increase the number and complexity of the insurance products we offer. Since the prices we set for our insurance products and the expected profitability on such products is based in part upon expected patterns of premiums and assumptions related to persistency, if the actual persistency of our customers varies significantly from our persistency assumptions, it could have a material adverse impact on our insurance business and its results of operations. The incidence of unusual events with significant or lasting impact, such as sharp declines in income of customers resulting from adverse macroeconomic conditions, radical changes in the applicable regulatory framework or government policies impacting the economy in general or the insurance industry in particular, loss of customer confidence in the insurance industry due to actual or perceived weakening of the financial strength of one or more insurance companies, or increased volatility in the capital markets, could also result in unanticipated high levels of surrenders, withdrawals, discontinuance and lapses of insurance policies, thereby adversely affecting our persistency rates.

Based on our risk assessment, if we under-price our insurance products, our results of operations could be adversely affected, while if we overprice our insurance products, our sales of insurance products may be materially and adversely affected. In addition, various assumptions related to future investment returns are used in pricing our insurance products and setting of reserves for this business. Actual investment returns that are lower than those projected could result in significant losses on particular insurance products, thereby causing us to increase the price of our products, thereby adversely affecting future sales of insurance policies. If we are unable to accurately price our insurance products, it may adversely affect our results of operations and financial condition.

We maintain reserves to cover amounts we estimate will be required to settle insured losses as well as for any expenses incurred to settle claims. However, our reserves do not, and will not in the future, represent any precise calculation of liability, but rather are estimates of the anticipated net future policy benefits and claims payments, and are consequently inherently uncertain. An estimation of the loss and loss expense reserves is an arduous and complex process that involves a number of variables and is subject to the subjective assumptions, estimates and judgment of Senior Management of insurance business. Consequently, in the event that our claim payments vary significantly from the assumptions used in the pricing of, or maintaining reserves for, our insurance products, it could have a material adverse effect on our insurance business and our results of operations, cash flows and financial condition.

***21. The actuarial valuation of liabilities for our life insurance policies with outstanding liabilities is not required to be audited under applicable regulations, and any inaccurate actuarial valuation may have an adverse effect on our results of operations, cash flows and financial condition.***

The actuarial valuation of liabilities for our life insurance policies with outstanding liabilities are performed by an appointed actuary and presented in our financial statements. Under Indian regulations, the appointed actuary of a life insurance company is required to certify such actuarial valuation of liabilities for our policies with outstanding liabilities and confirm that the assumptions taken into account for purposes of such valuation comply with relevant regulations and guidelines stipulated by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI and in accordance with the accounting standards, Ind AS 104 “Insurance Contracts” and Ind AS 109 “Financial Instruments”, which are prescribed by Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended from time to time.

Additionally, the valuation methodologies, including assumptions, are verified as a part of peer review process as prescribed under Actuarial Practice Standards-4 issued by the Institute of Actuaries of India. Edelweiss Life's statutory auditors rely on the certificate provided by the appointed actuary of such companies on such actuarial valuation and such valuation is not subjected to an independent audit by Edelweiss Life's statutory auditors. The process of actuarial valuation of liabilities for policies with outstanding liabilities in India may vary from that followed by life insurance companies and insurance regulatory authorities in other jurisdictions, and therefore may not be comparable. In the event the underlying assumptions or actuarial modelling used in the determination of the actuarial valuation of our liabilities are inaccurate, or if the absence of an audit or similar process independently evaluating the actuarial liabilities results in an error in the calculation of such actuarial valuation, it could have an adverse effect on our results of operations, cash flows and financial condition. While there have been no materially incorrect actuarial valuations for our policies with outstanding liabilities in the recent past, we cannot assure you that there will be no instances of incorrect actuarial valuations in the future.

**22. *We are exposed to fluctuations in the market values of our investment and other asset portfolio.***

Financial market turmoil can adversely affect economic activity globally, including India. Deterioration in the credit and capital markets may result in volatility of our investment earnings and impairments to our investment and asset portfolio, including the assets in our balance sheet management unit, which are maintained as a part of our liquidity management. Further, the value of our investments depends on several factors beyond our control, including the domestic and international economic and political scenario, inflationary expectations, unforeseen tail events like the COVID-19 pandemic and the RBI's monetary policies. Any decline in the value of the investments could negatively impact our financial condition.

**23. *We may face asset-liability mismatches, which could affect our liquidity and consequently may adversely affect our operations and profitability.***

Asset-liability mismatch represents a situation when financial terms of an institution's assets and liabilities do not match and is a key financial parameter indicative of an NBFC's performance. A significant portion of our funding requirements is met through short-term and medium-term funding sources such as bank loans, working capital demand loans, cash credit, short term loans and commercial paper and non-convertible debentures. However, a significant portion of our assets (such as loans to our customers) have maturities with longer tenor than our borrowings. We may face potential liquidity risks due to varying periods over which our assets and liabilities mature. Moreover, raising long-term borrowings in India has historically been challenging. If we are unable to obtain additional credit facilities or renew our existing credit facilities in a timely and cost-effective manner to meet our maturing liabilities, or at all, this may lead to gaps and mismatches between our assets and liabilities, which in turn may adversely affect our liquidity position, and in turn, our operations and financial performance.

**24. *A decline in our capital to risk assets and solvency ratio could restrict our future business growth.***

Our credit business conducted under our NBFC and HFC licenses is subject to the capital to risk assets ratio requirements prescribed by the RBI.

Our NBFC subsidiaries are subject to regulations relating to the capital adequacy of NBFCs, which determine the minimum amount of capital that must be held as a percentage of the risk-weighted assets on the portfolio, or CRAR. Under the RBI SBR Framework Master Directions, NBFCs-BLML are required to have a regulatory minimum CRAR of 15%, with a minimum Tier 1 capital of 10%. Our CRAR for ECL Finance Limited, which is the key NBFC in our Group – calculated on the basis of the RBI norms applicable to NBFCs – was 32.62%, 40.68% and 30.84% as at March 31, 2025, 2024 and 2023, respectively, while its Tier 1 Capital

was 23.28%, 20.34%, and 15.82% as at March 31, 2025, March 31, 2024 and March 31, 2023, respectively.

In respect of Nido Home Finance Limited, our HFC subsidiary, the Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended, modified, supplemented, from time to time (“**NHB Directions**”) inter alia require HFCs to comply with a specified capital (consisting of Tier I and Tier II capital) to aggregate risk (weighted) assets and risk adjusted value of off- balance sheet items ratio, or capital adequacy ratio (“**CRAR**”). In terms of the NHB Directions, HFCs are required to maintain a CRAR of at least 15%. The CRAR of Nido Home Finance Limited as at March 31, 2025, March 31, 2024 and March 31, 2023 was 33.60%, 39.05% and 32.06%, respectively.

As we have an insurance business, IRDAI requires us to maintain a minimum solvency ratio of 150%. Edelweiss Life’s solvency ratio – calculated on the basis of IRDAI norms applicable to insurance companies – was 181%, 179%, and 220% as at, March 31, 2025, March 31, 2024 and March 31, 2023, respectively. Meanwhile, ZGIL’s solvency ratio – calculated on the basis of IRDAI norms applicable to insurance companies – was 158%, 172%, and 180% as at March 31, 2025, March 31, 2024 and March 31, 2023, respectively.

If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet the applicable CRARs with respect to our businesses. There can be no assurance that we will be able to raise adequate additional Tier I and Tier II capital in the future on terms favourable to us, in a timely manner, or at all and this may adversely affect the growth of our business. There can be no assurance that we will be able to raise adequate additional capital in the future in these subsidiaries on terms favourable to us, in a timely manner, or at all and this may adversely affect the growth of our business.

The solvency ratio of ELI and ZGIL may be affected by various factors, including the amount of capital available to it, the mix of insurance products sold by it, its business growth as well as its profitability. In the event ELI and/or ZGIL is unable to comply with the prescribed Solvency Ratio requirements due to inadequacy of share capital and profit to support business growth, statutory solvency requirements being increased, or the decline of its financial condition or due to any other factor, it will be required to raise additional capital to meet the applicable Solvency Ratio requirements. In addition, the IRDAI may increase the control level of solvency or modify the existing regulatory framework in the future. Any such development, including the implementation of the risk-based solvency framework, may require it to raise additional capital to meet any modified regulatory requirements. Its ability to raise additional capital from external sources in the future is subject to a variety of uncertainties, including but not limited to, its future financial condition, results of operations, cash flows, regulatory approvals, changes in regulations relating to capital raising activities by insurance companies, its credit rating, general market conditions for capital raising activities, and other economic and political conditions in India and globally. It may not be able to raise additional capital in a timely manner or on acceptable terms or at all and this may adversely affect the growth of our business.

**25. *Regulatory revisions governing the sale of distressed assets by banks and financial institutions could adversely affect the growth of our asset reconstruction business.***

Asset reconstruction business typically involves resolution of distressed assets sold by banks or financial institutions. The RBI guidelines and directions prescribe *inter alia* certain compliances in relation to the issuance of security receipts and presently require an asset reconstruction company to invest a minimum of 15% of the transferor’s investment in the security receipts (“**SRs**”) or 2.5% of the total SRs issued, whichever is higher, in each asset class under each scheme on an ongoing basis till the redemption of all the SRs under each scheme. SRs issued by ARCs are valued at a net asset value based on recovery rating range assigned by

an independent credit rating agency.

The RBI guidelines provide that if an investment by a bank in SRs backed by stressed assets sold by it under an asset securitisation, is more than 10% of SRs backed by its sold assets and issued under that organisation, then the bank is required to create provisions on the SRs as per extant asset classification and provisioning norms for the higher of the provisioning rate required in terms of net asset value declared by the securitizing company(ies) and the provisioning rate as applicable to the underlying loans, assuming that the loans notionally continued in the books of the bank. As a result of these guidelines, banks and financial institutions may sell lesser distressed assets in the coming years, which in turn could reduce the growth in the size of our credit book for distressed assets and thereby adversely impact the growth and profitability of our asset reconstruction business. The RBI could also increase the provisioning requirements for Edelweiss Asset Reconstruction Company Limited (“**EARC**”). Any of these revisions in the regulations governing the sale of distressed assets would have a material adverse effect on our asset reconstruction business and our results of operations, cash flows and financial condition. Any adverse revisions in the regulations governing the sale of distressed assets would have a material adverse effect on our asset reconstruction business and our results of operations, cash flows and financial condition. Further, the RBI prohibits ARCs from acquiring financial assets on a bilateral basis from a bank or financial institution, which is either a lender to the ARC or a sponsor to the fund, if any, raised by the ARC for its operations. These and other regulations may also limit the opportunities of growth for our asset reconstruction business.

In addition, our asset reconstruction business is also dependent upon the process of resolution and recovery of stressed assets. Any delay or regulatory change in the resolution and the recovery mechanism has the ability to adversely affect recoveries from the stressed assets and the growth of our asset reconstruction business.

Our asset reconstruction business is also dependent upon the process of resolution and recovery of stressed assets. Any delay or regulatory change in the resolution and the recovery mechanism has the ability to adversely affect the returns on this business.

**26. *Our indebtedness and the conditions and restrictions imposed by our financing arrangements and any default in compliance with the material covenants could restrict our ability to conduct our business and operations in the manner we desire.***

As on March 31, 2025, our Total Borrowings on a consolidated basis was ₹ 1,78,745.14 million and on standalone basis was ₹ 30,724.42 million. We have in the past incurred significant indebtedness and will continue to incur additional indebtedness in the future. Certain of our financing agreements also include certain conditions and covenants that require us to maintain certain financial ratios and obtain consents from lenders prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or to obtain these consents could have significant adverse consequences on our business and operations. Under certain of our financing agreements, for example, we are required, but may be unable to obtain lender consents for, among others, the following matters:

- to effect any change in control in our group;
- permit any transfer of the controlling interest or make any drastic change in the management set-up;
- to effect any change in the capital structure;
- to undertake or permit any merger, amalgamation or compromise with our shareholders, creditors or effect any scheme of amalgamation or reconstruction
- implement a new scheme of expansion or take up an allied line of business or manufacture;

- permit any transfer of the controlling interest or make any drastic change in the management set-up; and
- to amend the constituent documents of certain companies in our group.

Under certain of our financing agreements, the debenture trustee on behalf of the debenture holder may enforce our security, charge additional interest or accelerate the redemption of our debentures if we fail to fulfil the covenants as in the financing agreements. There can be no assurance that we will be able to fulfil these covenants in the future, in a timely manner, or at all and this may adversely affect the growth of our business.

Additionally, the Issuer in certain instances, has provided corporate guarantees assuring repayment of certain loan facilities availed by certain companies in our Group. If any such company or any other guarantor under the loan facilities commits a default or fails to meet their obligations under the facility agreements, the lender may enforce its rights against the Issuer (in addition to any rights it may have against the defaulting company in our Group). If any lender seeks the accelerated repayment of any such loan or is successful in enforcing any other rights against us, including enforcing the corporate guarantees, there could be a material adverse effect on our business, results of operations, cash flows and financial condition.

***27. If the investments made by the funds we advise or manage perform poorly we will suffer a decline in our revenue and earnings, we may be obligated to repay certain incentive fees we have previously received to the third party investors in such funds, and our ability to raise capital for future funds may be adversely affected.***

Our revenue from our business is derived from fees earned for our advice to the funds, which is calculated as a percentage of the capital committed to/drawn-down from these funds, incentive fees, or carried interest, which is earned when certain financial returns are achieved over the life of a fund, gains or losses on investments of our own capital in the funds and monitoring, and transaction fees. In the event that such investments perform poorly, our revenues and earnings may suffer a corresponding decline and make it more difficult for us to raise new funds in the future. To the extent that, over the life of the funds, we have received an amount of carried interest that exceeds a specified percentage of distributions made to the third-party investors in these funds, we may be obligated to repay the amount of this excess to the third party investors.

***28. We face the threat of fraud and cyber-attacks, such as hacking, phishing, trojans and other threats, attempting to exploit our network to disrupt services to customers and/or theft of sensitive internal company data or customer information. This may cause damage to our reputation and adversely impact our business and financial results.***

Our systemic and operational controls may not be adequate to prevent adverse impact from cyber fraud, errors, hacking and system failures in future. Further, our mobile and internet-based customer applications and interfaces may be open to being hacked or compromised by third parties, resulting in thefts and losses to our customers and us. Some of these cyber threats from third parties include: (a) phishing and trojans – targeting our customers, wherein fraudsters send unsolicited mails to our customers seeking account sensitive information or to infect customer machines to search and attempt ex-filtration of account sensitive information; (b) hacking – where attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; (c) data theft – where cyber criminals may attempt to intrude into our network with the intention of stealing our data or information; and (d) advanced persistency threat – network attack in which an unauthorised person gains access to our network and remains undetected for a long period of time. The intention of this attack is to steal our data or information rather than to cause damage to our network or organisation. Attempted cyber threats fluctuate in frequency and are generally increasing in frequency. If we suffer from any of such cyber threats, it could materially and adversely affect our business,

results of operations, cash flows and financial condition.

A significant system breakdown or system failure caused due to intentional or unintentional acts would have an adverse impact on our revenue-generating activities and lead to financial loss. It may also impact our customers' loyalty and satisfaction.

Although we have established a geographically remote disaster recovery site to support critical applications, it is possible the disaster recovery site may also fail or it may take considerable time to make the system fully operational and achieve complete business resumption using the alternate site. Therefore, in such a scenario, where the primary site is completely unavailable, there may be significant disruption to our operations, which would materially adversely affect our reputation and financial condition.

There is also the risk of our customers blaming us and terminating their accounts with us for a cyber-incident that might have occurred on their own system or with that of an unrelated third party. Any cyber-security breach could also subject us to additional regulatory scrutiny and expose us to civil litigation and related financial liability.

Some of our businesses use cloud environments for various applications, we store and transmit large amounts of sensitive, confidential, personal and proprietary information over public communications networks. The shared, on-demand nature of cloud computing introduces the possibility of new security breaches, in addition to the threats faced by traditional corporate networks. Due to the vast amount of data stored on cloud servers, cloud providers have become an attractive target for cyber-attacks. Though cloud providers deploy the required security controls to protect their cloud environments, if they fail in protecting our confidential information, it may have a material adverse effect on our business, results of operations, cash flows, financial condition, reputation and prospects.

***29. Failure to maintain confidential information securely or significant security breaches could adversely impact our business, financial condition, cash flows, results of operations and prospects.***

In the course of our business operations, we are involved in the acquisition and secure processing, transmission and storage of sensitive, confidential and proprietary information, including our investment banking, trading, clearing and settlement, and research businesses. While we believe we have adequate systems in place, we are exposed to significant risks related to data protection and data security due to, among others, our brokerage platform involving extensive data transmission and processing, our outsourcing of certain business operations, our reliance on licensed technologies and outsourced employees for some of the key components of our information technology systems and their maintenance. We seek to protect our computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems. Further, computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and network infrastructure.

Information security breaches could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of our or our customers'/clients' confidential, proprietary and other information, identity theft or disruptions of and errors within our systems. We employ security systems, including sophisticated threat management systems and password encryption, designed to minimize the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent break-ins, damage and failures, there can be no assurance that these security measures will be adequate or successful. Failed security measures could have a material adverse effect on our business, our future financial performance and the trading price of the Equity Shares and NCDs. We may need to expend significant resources to protect against security breaches, intrusions, attacks or other threats or to address problems including reputational harm and litigation, caused by breaches. Although we take measures to safeguard

against systems related and other fraud, there may be certain situations that fraud may occur. Our reputation could be adversely affected by significant fraud committed by employees, customers or outsiders.

Further, data collection and storage are increasingly subject to various legislation and regulations and our attempts to comply with applicable legal and statutory requirements may not be successful, and may also lead to increased costs for compliance, which may materially and adversely affect our business, financial condition, cash flows, results of operations and prospects.

**30. *We may experience difficulties in expanding our business, organically and inorganically, into new regions and markets in India and overseas.***

We continue to evaluate attractive growth opportunities to expand our business into new regions and markets in India as well as overseas. These opportunities can take various forms, including acquisitions, mergers, joint ventures and strategic investments.

There can be no assurance that we will be able to identify suitable acquisition targets or strategic investment at acceptable cost and on commercially reasonable terms, obtain the finance, if required, to complete and support such acquisitions or investments, integrate such businesses or investments or that any business acquired or investment made will be profitable. The return of capital deployed on such acquisitions will depend on the price of the acquisitions and speed of integration of acquired business employees and assets. Any future acquisitions may result in integration issues and employee retention problems; we face numerous risks and uncertainties combining, transferring, separating or integrating the relevant businesses and systems, including the need to combine or separate accounting and data processing systems and management controls and to integrate relationships with clients, trading counterparties and business partners. We may not be able to realise the benefits we might anticipate from any such acquisitions.

Factors such as competition, culture, regulatory regimes, business practices and customs and customer requirements in these new markets may differ from those in our current markets and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with other banks and financial institutions that already have a presence in those jurisdictions and markets. As these banks and financial institutions are more familiar with local regulations, business practices and customs, they may have developed stronger relationships with customers. Our business expansion may be exposed to various additional challenges, including obtaining the necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship, successfully gauging market conditions in the local markets in which we have no previous familiarity, attracting potential customers in a market in which we do not have significant experience or visibility, being susceptible to local laws, including taxation in additional geographical areas in India and overseas adapting our marketing strategy and operations to the different regions of India in which different languages are spoken. Expansion in new markets could also lead to a change in existing risk exposures, and the data and models we use to manage such exposures may not be as sophisticated or effective as those we use in existing markets or with existing products. This, in turn, could lead to losses in excess of our expectations. If we are unable to expand our current operations it may adversely affect our business prospects, results of operations, cash flows and financial condition.

**31. *We introduce new products for our customers and there is no assurance that our new products will be profitable in the future.***

We introduce new products and services in our existing lines of businesses. We may incur costs to expand our range of products and services and cannot guarantee that such new products and services will be successful once offered, whether due to factors within or outside of our control, such as general economic

conditions, a failure to understand customer demand and market requirements or a failure to understand the regulatory and statutory requirements for such products or lack of management focus on these new products. If we fail to develop and launch these products and services successfully, we may lose a part or all of the costs incurred in development and promotion or discontinue these products and services entirely, which could in turn adversely affect our business and results of operations.

**32. *Our Group's ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs which could have an impact on our business and could affect our growth, margins and business operations.***

The RBI by way of the Master Circular on Bank Finance to Non-Banking Financial Companies, bearing reference number DOR.CRE.REC.No.05/21.04.172/2025-26 dated April 01, 2025 (“**Master Circular**”) as amended from time to time, has amended and consolidated the regulatory framework governing banks' exposure to NBFCs and address concerns arising from divergent regulatory requirements for banks and NBFCs. The Master Circulars restricts bank's exposures to a single NBFC to 20% of their eligible capital base and to a group of connected NBFCs or group of connected counterparties having NBFCs in the group to 25% of their Tier I Capital.

Furthermore, RBI has suggested that banks may consider fixing internal limits for their aggregate exposure to all NBFCs combined. Since the Master Circular limits a bank's exposure to NBFCs, the same consequently restricts our ability to borrow from banks. Further, as per the extant guidelines by RBI, it has been decided that rated exposures of banks to all NBFCs (including members of our Group), excluding Core Investment Companies (CICs), would be risk-weighted as per the ratings assigned by the accredited rating agencies, in a manner similar to that for corporates. The RBI vide its circular bearing RBI/2023-24/85/DOR.STR.REC.57/21.06.001/2023-24 dated November 16, 2023 has prescribed scheduled commercial banks to calculate their risk weights on their exposures to NBFCs by 25% points (over and above the risk weight associated with the given external rating) in all cases where the extant risk weight as per external rating of NBFCs is below 100%.

These circulars could affect our business and any similar notifications released by the RBI in the future, which has a similar impact on our business could affect our growth, margins and business operations.

**33. *If we are unable to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our existing or future businesses it may have a material adverse effect on our business, results of operations, cash flows and financial condition.***

The Issuer and our subsidiaries in India are subject to regulations and supervision by the RBI, NHB, SEBI, IRDAI and other regulators. In addition to the numerous conditions required for the registration with each of these regulatory bodies, we are also required to comply with certain other regulatory requirements for our business imposed by the regulators. There could be circumstances where we or our subsidiaries may be required to renew applicable permits and approvals and obtain new permits and approvals for our current and any proposed operations, or in the event of a change in applicable law and regulations. There can be no assurance that the concerned regulators or other relevant authorities will issue any such permits or approvals in the timeframe anticipated by us, or at all. Our failure to renew, maintain or obtain the required permits or approvals may result in an interruption of our operations and may have a material adverse effect on our business, results of operations, cash flows and financial condition.

In addition, our branches are required to be registered under local laws and regulations of the states in which they are located. These local laws and regulations regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If we fail to obtain or retain any of these approvals or



licenses, or renewals thereof, in a timely manner, or at all, our branch businesses may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration for such branch may be suspended or cancelled and we shall not be able to carry on such activities. Furthermore, any failure to obtain relevant licenses or to comply with the terms of any licenses that we are currently required to maintain, could subject us to penalties and restrict our ability to conduct certain lines of business. Additionally, compliance with regulatory reporting requirements is crucial for our operations. Any delays or failures in submitting mandatory regulatory reports may result in fines, legal actions, and increased scrutiny from regulatory bodies, which could adversely impact our business reputation and financial stability

**34. *The Issuer's ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and dividend income from subsidiaries.***

The Issuer's ability to pay dividends in the future will depend upon a number of factors, including but not limited to its future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions, and capital expenditures. Further, since the Issuer is the holding company for the Edelweiss group and has limited business operations, the receipt of dividends from its subsidiaries as and when declared continue to be a significant portion of the revenues of the Issuer. Consequently, in the event that if one or more of the Subsidiary companies are unable to or do not declare dividends for whatsoever reasons including but not limited to any macroeconomic situation, regulatory constraints or other factors generally affecting the industry in which such subsidiaries operate, the Issuer may have lesser, significantly lower or no revenues. In such a situation, the profits of the Issuer may be affected which would affect the Issuer's ability to pay interest. In addition, the Issuer's ability to pay dividends may be impacted by restrictive covenants under the loan or financing agreements the Issuer may enter into to finance the fund requirements for its business activities.

There can be no assurance that the Issuer will be able to pay its dividends in the future. The Issuer may decide to retain all of its earnings to finance the development and expansion of its business and, therefore, may not declare dividends on its Equity Shares. Additionally, in the future, the Issuer may be restricted by the terms of its financing agreements in making dividend payments unless otherwise agreed with its lenders. Dividends distributed by the Issuer may also attract taxes at rates applicable from time to time. The Issuer cannot assure it will be able to pay dividends in the future.

**35. *We may divest stakes in our businesses or demerge businesses as we seek to increase our capital position, to strengthen our balance sheet and find suitable strategic partners to grow our businesses, thereby reducing our stake in those businesses.***

We have divested our stake in our wealth management business and in EGIBL to Arthur J. Gallagher & Co. Further, we continue to explore various fund-raising opportunities, including the option to raise capital from the strategic investor(s) and we may consider divesting certain or all of our existing investments and businesses. To this effect, subject to receipt of requisite regulatory and customary approvals and compliance with applicable law, our Board has approved a restructuring exercise involving the sale of investments by the Issuer (either in part or whole) in our Subsidiaries by transferring, hiving off, demerging, selling etc., whole or part of our wealth management business, asset management business and general insurance business to any strategic investor(s)/person, at an appropriate time, including by listing the equity shares of the holding company of the respective businesses or one or more of the identified subsidiaries.

Timing of outcomes and impact thereof of these initiatives cannot be predicted or assessed accurately at this juncture and the Issuer may have a lower stake in these businesses in the future.

A Scheme of Amalgamation for the merger of Edelweiss Retail Finance Limited ("**Transferor Company**") with ECL Finance Limited ("**Transferee Company**") has been initiated under Sections 230 to 232 of the Companies Act, 2013. The scheme was filed with the BSE on June 12, 2024, and with the NSE on June 13, 2024. On October 10, 2024, the stock exchanges issued observation letters on the scheme with no adverse comments. Additionally, on June 12, 2024, the Issuer had applied to the RBI for confirmation of its previous approval related to the merger and RBI by way of its letter dated February 07, 2025 conveyed its no objection to the scheme. Later, the Transferor Company and the Transferee Company filed a joint application before Hon'ble National Company Law Tribunal, Mumbai Bench ("**NCLT**") and pursuant to an order dated May 05, 2025 issued by NCLT, the Transferor Company and the Transferee Company are in the process of conducting meeting of creditors on June 26, 2025 for approval of the Scheme with or without any modification(s).

**36. *The Insolvency and Bankruptcy Code, 2016 may affect our rights to recover loans from borrowers.***

The Insolvency and Bankruptcy Code, 2016, as amended from time to time ("**Bankruptcy Code**") was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

In case insolvency proceedings are initiated against a debtor to the Issuer, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors on specified critical matters must be taken by a vote of not less than 66% of the voting share of all financial creditors unless otherwise specified otherwise in the Bankruptcy Code. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it.

In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority subject to subsisting *inter se* ranking of charges amongst the secured creditors.

Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of the Issuer, it may affect the Issuer's ability to recover the loans from the borrowers and enforcement of the Issuer's rights will be subject to the Bankruptcy Code.

Further, the Government of India vide notification dated March 24, 2020 ("**Notification**") has amended section 4 of the Bankruptcy Code due the lingering impact of the COVID-19 pandemic. Pursuant to the said Notification, Government of India has increased the minimum amount of default under the insolvency matters from ₹ 100,000 to ₹ 10,000,000. Therefore, the ability of the Issuer to initiate insolvency proceedings against the defaulters where the amount of default in an insolvency matter is less than ₹ 10,000,000 may impact the recovery of outstanding loans and profitability of the Issuer.

Therefore, the ability of the Issuer to initiate insolvency proceedings against the defaulters with respect to the defaults during the above mentioned periods may impact the recovery of outstanding loans and profitability

of our group.

**37. *Changes to laws and regulations across the multiple jurisdictions we operate in, may materially and adversely affect our business and financial performance.***

Our business and financial performance could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us and our business, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations, in India or in other jurisdictions we operate in.

The governmental and regulatory bodies in India and other jurisdictions where we operate may notify new regulations and/or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those, which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, results of operations, cash flows and financial condition.

**38. *Certain Directors and Key Managerial Personnel hold Equity Shares in the Issuer and are therefore interested in the Issuer's performance in addition to their remuneration and reimbursement of expenses.***

Some of our Directors and Key Managerial Personnel are interested in the Issuer, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in the Issuer. Such Directors and Key Managerial Personnel may be able to exercise significant control over us, including being able to determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may not be able to affect the outcome of such voting. Our Directors and Key Managerial Personnel may take or block actions with respect to our business which may conflict with the best interests of the Issuer or that of minority shareholders. For further details in relation to shareholding of the Directors in the Issuer, see “*Capital Structure*” on page 76.

**39. *Our revenues are dependent on our sustained ability to successfully manage transactions and advisory assignments and on managing client concentrations.***

Our investment banking services are primarily provided to clients on a short-term basis, engaging us for specific projects such as equity capital markets, corporate finance, mergers and acquisitions advisory, and private equity syndication. Unlike long-term contracts, these engagements are not recurring in nature. Therefore, once our current projects are successfully completed or terminated, we must actively seek new engagements to sustain our business. It's important to note that high activity levels in one period do not necessarily guarantee continued high activity levels in subsequent periods.

The fees we earn from our financial advisory business are typically received upon the successful completion of a specific transaction or assignment. A decrease in the number of financial advisory engagements or a decline in the market for such services would negatively affect our business. Our financial advisory business operates in a highly competitive environment, where revenue sources are not typically based on long-term contracts. Each engagement that generates revenue requires separate solicitation, negotiation, and awarding. Moreover, many businesses do not regularly engage in transactions that necessitate our services. Consequently, the predictability of fee-paying engagements with clients is low, and a quarter with high financial advisory revenue does not guarantee sustained high revenue in the future. Additionally, we experience client attrition each year due to factors such as their choice to hire other financial advisors, their sale, merger, or restructuring, changes in Senior Management, and various other reasons.

These factors can significantly impact the volume, nature, and scope of our engagements, resulting in a

material decline in our financial advisory revenue. There is no assurance that we will be able to attract large new clients to mitigate any adverse effects on our business, financial performance, cash flows, and overall financial condition.

**40. *We derive a portion of our revenue from our investment banking and securities business and are subject to various risks associated with investment banking and securities business.***

We offer investment banking services, including equity capital markets, corporate finance, mergers and acquisitions advisory, and private equity syndication. However, our investment banking revenue is subject to macroeconomic conditions and capital markets environment, which results in significant income fluctuations across periods.

Engaging in investment banking entails risks, such as challenges in obtaining regulatory approvals or experiencing execution delays, which may lead to penalties and business setbacks. Securities offerings of listed companies undergo a review process by SEBI, beyond our control, potentially causing substantial delays or termination. There is no guarantee of prompt or future regulatory approvals, impacting our revenue as fees depend on transaction completion.

The accuracy of information provided by clients is crucial, as inaccurate data may trigger negative regulatory observations, damaging our reputation. Inadequate due diligence or failure to detect fraud or misconduct can result in sanctions, fines, legal liabilities, and litigation. Repercussions can arise from domestic and international regulatory actions related to securities sales.

Employees' access to sensitive data, including non-public information, poses risks of unauthorized dissemination or illicit trading, leading to fines, regulatory actions, damaged client relationships, and harm to our reputation. Inadequate valuation and pricing based on growth prospects, industry trends, and economic scenarios can negatively impact our reputation, client relationships, and business prospects.

Furthermore, adverse market conditions and capital markets volatility, including cyclicality, have previously caused delays or terminations of securities offerings, potentially resulting in fewer mandates and adversely affecting our investment banking revenue.

**41. *Our success depends upon our management team and key personnel and our ability to attract, train and retain such persons. If we are unable to attract and retain talented professionals or the loss of key management personnel may have an adverse impact on our business and future financial performance.***

Our ability to sustain the rate of growth depends significantly on selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. We face a continuing challenge to recruit, adequately compensate and retain a sufficient number of suitably skilled personnel, knowledgeable in sectors in which we operate or to which we lend. There is significant competition in India for such personnel, which has increased in recent years as a significant number of banks, NBFCs, HFCs and insurance companies have recently commenced operations. We compete with other similar financial institutions to attract and retain this talent pool. Our success in attracting and retaining such resources depends upon factors such as remuneration paid, range of our product offerings, pre and post-sale support provided, our reputation, our perceived stability, our financial strength, and the strength of the relationships we maintain with our intermediaries, agents and other professionals. If we fail to attract or retain such key personnel, it could have a material adverse effect on our business, results of operations, cash flows, financial condition and prospects.

If we are unable to hire additional qualified personnel or to retain them, our ability to expand our business may be impaired. We will need to recruit new employees who will have to be trained and integrated within

our operations. In addition, we will have to train existing employees to adhere to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rate, a requirement to hire additional employees, an erosion of the quality of customer service, a diversion in the management's resources, an increase in our exposure to high-risk credit and an increase in costs for us. Hiring and retaining qualified and skilled managers is critical to our future as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven. Moreover, competition for experienced employees can be intense, and has intensified in the recent financial periods. While we have an incentive structure, if we are unable to attract and retain talented professionals or the loss of key management personnel it may have an adverse impact on our business and future financial performance.

***42. A failure or inadequacy in our information technology and telecommunication systems or if we are unable to adapt to rapid technological changes it may adversely affect our business, results of operations, cash flows and financial condition.***

Our ability to operate and remain competitive depends in part on our ability to maintain and upgrade our information technology **systems** and infrastructure on a timely and cost-effective basis, including our ability to process a large number of transactions on a daily basis. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our financial, accounting or other data processing systems and management information systems or our corporate website may fail to operate adequately or become disabled as a result of events that may be beyond our control, including a disruption of electrical or communications services. Further, the information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. If any of these systems are disabled or if there are other shortcomings or failures in our internal processes or systems, it may disrupt our business or impact our operational efficiencies and render us liable to regulatory intervention or damage to our reputation. The occurrence of any such events may adversely affect our business, results of operations, cash flows and financial condition.

We are dependent on various external vendors for the implementation of certain elements of our operations, including implementing information technology infrastructure and hardware, industry standard commercial off-the-shelf products, networking and back-up support for disaster recovery. We are, therefore, exposed to the risk that external vendors or service providers may be unable to fulfil their contractual obligations to it (or will be subject to the risk of fraud or operational errors by their respective employees) and the risk that their (or their vendors') business continuity and data security systems prove to be inadequate or fail to perform. Failure to perform any of these functions by our external vendors or service providers could materially and adversely affect our business, results of operations and cash flows.

We update our information technology systems and introduce new information technology systems from time to time. However, delays, system failures or other accidents may occur during such system upgrades or introduction of new systems. In addition, the upgraded or new information technology systems may not be able to achieve the projected processing capacity and availability and may also not be able to meet the needs of our business scale and business growth in the future. Our failure to address these problems promptly, including any delay in the implementation of any upgraded or new information systems, could result in our inability to perform, or prolonged delays in performing critical business operational functions, the loss of key business data, which could have a material adverse effect on our business operations. This could in turn have a material adverse effect on our business, financial condition, results of operations, reputation and prospects.

In addition, the future success of our business will depend in part on our ability to respond to technological advances and to emerging financing industry standards and practices on a cost-effective and timely basis. The

development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies effectively or adapt our technology and systems to meet customer requirements or emerging industry standards. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our financial condition could be adversely affected. Any technical failures associated with our information technology systems or network infrastructure, including those caused by power failures and other unauthorised tampering, may cause interruptions or delays in our ability to provide services to our customers on a timely basis or at all, and may also result in added costs to address such system failures and/or security breaches, or for information retrieval and verification.

***43. We are exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees, agents, customers or third parties, which could harm our results of operations, cash flows and financial condition.***

We are exposed to many types of operational risks. Operational risks can result from a variety of factors, including failure to obtain proper internal authorisations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. We attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing employees with continuous training. We employ security systems, including firewalls and password encryption, designed to minimise the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent fraud, break-ins, damage and failures, there can be no assurance that these security measures will be adequate. Any failure to mitigate such risks may adversely affect our business and results of operations.

Any fraud, sales misrepresentation and other misconduct committed by our employees, agents or distribution partners could result in violations of laws and regulations by us and subject us to regulatory scrutiny. Even if such instances of misconduct may not result in any legal liabilities on our part, they could cause serious reputational or financial harm to us. Our agents and intermediaries are also subject to regulatory oversight of regulators within respective industries such as RBI, NHB, IRDAI etc. Any regulatory action against such distribution partners could reduce our ability to distribute our products through them, harm our reputation and have a material adverse effect on our business, results of operations, cash flows, financial condition and prospects.

In addition, some of our transactions expose us to the risk of misappropriation or unauthorised transactions by our employees and fraud by our employees, agents, customers or third parties. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Furthermore, we may be subject to regulatory or other proceedings in connection with any unauthorised transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. In addition, some of the collateral provided for the loans may not be adequately insured and this may expose us to a loss of value of the collateral. As a result, we may not be able to recover the full value of the collateral. Any loss of value of the collateral may have a material adverse effect on our profitability and business operations.

***44. Our insurance coverage may not adequately protect us against losses, which could adversely affect our business, results of operations, cash flows and financial condition.***

We maintain a number of insurance policies to cover the different risks involved in the operation of our

business. We maintain a directors' and officers' liability policy to cover certain liabilities that may be imposed on our Directors and officers. We believe that our insurance coverage is appropriate and adequate for our operations. We have insurance policies covering, among others, electronic equipment, burglary, standard fire and special peril and machinery breakdown, and comprehensive general liability insurance.

We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Any successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including any increase in premium or any imposition of larger deductibles or co-insurance requirements could adversely affect our business, results of operations, cash flows and financial condition.

***45. Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts and our risk management measures and internal controls, may not be fully effective in mitigating our risks in all market environments or against all types of risks, which may adversely affect our business and financial performance.***

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. Some methods of managing risks are derived from the observation of historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the indication based on historical measures. Other risk management methods depend on an evaluation of information regarding markets, customers or other matters. This information may not be accurate, complete, up-to-date or properly evaluated. The management of operational, legal or regulatory risk requires, among other things, proper policies and procedures to record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective.

We may utilise a variety of financial instruments, such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts to seek to hedge against any decline in value of our assets as a result of changes in currency exchange rates, certain changes in the equity markets and market interest rates and other events. Hedging transactions may also limit the opportunity for gain if the value of the hedged positions should increase, it may not be possible for us to hedge against a change or event at a price sufficient to fully protect our assets from the decline in value of the positions anticipated as a result of such change or event. In addition, it may not be possible to hedge against certain changes or events at all. While we may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, or the risks of a decline in the equity markets generally or one or more sectors of the equity markets in particular, or the risks posed by the occurrence of certain other events, unanticipated changes in currency or interest rates or increases or smaller than expected decreases in the equity markets or sectors being hedged or the non-occurrence of other events being hedged may result in a poorer overall performance for the group than if we had not engaged in any such hedging transaction. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the position being hedged may vary. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the positions being hedged. Such imperfect correlation may prevent us from achieving the intended hedge or expose the group to additional risk of loss.

Our risk management techniques may not be fully effective in mitigating our risks in all types of market environments or against all types of risk, including risks that are unidentified or unanticipated.

Our future success will depend, in part, on our ability to respond to new technological advances and emerging

market standards and practices in a cost-effective and timely manner. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will be able to successfully implement new technologies or adapt our transaction processing systems in accordance with the requirements of customers or emerging market standards.

- 46. Any adverse change in our relationship with our individual agents and other distribution intermediaries, a decline in performance of our agent or other distribution network or if we are unable to enter into additional distribution arrangements may have a material adverse effect on our business, results of operations, cash flows and financial condition.***

We distribute our products through a large number of individual agents and other financial intermediaries with respect to our various businesses. We typically enter into exclusive arrangements with our individual agents who contribute a significant portion of our insurance business. We compete with other financial institutions and insurance companies to attract and retain individual agents. Our success is dependent on the sales commissions and other rewards and recognition programs extended by us subject to applicable regulatory restrictions, the range of our product offering, our brand and business reputation, market and customer perception regarding the stability of our financial condition, our financial performance, our marketing and related support services that we provide to our agents and other intermediaries, and our relationship with our individual agents. If we are unable to attract and retain productive sales agents, it could have a material adverse effect on our business, results of operations, cash flows and financial condition. It is also difficult, time consuming and expensive to recruit, train and deploy agents and other retail distributors. If we are unable to develop a productive team of agents in a cost-effective manner, or at all, it could adversely affect our sales as well as customer perception of our business and products. We may experience high attrition rates of individual agents and other intermediaries as a result of increased competition. In addition to individual agents, we also rely on other distribution channels, including corporate agents, brokers, micro-agents, common service centres and marketing firms. If we are unable to continue to recruit, train and retain productive sales agents and other distribution intermediaries it may have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

- 47. We may face damage to our professional reputation and risk legal liability to our clients and affected third parties if our services are not regarded as satisfactory.***

All of our businesses depend to a large extent on our relationships with our clients and our reputation for integrity and high calibre professional services to attract and retain clients. As a result, if a client is not satisfied with our services, it may be more damaging to our business than to other businesses. Moreover, our role as advisor to our clients on important mergers and acquisitions or structured finance transactions involves complex analysis and the exercise of professional judgment.

Our activities may subject us to the risk of significant legal liabilities to our clients and aggrieved third parties, including shareholders of our clients who could initiate securities class actions against us. These risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. Our engagements typically include broad indemnities from our clients and provisions to limit our exposure to legal claims relating to our services, but these provisions may not protect us or may not be enforceable in all cases. As a result, we may incur significant legal expenses in defending against litigation. Substantial legal liability or significant regulatory action against us could have material adverse financial effects or cause significant harm to our reputation, which could seriously harm our business prospects.



**48. *Poor investment performance, pricing pressure and other competitive factors may reduce our revenue or result in losses in our asset management business.***

Our revenues from our asset management business is primarily derived from management fees, which are based on committed/drawn down capital and/or assets under management and incentive fees, which are earned if the return of our investment funds exceeds certain threshold returns. Our ability to maintain or increase assets under management is subject to a number of factors, including investors' perception of our past performance, market or economic conditions, competition from other fund managers and our ability to negotiate terms with major investors.

Investment performance is one of the most important factors in retaining existing clients and competing for new asset management and private equity business and our historical performance may not be indicative of future results. Poor investment performance and other competitive factors could reduce our revenues and affect our growth in many ways:

- existing clients may withdraw funds from our asset management business in favour of better performing products; our incentive fees could decline or be eliminated entirely;
- firms with which we have business relationships may terminate these relationships with us;
- our capital investments in our investment funds or the seed capital we have committed to new asset management products may diminish in value or may be lost; and
- our key employees in the business may depart, either to join a competitor or otherwise.

To the extent our future investment performance is perceived to be poor in either relative or absolute terms, our asset management revenues will likely be reduced and our ability to raise new funds will likely be impacted.

Even when market conditions are generally favourable, our investment performance may be adversely affected by our investment style and the particular investments that we make. In addition, over the past several years, the size and number of investment funds, including exchange-traded funds and private equity funds, has continued to increase. If this trend continues, it is possible that it will become increasingly difficult for us to raise capital for new investment funds or price competition may mean that we are unable to maintain our current fee structure. We have historically competed primarily on the basis of the performance of our investment funds and other asset management products and services, and not on the level of our fees relative to those of our competitors. However, there is a risk that fees in the asset management industry will decline, without regard to the historical performance of a manager, including our historical performance. Fee reductions on our existing or future investment funds and other asset management products and services, without corresponding decreases in our cost structure, would adversely affect our revenues and results of operations.

**49. *We have experienced negative cash flows in the past and prolonged negative cash flow could adversely affect our financial condition and business operations.***

In the last three years, we have experienced periods of negative cash flow. The table below sets forth selected information from our statements of cash flows in Fiscal 2025, 2024 and Fiscal 2023, on a standalone and consolidated basis:

Standalone statement of cash flow:

(₹ in million, unless otherwise stated)

	Fiscal 2025	Fiscal 2024	Fiscal 2023
Net cash generated from / (used in) operating activities	(5,184.78)	(12,657.86)	(3,286.08)
Net cash generated from / (used in) investing activities	6,037.75	12,647.80	2,854.22
Net cash generated from / (used in) financing activities	(1,278.61)	(879.00)	(2,837.39)

Consolidated statement of cash flows

(₹ in million, unless otherwise stated)

	Fiscal 2025	Fiscal 2024	Fiscal 2023
Net cash generated from / (used in) operating activities	20,517.54	28,935.77	17,198.88
Net cash generated from / (used in) investing activities	37,259.35	(4,815.81)	7,457.57
Net cash generated from / (used in) financing activities	(34,280.85)	(27,846.38)	(17,083.48)

We cannot assure you that we will not experience negative cash flows in the future. If we continue to experience such negative cash outflows in the future, this could adversely affect our business prospects, financial condition, cash flows, and results of operations.

**50. Our reliance on any misleading or misrepresented information provided by potential customers or counterparties or an inaccurate credit appraisal by our employees may affect our credit judgments, as well as the value of and title to the collateral, which may adversely affect our reputation, business and results of operations.**

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including financial statements and other financial information. We may also rely on certain representations in relation to the accuracy and completeness of that information as well as independent valuation reports and title reports with respect to the collateral. In addition, we may rely on reports of the independent auditors in relation to the financial statements of the customers. For example, in deciding whether to extend credit, we may assume that a customer's audited financial statements conform to GAAP and the financial condition, results of operations and cash flows of the customer are presented fairly in all material respects. Our financial condition and results of operations may be adversely affected by relying on financial statements that do not comply with GAAP or other information that may be materially misleading. Moreover, we have implemented a KYC checklist and other measures to prevent money laundering. There can be no assurance that information furnished to us by potential customers and any analysis of such information or the independent checks and searches will return accurate results, and our reliance on such information may affect our judgment of the potential customers' credit worthiness, as well as the value of and title to the collateral, which may result in us having to bear the risk of loss associated with such misrepresentations. In the event of the ineffectiveness of these systems, our reputation, business and results of operations may be adversely affected.

We may also be affected by the failure of our employees to adhere to the internal procedures and an inaccurate appraisal of the credit or financial worth of our clients. Inaccurate appraisal of credit may allow a loan sanction, which may eventually result in a bad debt on our books of accounts. In the event we are unable to mitigate the risks that arise out of such lapses, our business and results of operations may be adversely affected.

**51. *We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business or reputation.***

We are required to comply with applicable KYC, anti-money-laundering and anti-terrorism laws and other regulations in India (including the Prevention of Money Laundering Act, 2002 and rules and regulations made thereunder, and other jurisdictions that we operate in. In the course of our operations, we run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls customary in India to prevent the occurrence of these risks. Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect any AML activity and ensure KYC compliance, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions, including imposition of fines and other penalties. In certain activities and in pursuit of our business, we run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness despite having a KYC and Anti-Money Laundering measures and associated processes in place. Such incidents may adversely affect our business and reputation.

Any failure by us to comply with such regulatory requirements could expose us to significant monetary liabilities, regulatory challenges and reputational damage. Penalties imposed by regulators may generate adverse publicity for us and our business. Such adverse publicity or any future scrutiny or investigation could result in fines and damage to our reputation and involve significant time and attention of our management and may materially adversely affect our business and financial results

**52. *Our business is dependent on the Group's goodwill and 'Edelweiss' brand name. Any change in control of the Group or any other factor affecting the business and reputation of the Group may have a concurrent adverse effect on our Group's reputation, business and results of operations.***

Our business is dependent on our Group's goodwill and the 'Edelweiss' brand name. Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business. The reputation of the financial services industry in general has been closely monitored as a result of the global financial crisis and other matters affecting the financial services industry. Negative public opinion about the financial services industry generally or about us specifically could materially adversely affect our ability to attract and retain customers and may expose us to litigation and regulatory action. Negative publicity can result from our or our third-party service providers' actual or alleged conduct in any number of activities, including lending practices, mortgage servicing and foreclosure practices, technological practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organisations in response to that conduct. Damage to our reputation and loss of brand equity could reduce demand for our products. Any impairment of our reputation or erosion of the brand or failure to optimize the brand in the marketing of our products could have a material adverse effect on our capacity to retain our current customers and attract new customers and therefore on our sales and profitability, as well as require additional resources to rebuild our reputation and restore the value of the brand. Although we take steps to minimise reputational risk in dealing with customers and other constituencies, we, as a large financial services organisation with a high industry profile, are inherently exposed to this risk. Any adverse developments regarding our brand could materially and adversely affect our business, results of operations, cash flows and financial condition.

**53. *We have entered into related party transactions and may continue to enter into related party transactions, which may involve conflicts of interest.***

We have entered into related party transactions. For more details, see chapter titled "Related Party

*Transactions*” on page 182 and the chapter titled “Financial Statements” on page 214 of this Prospectus. While the related party transactions entered into in the past are conducted on an arm’s length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Further, the Issuer may continue to enter into related party transactions in the future, which may involve conflicts of interest.

**54. *Certain facts and statistics are derived from publications not independently verified by us, the Lead Managers or its respective advisors.***

We have not independently verified data obtained from industry publications and other external sources referred to herein and therefore, while we believe them to be accurate, complete and reliable, we cannot assure you that they are accurate, complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. Therefore, discussions of matters relating to India, its economy, the financial services industry and the life and general insurance industry are subject to the caveat that the statistical and other data upon which such discussions are based may be inaccurate, incomplete or unreliable. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. The data and other information sourced from the CAAPL Research Report is subject to CAAPL’s disclaimer set forth in “*Industry Overview*” on page 111. Industry and government sources and publications are also prepared on the basis of information as at specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions that may prove to be incorrect. Accordingly, no investment decision should be made on the basis of such information. For more details, see “*Industry Overview*” on page 111.

**55. *We do not own the premises where our branch offices are located and in the event our rights over the properties are not renewed or are revoked or are renewed on terms less favourable to us, our business activities may be disrupted.***

At present, we do not own the premises of almost all of our branch offices. All such non-owned properties are leased or licensed to us. If the owners of these properties do not renew the agreements under which we occupy the premises or only agree to renew such agreements on terms and conditions that are unacceptable to us, or if the owners of such premises withdraw their consent to our occupancy, our operations may be disrupted. We may be unable to locate suitable alternative facilities on favourable terms, or at all, and this may have a material adverse effect on our business, results of operations, cash flows and financial condition.

**56. *We rely on models for risk analysis to guide our managerial decisions and any misspecification, deficiencies or inaccuracies in the models and data may impact our decision-making and operations.***

As part of our ordinary decision making process, we rely on various models for risk and data analysis. These models include credit scoring models used for approving retail loans. These models are based on historical data and supplemented with managerial input and comments. There are no assurances that these models and the data they analyse are accurate or adequate to guide our strategic and operational decisions and protect us from risks. Any misspecification, deficiencies or inaccuracies in the models or the data might have a material adverse effect on our business, results of operations, cash flows and financial condition.

**57. *We could be subject to claims by our customers and/or regulators for alleged mis-selling of our products.***

We carry on insurance business through Edelweiss Life and ZGIL. These products are sold through their intermediaries, including individual agents or personal financial advisors, corporate agents, brokers and bancassurance partners, as well as certain of our employees. Intermediaries aid the customer in choosing the

correct product by advising on appropriate benefits and affordable premiums, disclosing product features and advising on whether to continue with a particular product or switch products.

Our liability management operations and certain Subsidiaries also deal with foreign currency and derivative products and offer them to customers.

Under certain circumstances, customers may claim that our sales process is inadequate or that there was misconduct on the part of our employees or intermediaries at the time of signing of the policy contract or during the course of customer service. Such misconduct could include activities such as making non-compliant or fraudulent promises of high returns on investments and recommending inappropriate products and fund management strategies. We may be subject to claims by customers for such alleged instances of mis-selling. In some instances, we may also have paid a commission to the intermediary prior to a claim of mis-selling by our customers, and if we have to refund the customer but are unable to recover such commission, we might face significant losses. In addition, regulators may attribute the mis-selling activities of intermediaries to us and impose penalties on us for non-compliance with relevant laws and regulations.

It is also possible that a third party aggregates a number of individual complaints against us with the intention of obtaining increased negotiating power. This could result in significant financial losses to us as well as loss of our reputation. Further, persons may also misrepresent themselves as agents of us to defraud customers and such aggrieved customers, have filed and, in the future, may file complaints against us.

Cases of mis-selling, or recurring cases of mis-selling, which are sub-judice or initiated against us, could result in substantial claims and fines. We establish reserves for legal claims when payments associated with claims become probable and the costs can be reasonably estimated. We may still incur legal costs for a matter even if we have not established a reserve. In addition, the actual cost of resolving a suit, proceeding or a legal claim may be substantially higher than any amounts reserved for that matter. The final outcome of any pending or future legal proceeding, depending on the remedy sought and granted, could materially adversely affect our results of operations, cash flows and financial condition. For more details see “*Outstanding Litigations*” on page 239.

**58. *We rely on third-party service providers who may not perform their obligations satisfactorily or in compliance with law.***

We enter into outsourcing arrangements with third party vendors for a number of our businesses and for services required by us. These vendors provide services, which include, among others, software services, client sourcing, and call centre services. Though adequate due diligence is conducted before finalising such outsourcing arrangements, we cannot guarantee that there will be no disruptions in the provision of such services or that these third parties will comply with regulatory requirements or adhere to their contractual obligations in a timely manner, or at all. If there is a disruption in the third-party services, despite having continuity plans in place as required by the regulators or if the third-party service providers discontinue their service agreement with us, our business, results of operations, cash flows and financial condition will be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, which may result in litigation costs. Such additional cost, in addition to the cost of entering into agreements with third parties in the same industry, may materially and adversely affect our business, results of operations, cash flows and financial condition. We may also suffer from reputational and legal risks if our third-party service providers fail to operate in compliance with regulations or corporate and societal standards, act unethically or unlawfully, which could materially and adversely affect our business, results of operations, cash flows and financial condition.

**59. *Our results of operations could be adversely affected by any disputes with employees.***

As of March 31, 2025, we employed 5,612 full-time employees on a consolidated basis. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business, results of operations, cash flows and financial condition.

**60. *Our liability or liquidity management operations income, debt investment portfolio and derivatives portfolio are exposed to risks relating to mark-to-market valuation, illiquidity, credit risk and income volatility.***

We have debt investment portfolio (consists of government securities, treasury bills and other debt securities) as a part of our liability or liquidity management operations. We run value-at-risk tests to manage risks in our investments, but in the event interest rates rise, our portfolio will be exposed to the adverse impact of the mark-to-market valuation of such bonds. Any rise in interest rates leading to a fall in the market value of such debentures or bonds may materially and adversely affect our business, results of operations, cash flows and financial condition. We face income volatility due to the illiquid market for the disposal of some of debt investment portfolio.

Our income from liability or liquidity management operations is subject to volatility due to, among other things, changes in interest rates and foreign currency exchange rates as well as fluctuations in equities and derivatives markets. For example, an increase in interest rates may have a negative impact on the value of certain investments such as Government securities and corporate bonds and may require us to mark down the value of these investments on our balance sheet and recognise a loss on our income statement. Similarly, our derivative portfolio is subject to fluctuations in interest rates and foreign exchange rates, and any movement in those rates may require us to mark down the value of our derivatives portfolio. While we invest in corporate debt instruments as part of our normal business, we are exposed to risk of the issuer defaulting on its obligations. Changes in corporate bond spreads also affect valuations and expose us to risk of valuation losses. Although we have risk and operational controls and procedures in place for our liability or liquidity management operations, such as sensitivity limits, value at risk (“**VaR**”) limits, position limits, stop loss limits and exposure limits, that are designed to mitigate the extent of such losses, there can be no assurance that we will not lose money in the course of trading on our fixed income book in held for trading and available-for-sale portfolio. Any such losses could materially and adversely affect our business, results of operations, cash flows and financial condition.

**61. *Regulatory restrictions may prevent certain subsidiaries from making payments to the Issuer, including dividend payments.***

Regulatory, tax restrictions and other legal restrictions may limit our subsidiaries’ ability to transfer funds freely to the Issuer. In particular, many of our subsidiaries, including our subsidiaries that are NBFCs or HFCs, are subject to laws and regulations that may limit the flow of funds from them to the Issuer, or that restrict or prohibit such transfers or dividends altogether in certain circumstances. These laws and regulations may hinder the Issuer’s ability to access funds that the Issuer may need to make payments on its obligations or to pay dividends.

**62. *A rise in the general income level of our customers may adversely affect the demand for our loans.***

The size of our loans portfolios is dependent upon the demand for loans in India, which is inversely related to the general income level of our customers. A rise in the general income level in India could make our loans

unattractive to some customers due to their having increased disposable income, making them less reliant on loans. Such a shift in income levels could lower our interest income, which could in turn adversely affect our business, financial condition, cash flows and results of operations.

**63. *Our financial performance may be materially and adversely affected if we are unable to respond promptly and effectively to new technology innovations.***

Currently, technology innovations in mobilisation and digitisation of financial services require companies like ours to continuously develop new and simplified models for offering financial products and services. Disruptive technology and new models of financial services that utilise such technology, such as micro-financing and peer-to-peer lending, might also materially and adversely affect our financial performance.

Such technologies could increase competitive pressures on us, to adapt to new operating models and upgrade back-end infrastructure on an ongoing basis. There is no assurance that we will be able to continue to respond promptly and effectively to new technology developments, be in a position to dedicate resources to upgrade our systems and to compete with new players entering the market. As such, the new technology innovations may result in a material adverse effect on our business, results of operations, cash flows and financial condition.

**64. *The rise of digital platforms and payment solutions may adversely impact our fees, and there may be disintermediation in the loan or other financial services market by fintech companies.***

Disruption from digital platforms could have an adverse effect on the fees that we have traditionally received on many of our financial services. We also face threat to our loan market and other financial services market from newer business models, such as Buy Now & Pay Later (“BNPL”), that leverage technology to bring together savers and borrowers or cater to prospective borrowers in newer ways. We may not be competitive in facing up to the challenges from such newer entrants. This may, accordingly, have an adverse impact on our business and growth strategy.

**65. *We may breach third-party intellectual property rights.***

We may be subject to claims by third parties, both inside and outside India, if we breach their intellectual property rights by using slogans, names, designs, software or other such rights that are of a similar nature to the intellectual property these third parties may have registered or are using. We might also be in breach of such third-party intellectual property rights due to accidental or purposeful actions by our employees where we may also be subjected to claims by such third parties.

Any legal proceedings that result in a finding that we have breached third parties’ intellectual property rights, or any settlements concerning such claims, may require us to provide financial compensation to such third parties or stop using the relevant intellectual property (including by way of temporary or permanent injunction) or make changes to our marketing strategies or to the brand names of our products, any of which may have a material adverse effect on our business, prospects, reputation, results of operations, cash flows and financial condition.

**66. *Potential liabilities from divested or discontinued entities and businesses***

As part of the strategic realignment of our business operations, our Promoters and group of companies has, over a period of time, discontinued or divested various subsidiaries and other entities. While these discontinued or divested subsidiaries or entities were sold or closed following due legal and regulatory processes, there remains the possibility that unforeseen litigation, tax demands, regulatory inquiries, or other disputes may arise in relation to such entities for their past operations. These potential liabilities may stem

from historical transactions, operations and other matters attributable to the periods prior to such sale/closure. Any such developments could have an adverse effect on the financial position, results of operations and business prospects of our Promoters, our Group including our Company.

#### **External Risk Factors**

***67. Our results of operations have been, and may continue to be, adversely affected by Indian and international financial market and economic conditions.***

Our business is highly dependent on Indian and international markets and economic conditions. Such conditions in India include fluctuations in interest rates; changes in consumer spending; the level of consumer confidence; housing prices; corporate or other scandals that reduce confidence in the financial markets, among others. International markets and economic conditions include the liquidity of global financial markets, the level and volatility of debt and equity prices and interest rates, investor sentiment, inflation, the availability and cost of capital and credit, and the degree to which international economies are expanding or experiencing recessionary pressures. The independent and/or collective fluctuation of these conditions can directly and indirectly affect demand for our lending finance and other financial products or increase the cost to provide such products. In addition, adverse economic conditions, such as declines in housing values, could lead to an increase in mortgage and other home loan delinquencies and higher write offs, which can adversely affect our earnings.

Global financial markets were and continue to be extremely volatile and were materially and adversely affected by a significant lack of liquidity, decreased confidence in the financial sector, disruptions in the credit markets, reduced business activity, rising unemployment, declining home prices and erosion of consumer confidence. These factors have contributed to and may continue to adversely affect our business, results of operations, cash flows and financial condition.

***68. Financial difficulties and other problems in certain financial institutions in India could cause our business to suffer and adversely affect our results of operations.***

We are exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years. Some co-operative banks (which tend to operate in rural sector) have also faced serious financial and liquidity crises. There has been a trend towards consolidation with weaker banks and NBFCs being merged with stronger entities. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect our business, our future financial performance, our shareholders' funds and the market price of our NCDs.

***69. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may negatively affect our business and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, any deterioration in relations between India and its neighboring countries might result in investor concern about stability in the region, which could adversely affect our business.

India has also witnessed civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk



and could have an adverse impact on our business and the market price of our NCDs.

***70. Natural calamities could have a negative impact on the Indian economy, particularly the agriculture sector, and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. The erratic progress of the monsoon over the course of past few years affected sowing operations for certain crops. Further, prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy thereby, adversely affecting our business.

***71. Any downgrading of India's credit rating or outlook by an international rating agency could have a negative impact on our business.***

Any adverse revisions to India's credit ratings or outlook for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, our ability to raise financing for onward lending and the price of our NCDs.

***72. Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry.***

There is no assurance that the liberalization policies of the Government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. The Government of India plays an important role by regulating the policies and regulations that govern the private sector. The current economic policies of the Government may change at a later date. The pace of economic liberalization could change and specific laws and policies affecting the industry and other policies affecting investments in the Issuer's business could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect the Issuer's business.

Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced policies and taken initiatives that support continued economic liberalization.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. The Issuer's business may be affected not only by changes in interest rates, changes in Government policy, taxation, social and civil unrest but also by other political, economic or other developments in or affecting India.

***73. Companies operating in India are subject to a variety of central and state government taxes and surcharges.***

Tax and other levies including stamp duty imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India (as applicable to us), which includes a surcharge on the tax and a health and education cess on the tax and the surcharge.

The central or state government may in the future increase the corporate income tax or surcharge/cess it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations and profitability.

**74. *Financial instability in other countries could disrupt our business.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the economy as a whole, in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India.

In the event that the current difficult conditions in the global credit markets continue or if the recovery is slower than expected or if there any significant financial disruption, this could have an adverse effect on our cost of funding, loan portfolio, business, prospects, results of operations, cash flows and financial condition.

**75. *Trading of the NCDs may be limited by temporary exchange closures, broker defaults, settlement delays, strikes by brokerage firm employees and disputes.***

The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

**76. *Ineffective or inadequate management of environmental, sustainability and governance issues, or health and safety programs, could damage our reputation and, in turn, our business, financial condition and results of operations.***

Environmental, sustainability and governance (“ESG”) is becoming an increasingly important criterion for clients, and our perceived failure to address these issues may lead them to seek alternative investment managers. Additionally, increased ESG focus of our clients may require us to prioritize certain investment opportunities over the other, potentially more profitable opportunities due to ESG considerations.

The ESG policies which are in place require significant time and other resources for effective implementation which will be carried out in due course of time. Separately, we are a signatory to the United Nations Principles for Responsible Investment (“UNPRI”), which obliges us to adhere to specific reporting and other obligations, however, our ESG policies may not be fully aligned with the aforementioned UNPRI principles, which we comply with. Moreover, increasing focus on ESG by our clients may require us to prioritize certain investment opportunities over the other profitable opportunities. Our failure to effectively manage any ESG issues, including those related to climate change, could adversely affect our reputation and our ability to attract and retain clients.

Furthermore, if our health and safety programs are found to be inadequate or ineffective, it could lead to workplace incidents or regulatory breaches, which could result in significant financial penalties, increased scrutiny, and reputational damage. Such incidents could decrease employee morale and productivity, increase employee turnover, and potentially lead to costly litigation or compensation claims.

Increased regulatory action in response to perceived or actual shortcomings in our ESG, or health and safety management could result in constraints on our operations, additional compliance costs, and potential fines or sanctions. While there have been no such instances in the past, any of these outcomes would likely impair our financial performance and might diminish our competitive position

**Risks relating to the Issue and NCDs.**

1. ***The NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs. Failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss.***

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, inter alia, including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although the Issuer will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% security cover for the NCDs and the interest thereon, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs and the possibility of recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security. A failure or delay recovering the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

2. ***You may be subject to taxes arising on the sale of the NCDs.***

Sale of NCDs by any holder may give rise to tax liability, under Indian taxation laws. Investors and or subscribers are advised to consult their own tax consultant with respect to the specific tax implications arising out of sale of the NCDs.

3. ***The Issuer, being a listed company is not required to maintain a debenture redemption reserve ("DRR").***

Our NCDs are proposed to be listed on BSE Limited. Pursuant to a Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, Issuer is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs.

4. ***There may be no active market for the NCDs on the platform of the Stock Exchange. As a result of such limited or sporadic trading of the NCDs on the Stock Exchange, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.***

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs may depend on various factors, inter alia, including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and (v) our financial performance, growth prospects and results of operations etc. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

**5. *There may be a delay in making refund to Applicants.***

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your Applications, (ii) our failure to receive minimum prescribed subscription in connection with the Issue, (iii) withdrawal of the Issue, or (iv) failure to obtain the final approval from the Stock Exchange for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

**6. *In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.***

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, the Issuer's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid in accordance with the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

**7. *The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.***

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of repayment /prepayment of interest and principal of existing borrowings of the Issuer and general corporate purposes. For further details, see the section "*Objects of the Issue*" on page 90. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in the priority of applying the proceeds received by us from the Issue. The utilization details of the proceeds of the Issue shall be adequately disclosed as per applicable law. Further, as per the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

**8. *There is no assurance that the NCDs issued pursuant to the Issue will be listed on Stock Exchange in a timely manner, or at all.***

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to the Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchange. There could be a failure or delay in listing the NCDs on the Stock Exchange for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchange, the Issuer will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Prospectus. There is no assurance that the NCDs issued pursuant to the Issue will be listed on Stock Exchange in a timely manner, or at all.

## SECTION III -INTRODUCTION

### GENERAL INFORMATION

The Issuer was incorporated in Mumbai as ‘Edelweiss Capital Limited’ on November 21, 1995 under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the RoC. Thereafter, the Issuer was issued a certificate of commencement of business by the RoC, on January 16, 1996. Subsequently, the name of the Issuer was changed to ‘Edelweiss Financial Services Limited’ pursuant to a fresh certificate of incorporation issued by the RoC on August 1, 2011. The Registered Office of the Issuer is situated at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098, Maharashtra, India and our CIN is L99999MH1995PLC094641.

For details of the business of the Issuer, see “*Our Business*” beginning on page 140.

#### **Registration:**

CIN: L99999MH1995PLC094641  
LEI: 335800GA1YN8NAGS8V55

Permanent Account Number: AAACE1461E

#### **Registered Office:**

Edelweiss Financial Services Limited  
Edelweiss House, Off C.S.T. Road,  
Kalina, Mumbai – 400 098,  
Maharashtra, India

**Tel:** +91 22 4079 5199

**Website:** [www.edelweissfin.com](http://www.edelweissfin.com)

**Email:** [efslncd@edelweissfin.com](mailto:efslncd@edelweissfin.com)

For further details regarding changes to our Registered Office, see “*History and Main Objects*” beginning on page 162.

#### **Corporate Office:**

Edelweiss Financial Services Limited  
Edelweiss House, Off C.S.T. Road,  
Kalina, Mumbai – 400 098,  
Maharashtra, India

**Tel:** +91 22 4079 5199

**Website:** [www.edelweissfin.com](http://www.edelweissfin.com)

**Email:** [efslncd@edelweissfin.com](mailto:efslncd@edelweissfin.com)

#### **ROC Office:**

Registrar of Companies, Maharashtra at Mumbai  
100, Everest House,  
Marine Lines, Mumbai 400 002,  
Maharashtra, India.

#### **Chief Financial Officer:**

Ms. Ananya Suneja  
Chief Financial Officer  
Edelweiss House, Off C.S.T. Road,  
Kalina, Mumbai - 400 098, Maharashtra, India.  
**Tel:** +91 22 4079 5199  
**Email:** [efslncd@edelweissfin.com](mailto:efslncd@edelweissfin.com)

**Company Secretary and Compliance Officer:**

Mr. Tarun Khurana  
Company Secretary and Compliance Officer  
Edelweiss House, Off C.S.T. Road  
Kalina, Mumbai - 400 098, Maharashtra, India  
**Tel:** +91 22 4079 5199  
**Email:** [efslncd@edelweissfn.com](mailto:efslncd@edelweissfn.com)

Investors may contact the Registrar to the Issue or the Company Secretary of the Issuer and Compliance Officer/Registrar in case of any pre-Issue or post-Issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs, refunds, non-receipt of debentures certificates (in case of NCDs which have been re-materialised), transfers, etc. as the case may be.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, Series of NCDs applied for, amount paid on application, Depository Participant name and client identification number, and the collection centre of the Members of the Consortium where the Application was submitted and ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of Retail Individual Investors bidding through the UPI mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchange Mechanism or through Trading Members of the Stock Exchange may be addressed directly to the relevant Stock Exchange.

**Lead Managers****Trust Investment Advisors Private Limited**

109/110, Balarama  
Bandra Kurla Complex  
Bandra (East), Mumbai – 400 051  
Maharashtra, India  
**Tel:** +91 22 4084 5000  
**Facsimile:** +91 22 4084 5066  
**Email:** [projectpragati9.trust@trustgroup.in](mailto:projectpragati9.trust@trustgroup.in)  
**Investor Grievance Email:** [customercare@trustgroup.in](mailto:customercare@trustgroup.in)  
**Website:** [www.trustgroup.in](http://www.trustgroup.in)  
**Contact Person:** Hani Jalan  
**Compliance Officer:** Aayushi Mulasi  
**SEBI registration no.:** INM000011120  
**CIN:** U67190MH2006PTC162464



Nuvama Wealth Management Limited<sup>#</sup>  
801-804, Wing A, Building No 3  
Inspire BKC, G Block, Bandra Kurla Complex,  
Bandra East, Mumbai – 400 051  
Maharashtra, India  
**Tel:** +91 22 4009 4400  
**Email:** [efsl.ncd@nuvama.com](mailto:efsl.ncd@nuvama.com)  
**Investor Grievance Email:** [customerservice.mb@nuvama.com](mailto:customerservice.mb@nuvama.com)  
**Website:** [www.nuvama.com](http://www.nuvama.com)  
**Contact Person:** Saili Dave  
**Compliance Officer:** Bhavana Kapadia  
**SEBI Registration No.:** INM000013004  
**CIN:** L67110MH1993PLC344634

*<sup>#</sup> Nuvama Wealth Management Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, Nuvama Wealth Management Limited would be involved only in marketing of the Issue and as per Regulation 25 (3) of SEBI NCS Regulations and shall not issue a due diligence certificate.*



Tipsons Consultancy Services Private Limited  
1<sup>st</sup> Floor, Sheraton House, Opp. Ketav Petrol Pump,  
Polytechnic Road, Ambawadi,  
Ahmedabad – 380015 Gujarat, India  
**Tel:** +91 79 66828064 / 9589801774  
**Email:** [efsl.projectpragati13@tipsons.com](mailto:efsl.projectpragati13@tipsons.com)  
**Investor Grievance Email:** [igr@tipsons.com](mailto:igr@tipsons.com)  
**Website:** [www.tipsons.com](http://www.tipsons.com)  
**Contact Person:** Nagesh Chauhan  
**Compliance Officer:** Divyani Koshta  
**SEBI Registration No.:** INM000011849  
**CIN:** U74140GJ2010PTC062799

#### Banker to the Company



**ICICI Bank Limited**  
ICICI Bank Towers,  
Bandra Kurla Complex,  
Bandra, Mumbai- 400 051  
Maharashtra, India  
**Tel:** +91 22 2653 7441  
**Fax:** +91 22 2653 1122  
**Contact Person:** Bhushan Pande  
**Email:** [Bhushan.pande@icicibank.com](mailto:Bhushan.pande@icicibank.com)  
**Website:** <https://www.icicibank.com>

## Debenture Trustee



### Beacon Trusteeship Limited

5W, 5th Floor, The Metropolitan,  
Bandra Kurla Complex, Bandra (East),  
Mumbai - 400051, Maharashtra, India  
**Tel:** +91 22 4606 0278

**Fax:** NA

**Email:** [compliance@beacontrustee.co.in](mailto:compliance@beacontrustee.co.in)

**Website:** <http://beacontrustee.co.in/>

**Investor Grievance Email:** [investorgrievances@beacontrustee.co.in](mailto:investorgrievances@beacontrustee.co.in)

**Contact Person:** Kaustubh Kulkarni

**Compliance Officer:** Kaustubh Kulkarni

**SEBI Registration No:** IND000000569

**CIN:** L74999MH2015PLC271288

Beacon Trusteeship Limited has, pursuant to Regulation 8 of SEBI NCS Regulations, by its letters dated June 13, 2025, given its consent for its appointment as Debenture Trustee. A copy of letter from Beacon Trusteeship Limited conveying their consent to act as trustees for the NCD Holders is annexed as Annexure B to this Prospectus. Please refer to the following link to access the executed debenture trustee agreement dated June 13, 2025: <https://cdn1.edelweissfin.com/wp-content/uploads/2025/06/DEBENTURE-TRUSTEEAGREEMENT-JUNE-13-2025.pdf>.

All the rights and remedies of the NCD Holders under the Issue shall vest in and shall be exercised by the appointed Debenture Trustee for the Issue without having it referred to the NCD Holders. All investors under the Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by the Issuer for the Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Issuer to the NCD Holders/Debenture Trustee, as the case maybe, shall, from the time of making such payment, completely and irrevocably discharge the Issuer from any liability to the NCD Holders to that extent.

For details on the terms of the Debenture Trust Deed see, “*Issue Related Information*” beginning on page 311.

## Consortium Members to the Issue



### Trust Financial Consultancy Services Private Limited

1101, Naman Centre, 'G' Block, C-31,  
Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051

**Telephone No.:** +91 22 4084 5000

**Facsimile No.:** +91 22 4084 5013

**Email:** [pranav.inamdar@trustgroup.in](mailto:pranav.inamdar@trustgroup.in); [projectpragati9.trust@trustgroup.in](mailto:projectpragati9.trust@trustgroup.in)

**Investor Grievance Email:** [grievances@trustgroup.in](mailto:grievances@trustgroup.in)

**Website:** [www.trustgroup.in](http://www.trustgroup.in)

**Contact Person:** Pranav Inamdar

**SEBI Registration Number:** INZ000238639

**CIN:** U67120MH2002PTC135941





**Trust Securities Services Private Limited**

1202, Naman Centre, 'G' Block, C-31,

Bandra Kurla Complex,

Bandra (East), Mumbai – 400051

**Telephone No.:** +91 22 6842 1223

**Facsimile No.:** +91 22 6842 1222

**Email:** [pranav.inamdar@trustgroup.in](mailto:pranav.inamdar@trustgroup.in); [projectpragati9.trust@trustgroup.in](mailto:projectpragati9.trust@trustgroup.in)

**Investor Grievance Email:** [tssgrievances@trustgroup.in](mailto:tssgrievances@trustgroup.in)

**Website:** [www.trustsecurities.in](http://www.trustsecurities.in)

**Contact Person:** Pranav Inamdar

**SEBI Registration Number:** INZ000158031

**CIN:** U65929MH2016PTC287266



**Nuvama Wealth and Investment Limited**

801-804, Wing A, Building No. 3, Inspire BKC,

G Block, Bandra Kurla Complex, Bandra East,

Mumbai, Maharashtra - 400051

**Telephone No.:** +91 22 66203030

**Facsimile No.:** N/A

**Investor Grievance Email:** [helpdesk@nuvama.com](mailto:helpdesk@nuvama.com)

**Email:** [amit.dalvi@nuvama.com](mailto:amit.dalvi@nuvama.com) / [prakash.boricha@nuvama.com](mailto:prakash.boricha@nuvama.com)

**Website:** [www.nuvamawealth.com](http://www.nuvamawealth.com)

**Contact Person:** Amit Dalvi/ Prakash Boricha

**SEBI Registration No.:** INZ000005231

**CIN:** U65519NG2008PLC425999



**Tipsons Stock Brokers Private Limited**

5<sup>th</sup> Floor, Sheraton House, Opposite Ketav Petrol Pump,

Polytechnic Road, Ambawadi,

Ahmedabad- 380015

**Tel:** +91 796682800

**Facsimile No.:** +91 7966 828001

**Email:** [diganta.joshi@tipsonsbroking.com](mailto:diganta.joshi@tipsonsbroking.com)

**Investor Grievance Email:** [compliance@tipsonsbroking.com](mailto:compliance@tipsonsbroking.com)

**Website:** [www.tipsonsbroking.com](http://www.tipsonsbroking.com)

**Contact Person:** Ms. Diganta Joshi

**CIN:** U65910GJ1995PTC028486

**SEBI Registration No.:** INZ000217531

**Public Issue Account Bank, Sponsor Bank and Refund Bank to the Issue**



**ICICI Bank Limited**

Capital Market Division, 163, 5<sup>th</sup> Floor,  
HT Parekh Marg, Churchgate,  
Mumbai – 400020

**Telephone No.:** 022 6805 2182

**Email:** [varun.badai@icicibank.com](mailto:varun.badai@icicibank.com)

**Website:** [www.icicibank.com](http://www.icicibank.com)

**Contact Person:** Varun Badai

**SEBI Registration No.:** INBI000000004

**CIN:** L65190GJ1994PLC021012

**Registrar to the Issue**



**KFIN Technologies Limited**

301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road,  
Nav Pada, Kurla (West), Kurla, Mumbai, Maharashtra, India, 400070

**Tel:** +91 40 6716 2222/ 18003094001

**Fax:** +91 40 6716 1563

**Email:** [efsl.ncdipo@kfintech.com](mailto:efsl.ncdipo@kfintech.com)

**Investor Grievance Email:** [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

**Website:** [www.kfintech.com](http://www.kfintech.com)

**Compliance Officer:** Manju Anand

**Contact Person:** M. Murali Krishna

**SEBI Registration Number:** INR0000000221

**CIN:** L72400MH2017PLC444072

KFIN Technologies Limited, has by its letter dated June 04, 2025 given its consent for its appointment as Registrar to the Issue and for its name to be included in this Prospectus and the Draft Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to the Issue.

**Statutory Auditor**

**M/s Nangia & Co. LLP., Chartered Accountants**

4th Floor, Iconic Tower, Urmi Estate,

95 Ganpatrao Kadam Marg,

Lower Parel (West),

Mumbai – 400 013,

Maharashtra, India

**Tel:** +91 22 4474 3400

**Email:** [info@nangia.com](mailto:info@nangia.com)

**Firm Registration Number:** 002391C/N500069

**Contact Person:** Rakesh Nangia / Jaspreet Singh Bedi

Appointment of Nangia & Co. LLP., Chartered Accountants has been approved by the Board of Directors of the Issuer on August 4, 2023 and by the members of the Issuer at the annual general meeting held on September 26, 2023.

## Industry Report Provider



### Care Analytics and Advisory Private Limited

Office No. 602, 6th Floor, Rustomjee Aspiree,  
Off Eastern Express Highway, Sion East, NA  
Mumbai, Maharashtra, 400022, India

**Tel:** +91-22-68374400

**Email:** vikram.thirani@careedge.in

**CIN:** U74210MH1999PTC118349

**Contact Person:** Vikram Thirani

## Credit Rating Agency



### Crisil Ratings Limited

Lightbridge IT Park  
Saki Vihar Road, Andheri East,  
Mumbai, Maharashtra, 400072

**Tel:** + 91 22 3342 3000

**Email:** [crisilratingdesk@crisil.com](mailto:crisilratingdesk@crisil.com)

**Website:** [www.crisilratings.com](http://www.crisilratings.com)

**Contact Person:** Ajit Velonie

**SEBI Registration No:** IN/CRA/001/1999

**CIN:** U67100MH2019PLC326247

### Details of Credit Rating and Rationale

The NCDs proposed to be issued under the Issue have been rated “Crisil A+/ Stable” (pronounced as “Crisil A plus rating” with stable outlook) for an amount of ₹ 10,000 million by Crisil vide their rating letter dated May 26, 2025 read with the rating rationale dated May 23, 2025. Securities with these ratings are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk. The rating given by the Credit Rating Agency is valid as on the date of this Prospectus and shall remain valid until the rating is revised or withdrawn. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. These rating is not a recommendation to buy, sell or hold securities and Investors should take their own decisions. Please refer to Annexure A of this Prospectus for the rating letter, rationale and press release of the above ratings. There are no unaccepted ratings and any other ratings other than as specified in this Prospectus.

### Disclaimer clause of Crisil

Crisil Ratings Limited has taken due care and caution in preparing the Material based on the information provided by its client and / or obtained by Crisil Ratings from sources which it considers reliable (Information). A rating by Crisil Ratings reflects its current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by Crisil Ratings. Crisil Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by Crisil Ratings is not a

recommendation to buy, sell, or hold the rated instrument. It does not comment on the market price or suitability for a particular investor. The Rating is not a recommendation to invest / disinvest in any entity covered in the Material and no part of the Material should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Crisil Ratings especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the Material. Without limiting the generality of the foregoing, nothing in the Material is to be construed as Crisil Ratings providing or intending to provide any services in jurisdictions where Crisil Ratings does not have the necessary permission and/or registration to carry out its business activities in this regard. Edelweiss Financial Services Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Material or part thereof outside India. Current rating status and Crisil Ratings' rating criteria are available without charge to the public on the website, [www.crisilratings.com](http://www.crisilratings.com). For the latest rating information on any instrument of any company rated by Crisil Ratings, please contact Customer Service Helpdesk.

#### **Disclaimer Statement of CAAPL**

The CAAPL Research Report is prepared by CARE Analytics and Advisory Private Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure accuracy and adequacy of the information while developing the report based on information available in CareEdge Research's proprietary database, and other sources including the information in public domain, considered by CareEdge Research as reliable after the exercise of reasonable care and diligence. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.

The report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in the report are based on assumptions considered to be reasonable by CareEdge Research at the time of issuance of this report; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

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CareEdge Research shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so. By accepting a copy of the CAAPL Research Report, the recipient accepts the terms of this Disclaimer, which forms an integral part of the Report.

#### **Legal Advisor to the Issue**



JSA Advocates & Solicitors  
One Lodha Place, 27th Floor,  
Senapati Bapat Marg, Lower Parel,  
Mumbai 400013, Maharashtra, India  
**Tel:** +91 22 43418900  
**Fax:** +91 22 43418917  
**Email:** [JSA-ProjectPragati@jsalaw.com](mailto:JSA-ProjectPragati@jsalaw.com)  
**Website:** <https://www.jsalaw.com>

### **Impersonation**

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, relating to punishment for fictitious applications. Section 38(1) of the Companies Act, 2013 provides that:

*“Any person who —*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of hisname or surname for acquiring; or*
- (c) subscribing for its securities; or*
- (d) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to anyother person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 1 million or 1.00% of the turnover of the Issuer, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shallnot be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 million or 1.00% of the turnover of the Issuer, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

### **Underwriting**

The Issue is not underwritten.

### **Arrangers to the Issue**

There are no arrangers to the Issue.

### **Guarantor to the Issue**

There are no guarantors to the Issue.

### **Inter-se allocation of Responsibility**

The following table sets forth the responsibilities for various activities by the Lead Managers for the Issue:

No	Activities	Responsibility	Coordinator
1.	<ul style="list-style-type: none"><li>Due diligence of Company’s operations/ management/ business plans/ legal etc.</li><li>Drafting and designing of the offering document. (The Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchange, RoC and SEBI including finalization of Offering Document and</li></ul>	TIAPL & TCSPL	TIAPL

No	Activities	Responsibility	Coordinator
	RoC filing). Draft Prospectus, and Prospectus (together “ <b>Offer Documents</b> ”) <ul style="list-style-type: none"> <li>Coordination with the Stock Exchange for in-principle approval</li> </ul>		
2.	Structuring of various issuance options with relative components and formalities etc.	TIAPL & TCSPL	TIAPL
3.	Co-ordination with auditors for auditor deliverables and co-ordination with lawyers for legal opinion	TIAPL & TCSPL	TIAPL
4.	Appointment of other intermediaries viz., Registrar, Debenture Trustee, Consortium/Syndicate Members, printer, advertising agency and Public Issue Bank, Refund Bank and Sponsor Bank.	TIAPL & TCSPL	TIAPL
5.	<ul style="list-style-type: none"> <li>Coordination with the printer for designing and finalization of Offer Documents, Application Form including memorandum containing salient features of the Offer Documents.</li> <li>Drafting and approval of statutory advertisement</li> </ul>	TIAPL & TCSPL	TIAPL
6.	Drafting and approval of all publicity material (excluding statutory advertisement as mentioned in 5 above) including print and online advertisement, outdoor advertisement including brochures, banners, hoardings etc.	TIAPL & TCSPL	TIAPL
7.	Preparation of road show presentation, FAQs	TIAPL & TCSPL	TCSPL
8.	Marketing strategy which will cover, inter alia: <ul style="list-style-type: none"> <li>Deciding on the quantum of the Issue material and follow-up on distribution of publicity and Issue material including Application Forms, Offer Documents, posters, banners, etc.</li> <li>Finalise collection centres;</li> <li>Coordinate with Registrar for collection of Application Forms by ASBA banks;</li> <li>Finalisation of list and allocation of institutional investors for one on one meetings.</li> </ul>	TIAPL, TCSPL & NWML <sup>#</sup>	TIAPL & NWML <sup>#</sup>
9.	Domestic institutions/banks/mutual funds marketing strategy: <ul style="list-style-type: none"> <li>Finalize the list and division of investors for one on one meetings, institutional allocation</li> </ul>	TIAPL, TCSPL & NWML <sup>#</sup>	TIAPL & NWML <sup>#</sup>
10.	Non-institutional marketing strategy which will cover, inter alia: <ul style="list-style-type: none"> <li>Finalize media, marketing and public relation strategy and publicity budget</li> <li>Finalize centers for holding conferences for brokers, etc.</li> </ul>	TIAPL, TCSPL & NWML <sup>#</sup>	TIAPL & NWML <sup>#</sup>
11.	Coordination with the Stock Exchange for the bidding software	TIAPL & TCSPL	TIAPL
12.	Coordination for security creation by way of execution of Debenture Trust Deed	TIAPL & TCSPL	TIAPL
13.	Post-issue activities including - <ul style="list-style-type: none"> <li>Co-ordination with Bankers to the Issue for management of Public Issue Account(s), Refund Account and any other account and</li> <li>Allotment resolution</li> </ul>	TIAPL & TCSPL	TIAPL
14.	<ul style="list-style-type: none"> <li>Drafting and finalization of post issue stationery items like, allotment and refund advice, etc.;</li> <li>Coordination for generation of International Securities Identification Number (ISINs);</li> </ul>	TIAPL & TCSPL	TIAPL

No	Activities	Responsibility	Coordinator
	<ul style="list-style-type: none"> <li>Corporate action for dematerialized credit /delivery of securities;</li> <li>Coordinating approval for listing and trading of securities; and</li> <li>Redressal of investor grievances in relation to post issue activities.</li> </ul>		

*# Nuvama Wealth Management Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, Nuvama Wealth Management Limited would be involved only in marketing of the Issue and as per Regulation 25 (3) of SEBI NCS Regulations and shall not issue a due diligence certificate.*

### **Minimum subscription**

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size i.e. ₹ 1,125 million. If the Issuer does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 Working Days from the Issue Closing Date or such time as may be specified by SEBI, failing which the Issuer will become liable to refund the Application Amount along with interest at the rate 15% (fifteen per cent) per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Issuer and/or Registrar, refunds will be made to the account prescribed. However, where the Issuer and/or Registrar does not have the necessary information for making such refunds, the Issuer and/or Registrar will follow the guidelines prescribed by SEBI in this regard including in the SEBI NCS Master Circular.

### **Designated Intermediaries**

#### **Self-Certified Syndicate Bank**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, refer to the above-mentioned link.

In relation to Bids submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the Members of the Syndicate is available on the website of SEBI: <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>.

#### **Syndicate SCSB Branches**

In relation to Applications submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the Members

of the Syndicate is available on the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

#### **Broker Centres/ Designated CDP Locations/ Designated RTA Locations**

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchange at [www.bseindia.com](http://www.bseindia.com). The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

#### **CRTAs / CDPs**

The list of the CRTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the website of BSE for CRTAs and CDPs, as updated from time to time.

#### **Utilisation of Issue proceeds**

For details on utilisation of Issue proceeds see, “*Terms of the Issue*” beginning on page 323.

#### **Issue Program\***

<b>ISSUE OPENING DATE</b>	TUESDAY, JULY 08, 2025
<b>ISSUE CLOSING DATE</b>	MONDAY, JULY 21, 2025
<b>PAY IN DATE</b>	Application Date. The entire Application Amount is payable on Application
<b>DEEMED DATE OF ALLOTMENT</b>	The date on which the Board of Directors/or the Debenture Fund Raising Committee approves the Allotment of the NCD for the Issue or such date as may be determined by the Board of Directors/ or the Debenture Fund Raising Committee to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the NCD Holders from the Deemed Date of Allotment.

*\*The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date (subject to a minimum period of 2 (two) working days and a maximum period of 10 (ten) working days from the date of opening of the Issue) as may be decided by the Board of Directors of the Issuer or the Debenture Fund Raising Committee, thereof subject to relevant approvals.*

*Pursuant to Regulation 33A of the SEBI NCS Regulations, (i) the Issue shall be kept open for a minimum of two Working Days and a maximum of ten Working Days, (ii) in case of a revision in the price band or yield, the Issuer shall extend the Issue Period for a minimum period of one working day, provided that it shall not exceed the maximum number of days, as provided above in (i), and (iii) in case of force majeure, banking strike or similar circumstances, the Issuer may, for reasons to be recorded in writing, extend the Issue Period, provided that it shall not exceed the maximum number of days, as provided above in (i).*

*In the event of an early closure or extension of the Issue, the Issuer shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation and a regional daily at the place where the registered office of the Issue is situated on or before such earlier or extended*



date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 am and 3:00 pm and upload until 5 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.

Applications Forms for the Issue will be accepted only from 10:00 am to 5:00 pm (Indian Standard Time) ("**Bidding Period**") or such extended time as may be permitted by the BSE on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 am to 3:00 pm and uploaded until 5:00 pm (Indian Standard Time) or such extended time as may be permitted by the BSE. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 pm on one Working Day after the Issue Closing Date.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 pm (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Neither the Issuer, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription and thereafter, if any, where the Allotment will be proportionate, where the Allotment will be proportionate in accordance with SEBI NCS Master Circular. For further details please refer to the section titled "General Information" on page 63.

## CAPITAL STRUCTURE

### Details of share capital

The share capital of the Issuer as on March 31, 2025, is set forth below:

Share Capital	(in ₹)
AUTHORISED SHARE CAPITAL	
12,300,00,000 Equity Shares of ₹ 1 each	1,230,000,000
4,000,000 Preference Shares of ₹ 5 each	20,000,000
Total Authorised Share Capital	1,250,000,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
94,58,31,726 Equity Shares of ₹ 1 each fully paid up	94,58,31,726

*Note: Securities Premium account as of March 31, 2025, was ₹ 31,665.79 million.*

*Note: There will be no change in the capital structure and securities premium account due to the issue and allotment of the NCDs.*

### Details of change in capital structure of the Issuer for last three financial years and current financial year:

Date of change (Annual General Meeting/ Extraordinary General Meeting)	(in ₹)
NA	NA

There have been no changes in authorized share capital of the Issuer in the last three financial years and the current financial year.

### Issue of Equity Shares for consideration other than cash for the preceding three financial years and current financial year:

The Issuer has not issued any Equity Shares in the preceding three financial years and current financial year for consideration other than cash.

### Changes in the Equity Share capital of the Issuer in the preceding three financial years and current financial year:

Date of allotment	Nature of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Consideration	Cumulative no. of Shares	Cumulative Equity Share Capital (₹)	Cumulative Equity Share Premium (in ₹)
June 28, 2022	Allotment pursuant to ESOP scheme	3,250	1	59.05	Cash	943,101,215	943,101,215	31,699,345,642.80
March 23, 2023	Allotment pursuant to ESOP scheme/SAR 2019	21,750	1	61.00	Cash	943,122,965	943,122,965	31,700,650,642.80
		152,311		1.00		943,275,276	943,275,276	31,700,650,642.80
September 7, 2023	Allotment pursuant to ESOP scheme	79,750	1	27.45	Cash	94,33,55,026	94,33,55,026	31,70,27,60,030.30

Date of allotment	Nature of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Consideration	Cumulative no. of Shares	Cumulative Equity Share Capital (₹)	Cumulative Equity Share Premium (in ₹)
October 17, 2023	Allotment pursuant to ESOP scheme	2,91,000	1	27.45	Cash	94,36,46,026	94,36,46,026	31,71,04,56,980.30
November 23, 2023	Allotment pursuant to ESOP scheme	12,500	1	27.45	Cash	94,36,58,526	94,36,58,526	31,71,07,87,605.30
		76,250		60.25		94,37,34,776	94,37,34,776	31,71,53,05,417.80
December 20, 2023	Allotment pursuant to ESOP scheme	11,000	1	27.45	Cash	94,37,45,776	94,37,45,776	31,71,55,96,367.80
		18,750		52.36		94,37,64,526	94,37,64,526	31,71,65,59,367.80
January 17, 2024	Allotment pursuant to ESOP scheme	11,850	1	27.45	Cash	94,37,76,376	94,37,76,376	31,71,68,72,800.30
		3,750		76.77		94,37,80,126	94,37,80,126	31,71,71,56,937.80
March 18, 2024	Allotment pursuant to ESOP scheme	4,900	1	27.45	Cash	94,37,85,026	94,37,85,026	31,71,72,86,542.80
May 16, 2024	Allotment pursuant to ESOP scheme/ SAR	9,250	1	27.45	Cash	94,37,94,276	94,37,94,276	31,71,75,31,205.30
		37,500		52.36		94,38,31,776	94,38,31,776	31,71,94,57,205.30
		32,797		1.00		94,38,64,573	94,38,64,573	31,71,94,57,205.30
July 2, 2024	Allotment pursuant to ESOP scheme	18,750	1	27.45	Cash	94,38,83,323	94,38,83,323	31,71,99,53,142.80
		77,050		76.77		94,39,60,373	94,39,60,373	31,72,57,91,221.30
August 6, 2024	Allotment pursuant to ESOP scheme	7,500	1	27.45	Cash	94,39,67,873	94,39,67,873	31,72,59,89,596.30
September 17, 2024	Allotment pursuant to ESOP scheme	1,07,750	1	27.45	Cash	94,40,75,623	94,40,75,623	31,72,88,39,583.80
		1,250		60.25		94,40,76,873	94,40,76,873	31,72,89,13,646.30
		75,000		68.31		94,41,51,873	94,41,51,873	31,73,39,61,896.30
		62,275		76.77		94,42,14,148	94,42,14,148	31,73,86,80,473.05
October 22, 2024	Allotment pursuant to ESOP scheme/ SAR	1,94,294	1	1	Cash	94,44,08,442	94,44,08,442	31,73,86,80,473.05
		2,21,750		27.45		94,46,30,192	94,46,30,192	31,74,45,45,760.55
		99,250		76.77		94,47,29,442	94,47,29,442	31,75,20,65,933.05
		3,125		85.23		94,47,32,567	94,47,32,567	31,75,23,29,151.80
November 21, 2024	Allotment	126,752	1	1	Cash	94,48,59,319	94,48,59,319	31,75,23,29,151.80
		43,225		76.77		944,902,544	944,902,544	31,755,604,310.05

Date of allotment	Nature of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Consideration	Cumulative no. of Shares	Cumulative Equity Share Capital (₹)	Cumulative Equity Share Premium (in ₹)
	pursuant to ESOP scheme/ SAR	77,500		27.45		944,980,044	944,980,044	31,757,654,185.05
December 6, 2024	Allotment pursuant to ESOP schemes/ SAR	15,408	1	1	Cash	94,49,95,452	94,49,95,452	31,757,654,185.05
		7,750		27.45		94,50,03,202	94,50,03,202	31,757,859,172.55
		5000		77.42		94,50,08,202	94,50,08,202	31,758,241,272.55
		6,375		76.77		94,50,14,577	94,50,14,577	31,758,724,306.30
January 02, 2025	Allotment pursuant to ESOP Schemes/ SAR	60479	1	1	Cash	945,075,056	945,075,056	31,758,724,306.30
		2750		27.45		945,077,806	945,077,806	31,758,797,043.80
		8125		76.77		945,085,931	945,085,931	31,759,412,675.05
February 11, 2025	Allotment pursuant to ESOP schemes/ SAR	534545	1	1	Cash	945,620,476	945,620,476	31,759,412,675.05
		147000		27.45		945,767,476	945,767,476	31,763,300,825.05
		62500		76.77		945,829,976	945,829,976	31,768,036,450.05
March 13, 2025	Allotment pursuant to ESOP scheme	1,750	1	27.45	Cash	945,831,726	945,831,726	31,768,082,737.55
May 02, 2025	Allotment pursuant to ESOP scheme	15,500	1	27.45	Cash	945,847,226	945,847,226	31,768,492,712.55
		6,250		76.77		945,853,476	945,853,476	31,768,966,275.05
June 18, 2025	Allotment pursuant to ESOP schemes / SAR	31,419	1	1	Cash	945,884,895	945,884,895	31,768,966,275.05
		4,000		27.45		945,888,895	945,888,895	31,769,072,075.05
		84,475		76.77			945,973,370	
						945,973,370		31,775,472,745.80

## Shareholding pattern of the Issuer on March 31, 2025

The table below presents the shareholding pattern of the Issuer as on March 31, 2025.

**Table I - Summary Statement holding of specified securities**

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % of total no. of shares calculated as per SCRR, 1957	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: equity shares	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	11	309369490	0	0	309369490	32.71	309369490	0	309369490	32.71	0	32.71	0	0	0	0	309369490
(B)	Public	261814	612031456	0	0	612031456	64.71	612031456	0	612031456	64.71	0	64.71	0	0	0	0	611454726
(C)	Non Promoter - Non Public	2	24430780	0	0	24430780	2.58	24430780	0	24430780	2.58	0	2.58	0	0	0	0	24430780
(C1)	Shares Underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0	0	0	0
(C2)	Shares Held By Employee Trust	2	24430780	0	0	24430780	2.58	24430780	0	24430780	2.58	0	2.58	0	0	0	0	24430780
	Total	261827	945831726	0	0	945831726	100.00	945831726	0	945831726	100.00	0	100.00	0	0	0	0	945254996

Note: No shares are pledged or encumbered by the promoter.

**Table II- Statement showing shareholding pattern of the Promoter and Promoter Group**

Sr. No.	Category & Name of the shareholders	Nos. of shareh olders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholdin g % of total no. of shares calculated as per SCRR, 1957	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B +C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: equity shares	Class eg: y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	Indian																	
(a)	Individuals / Hindu Undivided Family	8	266469490	0	0	266469490	28.17	266469490	0	266469490	28.17	0	28.17	0	0	0	0	266469490

Sr. No.	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % of total no. of shares calculated as per SCRR, 1957	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B +C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: equity shares	Class eg: y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
	Rashesh Chandrakant Shah	-	145601730	0	0	145601730	15.39	145601730	0	145601730	15.39	0	15.39	0	0	0	0	145601730
	Venkatchalam A Ramaswamy	-	59576560	0	0	59576560	6.30	59576560	0	59576560	6.30	0	6.30	0	0	0	0	59576560
	Vidya Rashesh Shah	-	35266200	0	0	35266200	3.73	35266200	0	35266200	3.73	0	3.73	0	0	0	0	35266200
	Aparna T Chandrashekar	-	12210000	0	0	12210000	1.29	12210000	0	12210000	1.29	0	1.29	0	0	0	0	12210000
	Kaavya Venkat Arakoni	-	11790000	0	0	11790000	1.25	11790000	0	11790000	1.25	0	1.25	0	0	0	0	11790000
	Sneha Sripad Desai	-	1025000	0	0	1025000	0.11	1025000	0	1025000	0.11	0	0.11	0	0	0	0	1025000
	Shilpa Urvish Mody	-	950000	0	0	950000	0.10	950000	0	950000	0.10	0	0.10	0	0	0	0	950000
	Arakoni Venkatachalam Ramaswamy	-	50000	0	0	50000	0.01	50000	0	50000	0.01	0	0.01	0	0	0	0	50000
(b)	Central Government / State Government(s)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(c)	Financial Institutions / Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(d)	Any Other (Specify)	2	41950000	0	0	41950000	4.44	41950000	0	41950000	4.44	0	4.44	0	0	0	0	41950000
	Bodies Corporate/Trust	2	41950000	0	0	41950000	4.44	41950000	0	41950000	4.44	0	4.44	0	0	0	0	41950000
	Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust)	-	38750000	0	0	38750000	4.10	38750000	0	38750000	4.10	0	4.10	0	0	0	0	38750000
	Spire Investment Advisors LLP	-	3200000	0	0	3200000	0.34	3200000	0	3200000	0.34	0	0.34	0	0	0	0	3200000
	Sub Total (A)(1)	10	308419490	0	0	308419490	32.61	308419490	0	308419490	32.61	0	32.61	0	0	0	0	308419490
2	Foreign																	
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	1	950000	0	0	950000	0.10	950000	0	950000	0.10	0	0.10	0	0	0	0	950000
	Sejal Premal Parekh	-	950000	0	0	950000	0.10	950000	0	950000	0.10	0	0.10	0	0	0	0	950000
(b)	Government	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(e)	Any Other (Specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
	Sub Total (A)(2)	1	950000	0	0	950000	0.10	950000	0	950000	0.10	0	0.10	0	0	0	0	950000
	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)	11	309369490	0	0	309369490	32.71	309369490	0	309369490	32.71	0	32.71	0	0	0	0	309369490

**Table III - Statement showing shareholding pattern of the Public shareholder**

Sr. No.	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % of total no. of shares calculated as per SCRR, 1957	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerial ised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: equity shares	Class eg: y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)=(VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	Institutions																	
(a)	Mutual Fund	6	2312600	0	0	2312600	0.24	2312600	0	2312600	0.24	0	0.24	0	0	0	0	2312600
(b)	Venture Capital Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(c)	Alternate Investment Funds	11	2678428	0	0	2678428	0.28	2678428	0	2678428	0.28	0	0.28	0	0	0	0	2678428
(d)	Banks	1	531	0	0	531	0.00	531	0	531	0.00	0	0.00	0	0	0	0	531
(e)	Insurance Companies	1	24282094	0	0	24282094	2.57	24282094	0	24282094	2.57	0	2.57	0	0	0	0	24282094
	Life Insurance Corporation Of India		24282094	0	0	24282094	2.57	24282094	0	24282094	2.57	0	2.57	0	0	0	0	24282094
(f)	Provident Funds/ Pension Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(g)	Asset Reconstruction Companies	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(h)	Sovereign Wealth Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(i)	NBFCs registered with RBI	3	109100	0	0	109100	0.01	109100	0	109100	0.01	0	0.01	0	0	0	0	109100
(j)	Other Financial Institutions	1	356418	0	0	356418	0.04	356418	0	356418	0.04	0	0.04	0	0	0	0	356418
(k)	Any Other (Specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
	Sub Total (B)(1)	23	29739171	0	0	29739171	3.14	29739171	0	29739171	3.14	0	3.14	0	0	0	0	29739171
2	Institutions (Foreign)																	
(a)	Foreign Direct Investment	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(b)	Foreign Venture Capital Investors	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(c)	Sovereign Wealth Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(d)	Foreign Portfolio Investors Category I	128	239264177	0	0	239264177	25.30	239264177	0	239264177	25.30	0	25.30	0	0	0	0	239264177
	Clsa Global Markets Pte. Ltd-Odi		54251793	0	0	54251793	5.74	54251793	0	54251793	5.74	0	5.74	0	0	0	0	54251793

Sr. No.	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % of total no. of shares calculated as per SCRR, 1957	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerial ised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: equity shares	Class eg: y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
	College Retirement Equities Fund - Stock Account		41006865	0	0	41006865	4.34	41006865	0	41006865	4.34	0	4.34	0	0	0	0	41006865
	Nuveen Emerging Markets Equity Fund		26821113	0	0	26821113	2.84	26821113	0	26821113	2.84	0	2.84	0	0	0	0	26821113
	Pabrai Wagons Fund		12365000	0	0	12365000	1.31	12365000	0	12365000	1.31	0	1.31	0	0	0	0	12365000
	Arjuna Fund Pte. Ltd.		9580952	0	0	9580952	1.01	9580952	0	9580952	1.01	0	1.01	0	0	0	0	9580952
(e)	Foreign Portfolio Investors Category II	24	27749610	0	0	27749610	2.93	27749610	0	27749610	2.93	0	2.93	0	0	0	0	27749610
	1729 Capital	-	13236532	0	0	13236532	1.40	13236532	0	13236532	1.40	0	1.40	0	0	0	0	13236532
(f)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(g)	Any Other (Specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
	Foreign Institutional Investors	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
	Sub Total (B)(2)	152	267013787	0	0	267013787	28.23	267013787	0	267013787	28.23	0	28.23	0	0	0	0	267013787
3	Central Government/ State Government(s)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(a)	Central Government / President of India	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(b)	State Government / Governor	1	2590	0	0	2590	0.00	2590	0	2590	0.00	0	0.00	0	0	0	0	2590
(c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
	Sub Total (B)(3)	1	2590	0	0	2590	0.00	2590	0	2590	0.00	0	0.00	0	0	0	0	2590
4	Non-Institutions																	
(a)	Associate companies / Subsidiaries	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(b)	Directors and their relatives (excluding Independent	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0



Sr. No.	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % of total no. of shares calculated as per SCRR, 1957	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: equity shares	Class eg: y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)=(VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
	Directors and nominee Directors)																	
(c)	Key Managerial Personnel	2	111591	0	0	111591	0.01	111591	0	111591	0.01	0	0.01	0	0	0	0	111591
(d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee','beneficiary', or 'author of the trust"	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(f)	Investor Education and Protection Fund (IEPF)	1	151504	0	0	151504	0.02	151504	0	151504	0.02	0	0.02	0	0	0	0	151504
(g)	i. Resident individual shareholders holding nominal share capital up to ₹ 2 lakhs.	250878	113488718	0	0	113488718	12.00	113488718	0	113488718	12.00	0	12.00	0	0	0	0	113466988
(h)	ii. Resident individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.	94	94425893	0	0	94425893	9.98	94425893	0	94425893	9.98	0	9.98	0	0	0	0	94425893
(i)	Non Resident Indians (NRIs)	2954	32079839	0	0	32079839	3.39	32079839	0	32079839	3.39	0	3.39	0	0	0	0	31524839
(j)	Foreign Nationals	2	6001	0	0	6001	0.00	6001	0	6001	0.00	0	0.00	0	0	0	0	6001
(k)	Foreign Companies	2	14121180	0	0	14121180	1.49	14121180	0	14121180	1.49	0	1.49	0	0	0	0	14121180
	Bih Sa		14043180	0	0	14043180	1.48	14043180	0	14043180	1.48	0	1.48	0	0	0	0	14043180
(l)	Bodies Corporate	934	50864251	0	0	50864251	5.38	50864251	0	50864251	5.38	0	5.38	0	0	0	0	50864251
(m)	Any Other (Specify)	6771	10026931	0	0	10026931	1.06	10026931	0	10026931	1.06	0	1.06	0	0	0	0	10026931
	Trusts	10	3052	0	0	3052	0.00	3052	0	3052	0.00	0	0.00	0	0	0	0	3052
	Body Corp-Ltd Liability Partnership	137	3591115	0	0	3591115	0.38	3591115	0	3591115	0.38	0	0.38	0	0	0	0	3591115
	Hindu Undivided Family	6613	6415998	0	0	6415998	0.68	6415998	0	6415998	0.68	0	0.68	0	0	0	0	6415998

Sr. No.	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % of total no. of shares calculated as per SCRR, 1957	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: equity shares	Class eg: y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)=(VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
	Clearing Member	11	16766	0	0	16766	0.00	16766	0	16766	0.00	0	0.00	0	0	0	0	16766
	Foreign Portfolio Investors Category III	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
	Sub Total (B)(4)	261638	315275908	0	0	315275908	33.33	315275908	0	315275908	33.33	0	33.33	0	0	0	0	314699178
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	261814	612031456	0	0	612031456	64.71	612031456	0	612031456	64.71	0	64.71	0	0	0	0	611454726

**Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder**

Sr. No	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % of total no. of shares calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: equity shares	Class eg: y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	Custodian/DR Holder	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(a)	Employee Benefit Trust (under SEBI	2	24430780	0	0	24430780	2.58	24430780	0	24430780	2.58	0	2.58	0	0	0	0	24430780

Sr. No	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % of total no. of shares calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: equity shares	Class eg: y	Total								
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
	(Share based Employee Benefit) Regulations, 2014)																	
	Edelweiss Employees Welfare Trust	-	17129270	0	0	17129270	1.81	17129270	0	17129270	1.81	0	1.81	0	0	0	0	17129270
(b)	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)	2	24430780	0	0	24430780	2.58	24430780	0	24430780	2.58	0	2.58	0	0	0	0	24430780

**List of top 10 holders of Equity Shares of the Issuer as on March 31, 2025**

Sr. No.	Name of Shareholder	Category of Shareholder	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares
1.	Rashesh Chandrakant Shah	Promoter	14,56,01,730	14,56,01,730	15.39 %
2.	Venkatchalam A Ramaswamy	Promoter	5,95,76,560	5,95,76,560	6.30 %
3.	CLSA Global Markets Pte. Ltd - ODI	FPI	5,42,51,793	5,42,51,793	5.74 %
4.	College Retirement Equities Fund - Stock Account	FPI	4,10,06,865	4,10,06,865	4.34 %
5.	Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust)	Promoter group	3,87,50,000	3,87,50,000	4.10 %
6.	Vidya Rashesh Shah	Promoter	3,52,66,200	3,52,66,200	3.73 %
7.	Nuveen Emerging Markets Equity Fund	FPI	2,68,21,113	2,68,21,113	2.84 %
8.	Life Insurance Corporation of India	Insurance Corporation	2,42,82,094	2,42,82,094	2.57 %
9.	Edelweiss Employees Welfare Trust	Trust	1,71,29,270	1,71,29,270	1.81 %
10.	BIH SA	FPI	1,40,43,180	1,40,43,180	1.48 %

**List of top 10 holders of Non-Convertible Debentures as on March 31, 2025 (on cumulative basis):**

Sr. No.	Name of NCD Holders	Amount in ₹	Category of NCD Holders	Face Value Per NCD (Amount in ₹)	NCD Holding As a % Of Total NCD Outstanding
1.	Edelweiss Life Insurance Company Limited	3,140,089,000	Corporate	1,000	10.26%
2.	The Kangra Central Co - operative Bank Limited	500,000,000	Corporate	1,00,000	1.63%
3.	Zuno General Insurance Limited	28,80,80,000	Corporate	1,000	0.94%
4.	Ashutosh Vinayak Joshi	25,00,00,000	Individual	1,00,000	0.82%
5.	Clear Water Commodities Private Limited	22,08,14,000	Corporate	1,000	0.72%
6.	M J Biopharm Private Limited	15,75,00,000	Corporate	1,000	0.51%
7.	Edelweiss Investment Adviser Limited	14,93,53,000	Corporate	1,000	0.49%
8.	ECap Equities Limited	13,41,71,000	Corporate	1,000	0.44%
9.	Nuwama Wealth Finance Limited	95,295,000 900,000	Corporate	1,000 100,000	0.31%
10.	Ashokkumar Sobhagmal Patni	9,00,00,000	Individual	1,000	0.29%

**List of top ten commercial paper holders as on March 31, 2025:**

Sr. No.	Name of the CP Holder	Amount in ₹	Category of CP holder	Face value per CP (Amount in ₹)	% Holding of Total Commercial paper Outstanding
NIL					

**Statement of the aggregate number of securities of the Issuer and our Subsidiaries purchased or sold by our Promoters, promoter group, our Directors and/or their relatives within six months immediately preceding the date of filing of this Prospectus**

Except as stated below, no securities of the Issuer and our Subsidiary have been purchased or sold by our Promoters, promoter group, our Directors and/or their relatives within six months immediately preceding the date of filing of this Prospectus.

Sr. No.	Name	Date of transaction	Nature of transaction	No. of securities
1.	Neel Rashesh Shah	December 27, 2024	Transfer of equity shares by way of Gift	20,00,000 equity shares of the face value of Re. 1 each of the Issuer
2.	Avanti Rashesh Shah	December 27, 2024	Transfer of equity shares by way of Gift	20,00,000 equity shares of the face value of Re. 1 each of the Issuer
3.	Vidya Rashesh Shah	December 27, 2024	Acquisition of equity shares by way of Gift	40,00,000 equity shares of the face value of Re. 1 each of the Issuer
4.	Neel Rashesh Shah	December 27, 2024	Transfer of Non-convertible Debentures by way of Gift	55 Non-convertible Debentures of the face value of Rs. 1 Lakh each of ECap Equities Limited
5.	Vidya Rashesh Shah	December 27, 2024	Acquisition of Non-convertible Debentures by way of Gift	55 Non-convertible Debentures of the face value of Rs. 1 Lakh each of ECap Equities Limited
6.	Shilpa Mody	January 6, 2025	Subscription to Non-convertible Debentures	1,000 Non-convertible Debentures of the face value of Rs. 1,000 each of Nido Home Finance Limited
7.	Vidya Rashesh Shah	March 26, 2025	Purchase of equity shares	1,00,000 equity shares of the face value of Re. 1 each of the Issuer
8.	Vidya Rashesh Shah	March 27, 2025	Purchase of equity shares	1,00,000 equity shares of the face value of Re. 1 each of the Issuer
9.	Vidya Rashesh Shah	March 28, 2025	Purchase of equity shares	31,157 equity shares of the face value of Re. 1 each of the Issuer

**Statement of capitalization (Debt to Equity Ratio) of the Issuer as on March 31, 2025 on a Standalone basis:**  
(₹ in million, unless otherwise stated)

Particulars	Pre issue as at March 31, 2025	Post issue*
<b>Borrowing/ Debt</b>		
Debt securities	30,724.42	33,724.42
Borrowings (other than debt securities)	-	-
Deposits	-	-
Commercial paper	-	-
Subordinated Liabilities	-	-
<b>Total Borrowing/ Total Debt (A)</b>	30,724.42	33,724.42
<b>Equity</b>		
Equity Share Capital	921.40	921.40
Other Equity	54,249.45	54,249.45
<b>Total Equity (B)</b>	55,170.85	55,170.85
<b>Debt to Equity Ratio (A/B)</b>	0.56	0.61

\*The debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹ 3,000 million from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

**Statement of capitalization (Debt to Equity Ratio) of the Issuer as on March 31, 2025 on a Consolidated basis:**

Particulars	Pre issue as at March 31, 2025	Post issue*
<b>Borrowing/ Debt</b>		
Debt securities	1,23,604.41	1,26,604.41
Borrowings (other than debt securities)	43,893.39	43,893.39
Subordinated Liabilities	11,247.34	11,247.34
<b>Total Borrowing/ Total Debt (A)</b>	<b>1,78,745.14</b>	<b>1,81,745.14</b>
<b>Equity</b>		
Equity Share Capital	921.40	921.40
Other Equity	43,325.91	43,325.91
Equity attributable to Non-Controlling Interest	14,934.40	14,934.40
<b>Total Equity (B)</b>	<b>59,181.71</b>	<b>59,181.71</b>
<b>Debt to Equity Ratio (A/B)</b>	<b>3.02</b>	<b>3.07</b>

\*The debt - equity ratio post Issue is indicative on account of the assumed inflow of ₹ 3,000 million from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

**Details of Promoter's shareholding in the Issuer's Subsidiaries as on March 31, 2025**

The Issuer has 26 Subsidiaries as on March 31, 2025. Except the shares held in our Subsidiaries as nominee of the Issuer, our Promoters do not hold any equity shares in our Subsidiaries, as on March 31, 2025.

**Shareholding of Directors in the Issuer**

The shareholding of the Directors in the Issuer as on the date of this Prospectus is as under:

Sr. No.	Name of Director	Number of Equity Shares
1.	Rashesh Chandrakant Shah	145,601,730
2.	Venkatchalam A Ramaswamy	59,576,560
3.	Vidya Rashesh Shah	35,297,357
4.	C. Balagopal	80

**Shareholding of our Directors in our Subsidiaries, Joint Venture and associate companies**

Except the shares held in our Subsidiaries as nominee of the Issuer, our Directors do not hold any equity shares in our Subsidiaries as on the date of this Prospectus.

**Details of any acquisition or amalgamation with any entity in the last one year**

The Issuer has not made any acquisition or amalgamation with any entity in the last one year prior to filing of this Prospectus.

**Details of any reorganization or reconstruction in the last one year**

The Issuer has not made any reorganization or reconstruction in the last one year prior to filing of this Prospectus.

**Employee Stock Option Scheme and Stock Appreciation Rights**

The details of our ESOP Schemes and Stock Appreciation Rights in force as on the date of this Prospectus are set forth below:

### Edelweiss Employees Stock Incentive Plan 2011

The Issuer instituted the Edelweiss Employee Stock Incentive Plan 2011 (“**ESOP 2011**”) pursuant to a special resolution dated April 26, 2011 passed through a postal ballot. Under ESOP 2011, the Issuer can grant employee stock options exercisable into not more than 100,000,000 Equity Shares of ₹ 1 each. The eligibility and number of options to be granted to an employee is determined on the basis of criteria laid down in the ESOP 2011 and is approved by the Compensation Committee.

The options granted shall vest on the eligible employees of the Issuer or subsidiaries, as determined in accordance with ESOP 2011, within a period of not less than 12 months and not more than 60 months from the date of grant, as mentioned in the grant letters, and can be exercised within a period of not less than 12 months and not more than 60 months from the date of vesting of the respective options or until the validity of the ESOP 2011, i.e., June 30, 2030. The ESOP 2011 shall continue to be in force until its termination by the Board or the Compensation Committee.

**Please refer below for the details of ESOP 2011 as on March 31, 2025:**

Sr. No.	Particulars	Number of stock options
1	Stock options granted	12,49,23,723
2	Stock options vested	3,02,825
3	Stock options exercised	8,61,32,745
4	Total number of shares arising out of exercise of Stock options	8,61,32,745
5	Stock options lapsed	3,84,88,153
6	Exercise price (In ₹)	Between 24.6 – 314.40

### Edelweiss Employee Stock Appreciation Rights Plan 2019:

The Issuer instituted the Edelweiss Employee Stock Appreciation Rights Plan 2019 (“**SAR 2019**”) pursuant to a special resolution passed by our shareholders on April 30, 2019. Under SAR 2019, the Issuer can grant Stock Appreciation Rights (“**SARs**”) exercisable into not more than 40,000,000 Equity Shares of ₹ 1 each. The eligibility and number of rights to be granted to an employee is determined on the basis of criteria laid down in the SAR 2019 and is approved by the Compensation (ESOP) Committee.

The rights granted shall vest on the eligible employees of the Issuer or subsidiaries within a period of not less than 12 months and not exceed 96 months from the date of grant. The SAR 2019 shall continue to be in force until its termination by the Board or the Compensation (ESOP) Committee.

**Please refer below for the details of SAR 2019 as on March 31, 2025:**

Sr. No.	Particulars	Number of SARs
1	SARs granted	5,04,00,500
2	SARs vested	-
3	SARs exercised	23,34,750
4	Total number of shares arising as a result of SARs	11,16,586
5	SARs lapsed	1,26,48,610
6	Exercise price (In ₹)	Between 27.45 – 180.65

*Note:*

*\*On exercise of vested SARs, the Grantees would receive the appreciation value in (i) cash; or (ii) by way of issuance of Equity Shares. The number of Equity Shares to be issued shall be determined on the basis of the application value, divided by the market price per Equity Share on the date of exercise. In case of settlement of the appreciation value by way of issue of Equity Shares, the grantee will be required to pay the face value of the quantum of such Equity Shares, i.e., ₹ 1 per Equity Share granted.*

*\*During the financial year ended March 31, 2025, the Issuer's Compensation (ESOP) committee of the board of directors granted 3,45,00,000 SARs to the eligible employees under SAR 2019.*

## OBJECTS OF THE ISSUE

### Use of Proceeds

Public Issue by the Company of secured redeemable non-convertible debentures of face value of ₹1,000 each (“NCDs”) for an amount up to ₹1,500 million (“**Base Issue Size**”) with a green shoe option of up to ₹ 1,500 million cumulatively aggregating up to ₹ 3,000 million (the “**Issue Limit**”). The NCDs will be issued on the terms and conditions as set out in this Prospectus, which should read together with the Draft Prospectus.

The following table details the objects of the Issue and the amount proposed to be financed from Net Proceeds:

Sr. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of repayment /prepayment of interest and principal of existing borrowings of our Company <sup>#</sup>	At least 75%
2.	General Corporate Purposes*	Maximum of up to 25%

<sup>#</sup>The Company shall not utilize the proceeds of the Issue towards payment of prepayment penalty, if any.

\*The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI NCS Regulations.

The main objects clause of the Memorandum of Association of the Company permits the Company to undertake its existing activities as well as the activities for which the funds are being raised through the Issue.

The following table details the objects of the Issue and the amount proposed to be financed from Net Proceeds:

Particulars	Estimated amount (₹ in million)
Gross proceeds of the Issue	3,000.00
Less: Issue related expenses*	104.84
Net proceeds	2,895.16

\*The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of allottees, market conditions and other relevant factors.

### Purpose for which there is a requirement of funds

As stated in this section.

### Break-up of the cost of the project for which the money is being raised

N. A.

### Means of financing for the project

N. A.

### Proposed deployment status of the proceeds at each stage of the project

N.A.



**Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project:**

N.A.

### **Monitoring of utilization of funds**

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee of the Issuer shall monitor the utilisation of the proceeds of the Issue. The Issuer will disclose in the Issuer's financial statements for the relevant financial year commencing from Fiscal 2026, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of the Issue. The Issuer shall utilize the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchange.

### **General Corporate Purposes**

The Issuer intends to deploy up to 25% of the amount raised and allotted in the Issue for general corporate purposes, including but not restricted to routine capital expenditure, renovations, strategic initiatives, meeting any expenditure in relation to the Issuer as well as meeting exigencies which the Issuer may face in the ordinary course of business, or any other purposes as may be approved by the Board of Directors.

### **Issue expenses**

The estimated breakdown of the total Issue expenses for Issue are as follows:

<b>Particulars</b>	<b>Amount (₹ in million)*</b>	<b>As percentage of Issue proceeds (in %)</b>	<b>As percentage of total expenses of the Issue (in %)</b>
Lead managers fees	9.00	0.30	8.58
Underwriting commission	-	-	-
Brokerage, selling commission and upload fees	90.19	3.01	86.03
Fee Payable to the registrars to the issue	0.50	0.02	0.48
Fees payable to the legal advisors	2.50	0.08	2.38
Advertising and marketing expenses	0.40	0.01	0.38
Fees payable to the regulators including stock exchange.	0.50	0.02	0.48
Expenses incurred on printing and distribution of issue stationary	0.50	0.02	0.48
Any other fees, commission or payments under whatever nomenclature.	1.25	0.04	1.19
<b>Grand Total</b>	<b>104.84</b>	<b>3.49</b>	<b>100.00</b>

*\*Assuming the Issue is fully subscribed. The estimated Issue expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors.*

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Managers/ Members of the Syndicate/ Sub- Members of the Syndicate /Brokers / Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹ 10 per Application Form procured (inclusive of GST and other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee. Further, our Company shall pay the Sponsor Bank ₹ 10 for every valid Application that is blocked. The payment will be made

on the basis of valid invoices within such timelines mutually agreed to/prescribed by the Company with the Designated Intermediaries/Sponsor Bank.

### **Interim use of proceeds**

Our management will have the flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above. The Issuer intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities. Such investment would be in accordance with the applicable regulatory requirements and investment policies approved by the Board or any committee thereof from time to time.

### **Other Confirmations**

In accordance with the SEBI NCS Regulations, the Issuer will not utilize the proceeds of the Issue for providing loans to or acquisition of shares of any person or company who is a part of the promoter group or group companies.

Proceeds from the Issue shall not be utilised towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property. No part of the proceeds from the Issue will be paid by us as consideration to our Promoter, the Directors, Key Managerial Personnel, or companies promoted by our Promoter except in ordinary course of business.

No part of the proceeds from the Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company. Further the Issuer undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI regulations.

All monies received out of the Issue shall be credited/ transferred to a separate bank account maintained with a Scheduled Bank as referred to in section 40(3) of the Companies Act 2013.

Details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested.

The Issuer confirms that it will not use the proceeds from the Issue for the purchase of any business or in the purchase of any interest in any business whereby the Issuer shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

We shall utilize the Issue proceeds only upon execution of Debenture Trust Deed, receipt of the listing and trading approval from the Stock Exchange(s) as stated in this Prospectus in the section titled “*Issue Related Information*” beginning on page 311.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change subject to such

variations being in accordance with the applicable laws from time to time.

None of the Directors, Promoters, Key Managerial Personnel or Senior Management have any financial or other material interest in the Issue and consequently, there is no effect of such interest in so far as it is different from the interests of other persons.

The proceeds, or any part thereof, shall not be utilised, directly or indirectly, in any manner that results in the acquisition by the Issuer of debt securities or any shares (preference or equity) in any other body corporate, which would result in such body corporate becoming a subsidiary of the Issuer.

**Variation in terms of contract or objects in this Prospectus.**

The Issuer shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Prospectus is issued, except as may be prescribed under the applicable laws and specifically under Section 27 of the Companies Act, 2013.

**Benefit / interest accruing to Promoters/Directors out of the Objects of the Issue**

Neither our Promoter nor the Directors of our Company are interested in the Objects of the Issue.

**STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS UNDER  
THE APPLICABLE LAWS IN INDIA**

The Board of Directors  
Edelweiss Financial Services Limited  
Edelweiss House, Off CST Road, Kalina,  
Mumbai – 400 098.

Dear Sirs,

**Statement of Possible Tax Benefits available to the debenture holders of Edelweiss Financial Services Limited in connection with the proposed public issue of secured redeemable non-convertible debentures of face value of Rs. 1,000/- each (the “Debentures” or the “NCDs”) (hereinafter referred to as the “Issue”)**

1. We hereby confirm that the enclosed Annexure, prepared by Edelweiss Financial Services Limited (‘the Company’), provides the possible tax benefits available to the debenture holders of the Company under the Income-tax Act, 1961 (‘the Act’) as amended by the Finance Bill, 2025, i.e. applicable for the Financial Year 2025-26 relevant to the assessment year 2026-27 respectively, presently in force in India. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon their fulfilling such conditions which, the debenture holders may or may not choose to fulfil.
2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
3. We do not express any opinion or provide any assurance as to whether:
  - a) the debenture holders will continue to obtain these benefits in future;
  - b) the conditions prescribed for availing the benefits have been / would be met with; and
  - c) the revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

4. This statement has been issued at the request of the Company for the purpose of inclusion in the offer document in connection with its proposed Issue and should not be used by anyone else or for any other purpose.

**For Nangia & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 002391C/N500069

**Jaspreet Singh Bedi**  
Partner  
Membership No.: 601788  
Date: June 26, 2025  
Place: Mumbai

## **STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDER(S)**

This Annexure is based on the provisions of the Income-tax Act, 1961 ('IT Act') in force as on the current date, after considering the amendments made by the Finance Act, 2025.

Further, please note that Income Tax Bill, 2025 was tabled in the Cabinet which is yet to be enacted. The same shall be effective from 1<sup>st</sup> April 2026, i.e. Financial Year (FY) 2026-27 onwards. The existing law of Income Tax Act, 1961 shall apply till FY 2025-26.

This Annexure intends to provide general information on the applicable provisions of the IT Act. However, in view of the nature of the implications, the investors are best advised to consult their respective tax advisors/consultants for appropriate counsel with respect to the specific tax and other implications arising out of their participation in the Portfolio as indicated herein.

### **Taxability under the IT Act**

#### **Section 50AA of the IT Act**

The Finance Act, 2023 has inserted section 50AA to the IT Act to provide for a special provision for computation of capital gains in case of Market Linked Debenture (MLD). For the purposes of the said section, MLD have been defined in the Explanation thereto to mean a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a MLD by the Securities and Exchange Board of India.

Based on the definition, MLD has the following essential features:

- It is a security in the nature of debt;
- It has an underlying principal component;
- Returns with respect to such security are linked to market returns on other underlying securities or indices;
- And, by way of extension, it is also provided that any security classified or regulated by SEBI as an MLD, shall for the purposes of section 50AA of the IT Act, be deemed to be an MLD

The Non-Convertible Debentures (NCDs) issued/ proposed to be issued by the issuer creates a borrower-lender relationship between the issuer and subscriber and to that extent, such NCDs constitute a security in the nature of debt. Further, such NCDs, by their very nature, have a principal component (which is the price at which the subscriber subscribes to such NCDs).

However, the returns with respect to such NCDs (excess of redemption value over the principal component) is a fixed return and is not linked to any market return or underlying security or indices.

Given the same, the NCDs issued by the issuer do not satisfy the first limb of the definition of MLD as provided in the Explanation to section 50AA of the IT Act and thus, such NCDs should not constitute an MLD for the purposes of section 50AA of the IT Act.

The second limb of the definition of MLD which deems any security classified or regulated by SEBI as an MLD, to be an MLD for the purposes of section 50AA of the IT Act, is an independent limb and need to be construed as such. We have been given to understand that, at present, the NCD issued/ proposed to be issued by the issuer is neither classified nor regulated by the SEBI as an MLD and accordingly, the NCDs issued by the issuer should not constitute an MLD for the purposes of section 50AA of the IT Act. However, the said fact-pattern would have to be re-visited in light of any amendment in the law as may be notified by SEBI in future.

**A. Common provisions applicable to both Resident and Non-Resident debenture holders:**

**1. Determination of head of income for the purpose of assessability:**

The returns received by the investors from the Non-Convertible Debentures ('NCD') in the form of 'interest' and gains on transfer of the NCD, may be characterized under the following broad heads of income for the purposes of taxation under the IT Act:

- Profits and gains of business or profession ('PGBP');
- Capital gains ('CG'); and
- Income from other sources ('IFOS').

For determining the appropriate head of income (as mentioned above) *vis-à-vis* the income or loss earned on/ from the NCD, it will be pertinent to analyse whether the NCD are held as 'Investments' i.e. capital asset or as 'Stock-in-trade'.

If the NCD are held as 'Stock-in-trade', interest income as well as gain or loss on its transfer will be assessed to tax under the head PGBP, whereas, if the NCD are held as 'Investments', then the interest income will be assessed to tax under the head IFOS and any gain/ loss on its transfer will be assessed to tax under the head CG (explained in ensuing paragraphs), based on facts of each case.

However, as per section 2(14) of the IT Act, 'capital asset' includes, *inter alia*, securities held by a Foreign Institutional Investor ('FII') [now known as Foreign Portfolio Investor ('FPI')] which has invested in such securities in accordance with the regulations made under Securities and Exchange Board of India Act, 1992. Accordingly, such securities, held by an FII, will be characterised as 'capital asset' and classification as 'Stock-in-trade' shall not apply.

*The investors may obtain specific advice from their tax advisors regarding the above classification and tax treatment.*

**2. Taxation of Interest and Gain/ loss on transfer of debentures:**

**- Taxation of Interest**

Income by way of interest received on NCD held as 'Investments' (i.e. capital asset) will be charged to tax under the head IFOS at the rates applicable to the investor after deduction of expenses, if any, allowable under section 57 of the IT Act. These are essentially expenses (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of earning the interest income. In case of NCD held as 'Stock-in-trade', interest received thereon will be charged to tax under the head PGBP. Further, any expenditure specifically laid out or expended wholly and exclusively for the purpose of earning such interest income shall be allowed as deduction while computing income under the head PGBP.

*The investors may obtain specific advice from their tax advisors regarding the tax treatment of their Interest income.*

- **Taxation of gain or loss on transfer**

***(a) Taxable under the head PGBP***

As discussed above, depending on the particular facts of each case, the NCD may, in certain cases, be regarded to be in the nature of 'Stock-in-trade' and, accordingly, the gains from the transfer of such NCD should be considered to be in the nature of business income and hence chargeable to tax under the head PGBP.

In such a scenario, the gains from the business of investing in the NCD may be chargeable to tax on a 'net' basis (i.e. net of allowable deductions for expenses/allowances under Chapter IV – Part D of the IT Act).

Based on section 145 of the IT Act, the timing of charging any income to tax would depend on the method of accounting followed by the taxpayer consistently (i.e. cash or mercantile).

*Investors should obtain specific advice from their tax advisors regarding the manner of computing business income, the deductions available therefrom and the tax to be paid thereon.*

***(b) Taxable under the head Capital Gains***

As discussed above, based on the particular facts of each case, the NCD may, in certain cases, be regarded to be held as 'Investments' in which case the gains or loss from the transfer of such NCD should be chargeable to tax under the head CG.

In such a scenario, the gains / loss from the transfer of such NCD may be chargeable to tax on a 'net' basis (i.e. net of acquisition cost of NCD, expenditure incurred in relation to transfer of NCD).

*Investors should, however, seek specific advice from their tax advisors/ consultants in respect of characterization of capital gains, the manner of computation and the tax to be paid thereon.*

**3. *Period of holding and Capital gain – long term & short term:***

As per section 2(29AA) read with section 2(42A) of the IT Act, listed NCD is treated as a long-term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer and consequently, the gain/ loss on transfer of such NCD should be treated as long term capital gain/ loss.

Accordingly, if listed NCD is held for upto 12 months immediately preceding the date of its transfer, the same should be treated as a short-term capital asset and the gain/ loss on transfer of such NCD should be treated as short-term capital gain/ loss.

Without prejudice to the fact that the NCDs to be issued by the issuer are not MLD (as has been concluded at the outset), where, for whatsoever reasons, the NCDs are treated as MLDs, then in such cases, as per section 50AA of the Act, the capital gains arising on transfer or redemption or maturity of such NCDs shall be deemed to be capital gains arising from transfer of a short-term capital asset. Further, in computing the capital gains, no deduction shall be allowed on account of Securities Transaction Tax (STT) paid, if any.

#### **4. *Computation of capital gains and tax thereon***

Capital gains is computed after reducing from the consideration received for the transfer of the capital asset [‘full value of consideration (FVC)’], the cost of acquisition (CoA) of such asset and the expenses incurred wholly and exclusively in connection with the transfer. The capital gains so computed will be chargeable to tax at the rates as detailed in the ensuing paragraphs.

#### **5. *Set off of capital losses***

As per section 74 of the IT Act, long-term capital loss incurred during a year can be set-off only against long-term capital gains arising in that year or in subsequent years and cannot be set-off against short-term capital gains arising in that year or in subsequent years. The long-term capital loss remaining after set-off, if any, can be carried forward for eight years immediately succeeding the year in which the loss was first computed, to be for set-off against subsequent years’ long-term capital gains.

On the other hand, short-term capital loss incurred during a year can be set-off against both, short-term and long-term capital gains of the same year or of subsequent years. The short-term capital loss remaining after set-off, if any, can be carried forward for eight years immediately succeeding the year in which the loss was first computed, to be set-off against subsequent years’ short-term as well as long-term capital gains.

#### **B. *Tax benefits available to Resident NCD holders:***

- Interest on NCD received by resident NCD holders would form part of their total income and be subject to tax at the applicable rates of tax (Note 1 and 2 below) in accordance with and subject to the provisions of the IT Act.
- Capital gains on transfer of NCD shall be computed by deducting from the FVC, expenditure incurred wholly and exclusively in connection with the transfer and the CoA of the NCD.
- As per section 112 of the IT Act, capital gains arising on the transfer of long-term capital assets being listed debentures are subject to tax at the rate of 12.5% (plus applicable surcharge and health & education cess – Note 2 below) on the capital gains calculated without indexing the cost of acquisition.
- In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.
- Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with the provisions of the IT Act.

#### **C. *Tax benefits available to Non-Resident debenture holders:***

- A non-resident Indian has an option to be governed by Chapter XII-A of the IT Act, subject to the provisions contained therein which are given in brief as under:
- As per section 115C(e) of the IT Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either



of his parents or any of his grand-parents, was born in undivided India.

- As per section 115E of the IT Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20% (plus applicable surcharge and cess), whereas long term capital gains on transfer of such debentures will be taxable at 12.5% (plus applicable surcharge and cess – Note 2 below) of such capital gains without indexation of CoA. Short-term capital gains will be taxable at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with and subject to the provisions contained therein.
- Under section 115F of the IT Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the whole of the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the IT Act in accordance with and subject to the provisions contained therein.
- Under section 115G of the IT Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the IT Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the IT Act in accordance with and subject to the provisions contained therein.
- Under section 115H of the IT Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A of the IT Act shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.
- In accordance with and subject to the provisions of section 115-I of the IT Act, a non-resident Indian may opt not to be governed by the provisions of Chapter XII-A of the IT Act. In such a case, long- term capital gains on transfer of listed debentures would be subject to tax at the rate of 12.5% (plus applicable surcharge and cess – Note 2 below) computed without indexation of CoA.
- Interest income and short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with and subject to the provisions of the IT Act.
- Without prejudice to the fact that the NCDs to be issued by the issuer are not MLD (as has been concluded at the outset), where, for whatsoever reasons, the NCDs are treated as MLDs, then in such cases, as per the provisions of section 50AA of the Act, the capital gains arising on transfer or redemption or maturity of such NCDs shall be deemed to be capital gains arising from transfer of a short-term capital asset. Further, in computing the capital gains, no deduction shall be allowed for Securities Transaction Tax (STT) paid, if any.
- Where debentures are held as stock-in-trade, the income on transfer of debentures would be taxed as business income in accordance with and subject to the provisions of the IT Act.
- As per section 90(2) of the IT Act read with the Circular no. 728 dated October 30, 1995, issued by the Central Board of Direct Taxes ('CBDT'), in the case of a remittance to a country with which a Double Tax Avoidance Agreement ('DTAA') is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of a valid and subsisting tax residency certificate ('TRC') is a mandatory condition for availing benefits under any DTAA. If the TRC does not contain the prescribed particulars, a self-declaration in electronically furnished Form

10F would need to be provided by the assessee along with the TRC which is valid and subsisting.

**D. Tax benefits available to Foreign Institutional Investors ('FII's) or Foreign Portfolio Investors ('FPI's):**

- In accordance with and subject to the provisions of section 115AD of the IT Act, long-term capital gains on transfer of debentures by FIIs are taxable at 12.5% (plus applicable surcharge and cess – Note 2 below) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess - Note 2 below). The benefit of indexation of CoA will not be available.
- Income other than capital gains arising out of debentures is taxable at 20% (plus applicable surcharge and cess - Note 2 below) in accordance with and subject to the provisions of Section 115AD of the IT Act.
- However, the above is subject to any relief available under DTAA entered into by the Government of India (as mentioned in Point C above).
- The CBDT has issued Notification No.9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the IT Act.

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### E. Withholding provisions

The withholding provisions provided under the IT Act are machinery provisions meant for tentative deduction of income-tax subject to regular assessment. The withholding tax is not the final liability to income-tax of an assessee. For rate of tax applicable to an assessee, please refer Notes 1 and 2 below:

Sr. No	Scenarios	Provisions
1	Withholding tax rate on interest on NCD issued to Indian residents	<ul style="list-style-type: none"> <li>▶ Interest paid to residents other than insurance companies will be subject to withholding tax as per section 193 of the IT Act at the rate of 10 per cent.</li> <li>▶ No tax is required to be deducted on interest paid to an individual or a HUF, in respect of debentures issued by a company in which the public is substantially interested if; <ul style="list-style-type: none"> <li>• the amount of interest paid to such person in a financial year does not exceed INR 10,000; and</li> <li>• such interest is paid by an account payee cheque</li> </ul> </li> <li>▶ Further, no tax is required to be deducted on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. However, the FA, 2023 has omitted the aforesaid exemption and thus, any interest paid on or after 1 April 2023, with respect to any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder shall be liable to tax withholding as applicable.</li> </ul>
2	Withholding tax rate on interest on NCD issued to Foreign Portfolio Investor (FII)	<ul style="list-style-type: none"> <li>▶ Interest to a non-resident, not being a company or to a foreign company by a specified company or a business trust, may be eligible for concessional tax rate of 5 per cent under section 194LC(2)(ia) of the IT Act in respect of monies borrowed by it from a source outside India by way of issue of rupee denominated bond before the 1<sup>st</sup> day of July 2023.</li> </ul> <p>The FA, 2023 has extended the applicability of section 194LC of the IT Act with the following modification:</p> <ol style="list-style-type: none"> <li>1. The provisions of section 194LC of the IT Act shall continue to apply to monies borrowed from a source outside India by way of issue of long-term bond or rupee denominated bond on or after 1 July 2023 where such bond is listed on a recognised stock exchange located in an International Financial Services Centre.</li> <li>2. The <b><u>rate of tax</u></b> in case of the aforesaid borrowings shall be <b><u>9 per cent.</u></b></li> <li>3. With respect to the <b><u>borrowings made prior to 1 July 2023</u></b>, the provisions of section 194LC of the IT Act, as they applied at that time, shall continue to apply <i>sans</i> the modification discussed <i>supra</i>.</li> <li>4. No extension of date for payment of interest in case of section 194LD of the IT Act has been provided by the FA, 2023. Given</li> </ol>

		<p>the same, interest paid on or after 1 July 2023 shall be subject to tax at the rate of 20% (excluding applicable surcharge and cess) subject to availability of DTAA benefits.</p> <p>Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge as applicable. However, where the withholding is done as per the rate of tax provided under the relevant DTAA, the said rate shall not be required to be increased by a surcharge and health and education cess.</p>
3	Withholding tax rate on interest on NCD issued to non-residents other than FIIs	<ul style="list-style-type: none"> <li>▶ Interest payable to non-resident (other than FII) would be subject to withholding tax at the rate of 30 per cent/ 40 per cent as per the provisions of section 195 of the IT Act subject to relief under the relevant DTAA depending upon the status of the non-resident.</li> <li>▶ Alternatively, benefits of concessional rates of 5/ 9 per cent under section 194LC of the IT Act provided the said interest falls within the ambit of the provisions of section 194LC of the IT Act and meets the conditions mentioned therein which <i>inter-alia</i> includes the loan / bond being issued prior to/ on or after 1<sup>st</sup> July 2023, obtaining approval from the Central Government with respect to the rate of interest, etc.</li> <li>▶ Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge, as applicable.</li> </ul>
4	Withholding tax rate on purchase of 'goods'	<ul style="list-style-type: none"> <li>▶ As per section 194Q of the IT Act, any sum payable by a 'buyer' to a resident for purchase of 'goods' of the value exceeding INR 50 Lakhs shall be liable to withholding at the rate of 0.1 percent.</li> <li>▶ Buyer means a person whose total sales, turnover or gross receipts from the business carried on by him exceeds INR 10 crores in the financial year immediately preceding the financial year in which the purchase is carried out.</li> <li>▶ TDS shall not be applicable where; <ul style="list-style-type: none"> <li>a. Tax is deductible under any of the provisions of the IT Act; or</li> <li>b. Tax is collectible under the provisions of section 206C of the IT Act other than a transaction to which section 206C(1H) of the IT Act applies [Section 206C(1H) has been omitted with effect from FY 2025-26 by the Finance Act, 2025]</li> </ul> </li> <li>▶ The CBDT has issued Circular No 13 of 2021 dated 30 June 2021 laying down guidelines under section 194Q of the IT Act. It <i>inter alia</i> provides that TDS under section 194Q of the IT Act shall not apply to transaction in securities and commodities which are traded through recognised stock exchanges or cleared and settled by the recognised clearing corporation (including exchanges or corporation located in IFSC).</li> </ul>

		<p>▶ Given that the Circular does not provide clarity in respect of shares/ securities traded off-market, it is advisable that the investors obtain specific advice from their tax advisors regarding applicability of these provisions.</p>
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#### ***F. Requirement to furnish PAN under the IT Act***

- i. Section 139A(5A) requires every person from whose income tax has been deducted under the provisions of chapter XVIIIB of the IT Act, to furnish his PAN to the person responsible for deduction of tax at source.
- ii. As per provisions of section 206AA of the IT Act, the payer would be obliged to withhold tax at higher of the following rates in case the deductee has not furnished PAN to the payer:
  - (a) at the rate in force specified in the relevant provision of the IT Act; or
  - (b) at the rates in force; or
  - (c) at the rate of twenty per cent

Section 206AA of the IT Act provides that the provisions shall not apply to non-residents in respect of payment of interest on long-term bonds as referred to in section 194LC and any other payment subject to such conditions as may be prescribed.

Further, as per Rule 37BC of the Income-tax Rules, 1962 ('the Rules'), the provisions of section 206AA shall not apply to non-residents where the non-residents provide the following information to the payer of such income:

- Name, email-id, contact number;
- Address in the country or specified territory outside India of which the deductee is a resident;
- A certificate of his being resident in any country or specified territory outside India from the government of the other country or specified territory if the law of that country or specified territory provides for issuance of such certificate;
- Tax Identification Number of the deductee in the country or specified territory of his residence and in a case, no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

Where an incorrect PAN is provided, it will be regarded as non-furnishing of PAN and TDS shall be deducted as mentioned above, apart from any other penal consequences that may ensue.

#### ***G. General Anti Avoidance Rules ("GAAR")***

The General Anti Avoidance Rule ('GAAR') was introduced in the IT Act by the Finance Act, 2012. The Finance Act, 2015 made the provisions of GAAR applicable prospectively from 1 April 2017. Further, income accruing, arising, deemed to accrue or arise or received or deemed to be received by any person from transfer of investments made up to 31 March 2017 would be protected from the applicability of GAAR.

#### ***H. Exemption under Section 54F of the IT Act***

Exemptions may be claimed from taxation of LTCG if investments in certain specified securities/assets is made subject to fulfillment of certain conditions.

Section 54F of the IT Act exempts long-term capital gains on transfer of any long-term capital asset (other than a residential house), held by an individual or HUF, if the net consideration is utilized to purchase/ construct a residential house within the specified timelines.

## Note 1: Tax Rates

### Resident Individuals and Hindu Undivided Families:

As per section 115BAC of the IT Act by, *inter alia*, inserting sub-section (1A) thereto to provide that the tax regime provided under section 115BAC of the IT Act shall be the default tax regime applicable in case of an individual, HUF, AOP (other than a co-operative society), body of individual or artificial juridical, beginning with the financial year 2023-24, except where the assessee specifically opts to be governed by the erstwhile regime.

In such cases, the following shall be the rate of tax applicable for FY 2025-26 onwards:

Total income	Rate of tax
Upto INR 4,00,000	Nil
From INR 4,00,001 to INR 8,00,000	5% of excess over INR 4,00,000
From Rs. 8,00,001 to Rs. 12,00,000	10% of excess over INR 8,00,000 + INR 20,000
From Rs. 12,00,001 to Rs. 16,00,000	15% of excess over INR 12,00,000 + INR 60,000
From Rs. 16,00,001 to Rs. 20,00,000	20% of excess over INR 16,00,000 + INR 1,20,000
From Rs. 20,00,001 to Rs. 24,00,000	25% of excess over INR 20,00,000 + INR 2,00,000
Above Rs. 24,00,000	30% of excess over INR 24,00,000 + INR 3,00,000

In computing the income-tax under the new regime, certain deductions like standard deduction upto Rs. 75,000/- available to salaried taxpayers, etc., shall be allowed. However, most of the deductions/exemptions such as section 80C, 80D, etc. would need to be foregone.

A resident individual (whose total income does not exceed Rs. 12,00,000 as per Finance Act, 2025 for FY 25-26) (excluding income taxable at special rates, e.g. capital gains, etc.) whose income is chargeable to tax under sub-section (1A) of section 115BAC can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs. 60,000/-, whichever is less. Further, where the total income exceeds Rs.12,00,000, the assessee shall be entitled for deduction of an amount equal to the amount by which the income-tax payable on the total income exceeds the amount by which the total income exceeds Rs.12,00,000.

Where the assessee as stated above, specifically opts to be governed by the erstwhile regime, the income earned by assessee should be liable to tax as per the applicable slab rates (plus applicable surcharge and health and education cess) based on the taxable income of such assessee. The slab rates applicable to such investors (other than resident individuals aged 60 years or more) are as follows:

Income	Tax rate*
Up to INR 2,50,000#	NIL
Exceeding INR 2,50,000 up to INR 5,00,000@	5 per cent of the amount by which the total income exceeds INR 2,50,000
Exceeding INR 5,00,000 up to INR 10,00,000	20 per cent of the amount by which the total income exceeds INR 5,00,000 plus INR 12,500\$
Exceeding INR 10,00,000	30 per cent of the amount by which the total income exceeds INR 10,00,000 plus INR 112,500\$

@A resident individual (whose total income does not exceed Rs 500,000) can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 12,500, whichever is less.

\* plus surcharge if applicable and a health and education cess ('cess') of 4 per cent on the amount of tax plus surcharge, if applicable.

# for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 250,000 has to be read as Rs 300,000 and for resident senior citizens of eighty years of age and above ("super senior citizen") Rs 250,000 has to be read as Rs 500,000.

<sup>s</sup>Similarly, for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 12,500 has to be read as Rs 10,000 and Rs 112,500 has to be read as Rs 110,000. And for super senior citizen Rs 12,500 has to be read as Nil and Rs 112,500 has to be read as Rs 100,000.

### Partnership Firms & LLP's:

The tax rates applicable would be 30 per cent (plus surcharge if applicable – Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).

### Domestic Companies:

Type of Domestic company	Base normal tax rate on income (other than income chargeable at special rates)	Base MAT rate
Domestic companies having turnover or gross receipts of upto Rs 400 Cr in FY 2022-23	25 per cent	15 per cent
Domestic manufacturing company set-up and registered on or after 1 March 2016 subject to fulfilment of prescribed conditions (Section 115BA)	25 per cent	15 per cent
Any domestic company (even if an existing company or engaged in non-manufacturing business) has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAA)	22 per cent	Not applicable
Domestic manufacturing company set-up and registered on or after 1 October 2019 and commences manufacturing upto 31 March 2024, has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAB)	15 per cent	Not applicable
Domestic companies not falling under any of the above category	30 per cent	15 per cent

**Note 2: Surcharge (as applicable to the tax charged on income)**

**Non-corporate assesseees (other than firm, co-operative societies and FIIs):**

Particulars	Rate of Surcharge
Where total income (including dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) does not exceed Rs 50 lacs	Nil
Where total income (including dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore	10 per cent on total tax
Where total income (including dividend income and income under the provisions of section 111A section 112A and section 112 of the IT Act) exceeds Rs 1 crore but does not exceed Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income and income under the provisions of section 111A, section 112A and 112 of the IT Act) does not exceed Rs 2 crore but total income (including dividend income and income under the provisions of section 111A, section 112A and 112 of the IT Act) exceeds Rs 2 crore	15 per cent on total tax  <i>The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act.</i>
Where total income (excluding dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) exceeds Rs 2 crore*  *Refer sub-note 2	<ul style="list-style-type: none"> <li>- 25 per cent on tax on income excluding dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act</li> <li>- 15 per cent on tax on dividend income and income under the provisions of section 111A section 112A and section 112 of the IT Act.</li> </ul> <i>The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act as well.</i>



**Sub note:**

- 1) The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act as well. As per the FA, 2023, the maximum surcharge rate in case of capital gains chargeable to tax under section 112 of the IT Act, in case of an assessee being an individual, HUF, AOP (not being a co-operative society), BOI or artificial juridical person is also capped to 15%.
- 2) In case of individual assessee, who has not opted for taxation under Section 115BAC of the Act, where total income (excluding the income by way of dividend or income under the provisions of sections 111A, 112 and 112A of the Act) exceeds five crore rupees, the rate of surcharge is thirty-seven per cent of such income-tax. However, the surcharge is capped at 15 per cent on tax in case of dividend income and income under the provisions of section 111A section 112A and section 112 of the IT Act.

**FII's (Non – corporate):**

Particulars	Rate of Surcharge
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) does not exceed Rs 50 lacs	Nil
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore	10 per cent on total tax
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 1 crore but does not exceed Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) does not exceed Rs 2 crore but total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 2 crore	<ul style="list-style-type: none"><li>- 25 per cent on tax on income excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act</li><li>- 15 per cent on tax on dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act</li></ul>

*Note: The FA, 2023 has capped the highest surcharge rate to 25 per cent.*

**For assessee's other than those covered above:**

Particulars	Rate of surcharge applicable
Non-corporate taxpayers being firms and co-operative societies	Nil where total income does not exceed Rs 1 crore
	In case of co-operative societies- From FY 2022-23 7 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10

Particulars	Rate of surcharge applicable
	Crore In case of firm- 12 per cent where total income exceeds Rs 1 crore In case of co-operative societies- From FY 2022-23 12 per cent where total income exceeds Rs 10 crore
Domestic companies (other than companies availing benefit under section 115BAA and section 115BAB of the IT Act)	Nil where total income does not exceed Rs 1 crore 7 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore 12 per cent where total income exceeds Rs 10 crore
Domestic companies availing benefit under section 115BAA and section 115BAB of the IT Act	10 per cent (irrespective of total income)
Foreign Companies (including corporate FIIs)	Nil where total income does not exceed Rs 1 crore 2 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore 5 per cent where total income exceeds Rs 10 crore

***A health and education cess of 4 per cent is payable on the total amount of tax plus surcharge.***

Notes:

- The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of NCD.
- The above statement covers only certain relevant direct tax law benefits and does not cover benefit under any other law.
- The above statement of possible tax benefits is as per the current direct tax laws (read along with the amendments made by the Finance Act, 2025) relevant for the AY 2026-27 corresponding to the FY 2025-26 respectively.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the NCD of the Company.
- In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## SECTION IV - ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

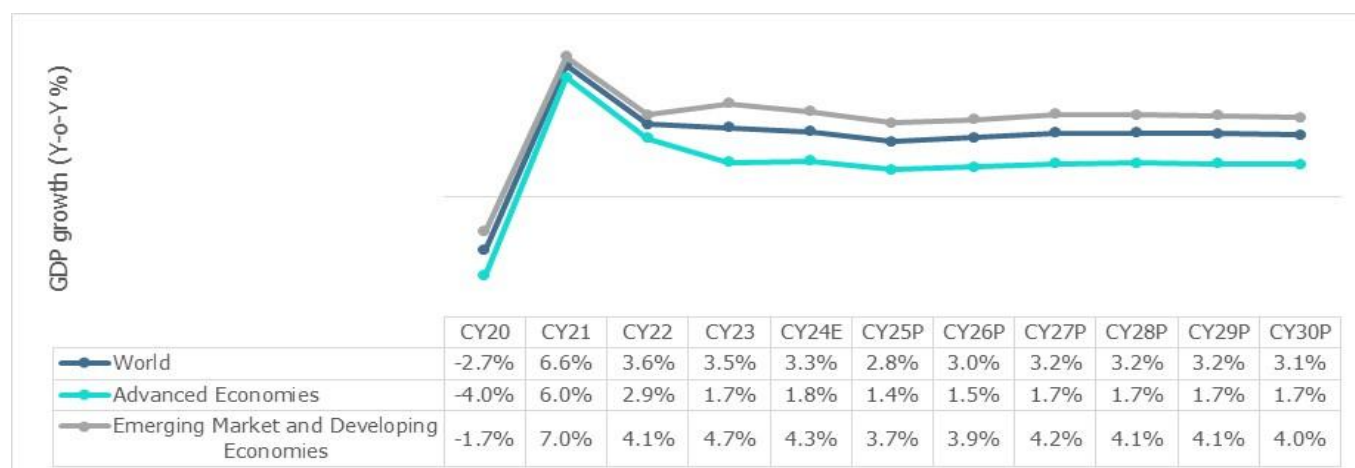
The information under this section has been derived and extracted from the industry report titled “Research Report on Financial Services Industry” dated June 12, 2025 prepared by CARE Analytics & Advisory Private Limited (“CAAPL”) in an “as is where is basis” and the industry and third-party related information in this section has not been independently verified by us, the Lead Managers, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and Government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and Government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded-off for presentation in this Prospectus. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. The information in this section must be read in conjunction with “Risk Factors” and “Our Business” on pages 19 and 140.

#### Economic Outlook

##### Global Economy

Global growth, which reached 3.5% in CY23, is estimated to stabilize at 3.3% for CY24 and projected to decrease at 2.8% for CY25. Global trade is expected to be disrupted by new US tariffs and countermeasures from trading partners, leading to historically high tariff rates and negatively impacting economic growth projections. The global landscape is expected to change as countries rethink their priorities and policies in response to these new developments. Central banks priority will be to adjust policies, while smart fiscal planning and reforms are key to handling debt and reducing global inequalities.

##### Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Source: IMF – World Economic Outlook, April 2025; Notes: P-Projections, E-Estimated

## GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)										
	CY20	CY21	CY22	CY23	CY24 E	CY25 P	CY26 P	CY27 P	CY28 P	CY29 P	CY30 P
India	-5.8	9.7	7.6	9.2	6.5	6.2	6.3	6.5	6.5	6.5	6.5
China	2.3	8.6	3.1	5.4	5.0	4.0	4.0	4.2	4.1	3.7	3.4
Indonesia	-2.1	3.7	5.3	5.0	5.0	4.7	4.7	4.9	5.0	5.1	5.1
Saudi Arabia	-3.6	5.1	7.5	-0.8	1.3	3.0	3.7	3.6	3.2	3.2	3.3
Brazil	-3.3	4.8	3.0	3.2	3.4	2.0	2.0	2.2	2.3	2.4	2.5
Euro Area	-6.0	6.3	3.5	0.4	0.9	0.8	1.2	1.3	1.3	1.2	1.1
United States	-2.2	6.1	2.5	2.9	2.8	1.8	1.7	2.0	2.1	2.1	2.1

Source: IMF- World Economic Outlook Database (April 2025)

Note: P- Projections, E-Estimated; India's fiscal year (FY) aligns with the IMF's calendar year (CY). For instance, FY24 corresponds to CY23

### Emerging Market and Developing Economies Group

Emerging market and developing economies are forecasted to maintain stable growth at 4.2% in both CY24 and CY25. The economic forecast for emerging and developing Asia reveals a modest deceleration in growth, with projections indicating a decline from 5.3% in CY24 to 5% in CY25. China's trajectory reflects a gradual slowdown, transitioning from 5% in CY24 to 4% in CY26 due to low consumer confidence and ongoing real estate sector challenges. However, better than expected net exports have ensured that the slowdown in growth is marginal. In contrast, India's growth remains robust, with anticipated rates of 6.5% in CY24 and 6.2% in CY25. This moderation in GDP growth is expected as the surge in pent-up demand from the pandemic wanes. The economy is transitioning towards its potential, reflecting a more sustainable pace of growth as it adjusts to post-pandemic realities.

The Indonesian economy is expected to register growth of 5.0% in CY24 and 4.7% in CY25, an important concern for Indonesia is the trade fragmentation. Saudi Arabia's growth in CY24 is estimated to see a revamp in the growth rate to 1.3% on account of the extension of oil production cuts taking place in the country. Going forward, GDP is projected to grow at 3% in CY25. On the other hand, Brazil's growth is estimated to be 3.4% in CY24 due to robust private consumption and investment driven by a strong labour market and effective government transfers. However, due to the anticipated tightening of the labour market and ongoing restrictive monetary policy, growth is projected to slowdown in CY25 to 2%.

Despite the turmoil in the last 2-3 years, India bears good tidings to become a USD 5 trillion economy by CY27-CY28. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the nominal GDP projected to be at USD 4.2 trillion for CY25 and is projected to reach USD 5.1 trillion by CY27 and USD 6.8 trillion by CY30. India's expected GDP growth rate for coming years is almost double compared to the world economy. The Indian economy shows resilience amid global inflation, supported by a stable financial sector, strong service exports, and robust investment driven by government spending and high-income consumer consumption, positioning it for better growth than other economies.

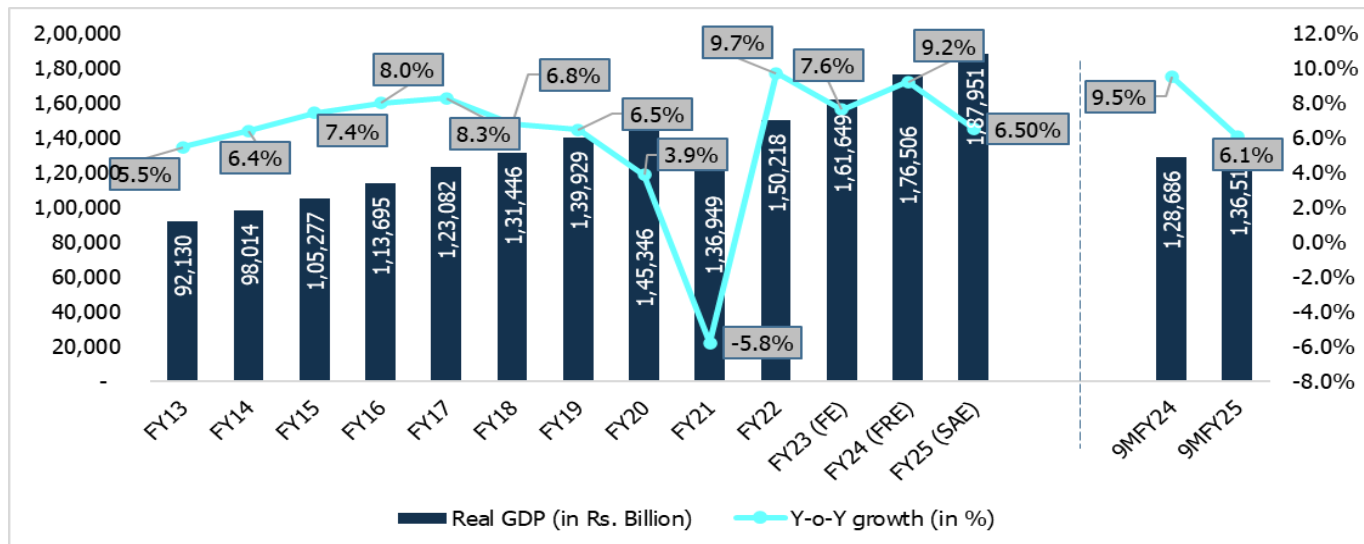
Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at more than 6.5% in the period of CY24-CY29, outshining China's growth rate. By CY27, the Indian economy is estimated to emerge as the third-largest economy globally, hopping over Japan and Germany. Currently, it is the third largest economy globally in terms of Purchasing Power Parity (PPP) with a ~8.5% share in the global economy, with China (~19.7%) on the top followed by the United States (~14.8%).

## Indian Economic Outlook

### GDP Growth and Outlook

*Resilience to External Shocks remains Critical for Near-Term Outlook*

Trend in Real Indian GDP growth rate



Source: MOSPI; Note: SAE – Second Advance Estimates, FE – Final Estimate, FAE- First Advance Estimate

India's real GDP grew by 9.2% in FY24 (Rs. 1,76,506 billion) which is the highest in the previous 12 years (excluding FY22 being 9.7% on account of end of pandemic) and is estimated to grow by 6.5% in FY25 (Rs. 1,87,951 billion), driven by double digit growth particularly in the Manufacturing sector, Construction sector and Financial, Real Estate & Professional Services. In 9MFY25, GDP grew 6.1% Y-o-Y, with private consumption increasing by 7.6% and government spending increasing by 3.8% Y-o-Y.

### GDP Growth Outlook

- FY26 GDP Outlook:** Real GDP growth is projected at 6.5%, driven by strong rural demand, improving employment, and robust business activity. The agriculture sector's bright prospects, healthy reservoir levels, and robust crop production support this growth. Manufacturing is reviving, and services remain resilient, despite global uncertainties. Investment activity is gaining traction, supported by healthy balance sheets and easing financial conditions. However, risks from geopolitical tensions, global market volatility, and geo-economic fragmentation persist. Persistent geopolitical tensions, volatility in international financial markets and geo-economic fragmentation do pose risk to this outlook.
- FY25 GDP Performance:** Real GDP growth for the current year is estimated at 6.4%, with a gradual recovery expected in the coming year driven by strong agricultural activity, improving manufacturing, and resilient services, despite a slight dip in PMI services. Persistent geopolitical tensions, volatility in international financial markets and geo-economic fragmentation do pose risk to this outlook.

### RBI's GDP Growth Outlook (Y-o-Y %)

FY26P (complete year)	Q1FY26P	Q2FY26P	Q3FY26P	Q4FY26P
6.5%	6.5%	6.7%	6.6%	6.3%

Note: P-Projected; Source: Reserve Bank of India

## Gross Value Added (GVA)

India's recovery is led by the industrial and services sectors. In FY25, the agriculture sector is expected to grow by 4.6%, upward trend from 2.7% in FY24. The industrial sector is expected to plummet to 5.6%, due to weak industrial activities. The services sector grew 7.3%, supported by public administration, defence & other services. Growth in FY25 improved in agriculture (4.0%) and there was a slowdown in the services (7.3%) as compared to FY24.

### Sectoral Growth (Y-o-Y % Growth) - at Constant Prices

At constant Prices	FY19	FY20	FY21	FY22	FY23 (FE)	FY24 (FRE)	FY25 (SAE)
<b>Agriculture, Forestry &amp; Fishing</b>	<b>2.1</b>	<b>6.2</b>	<b>4.1</b>	<b>3.5</b>	<b>5.1</b>	<b>2.7</b>	<b>4.6</b>
<b>Industry</b>	<b>5.3</b>	<b>-1.4</b>	<b>-0.9</b>	<b>11.6</b>	<b>2.0</b>	<b>10.8</b>	<b>5.6</b>
Mining & Quarrying	-0.9	-3.0	-8.6	7.1	2.8	3.2	2.8
Manufacturing	5.4	-3.0	2.9	11.1	-3.0	12.3	4.3
Electricity, Gas, Water Supply & Other Utility Services	7.9	2.3	-4.3	9.9	11.5	8.6	6.0
Construction	6.5	1.6	-5.7	14.8	10.0	10.4	8.6
<b>Services</b>	<b>7.2</b>	<b>6.4</b>	<b>-8.2</b>	<b>8.8</b>	<b>11.3</b>	<b>9.0</b>	<b>7.3</b>
Trade, Hotels, Transport, Communication & Broadcasting	7.2	6.0	-19.7	13.8	14.4	7.5	6.4
Financial, Real Estate & Professional Services	7.0	6.8	2.1	4.7	10.7	10.3	7.2
Public Administration, Defence and Other Services	7.5	6.6	-7.6	9.7	8.2	8.8	8.8
<b>GVA at Basic Price</b>	<b>5.8</b>	<b>3.9</b>	<b>-4.2</b>	<b>8.8</b>	<b>7.4</b>	<b>8.6</b>	<b>6.4</b>

Source: MOSPI; Note: SAE – Second Advance Estimates, FE – Final Estimate, FRE- First Revised Estimate

## Industrial Growth

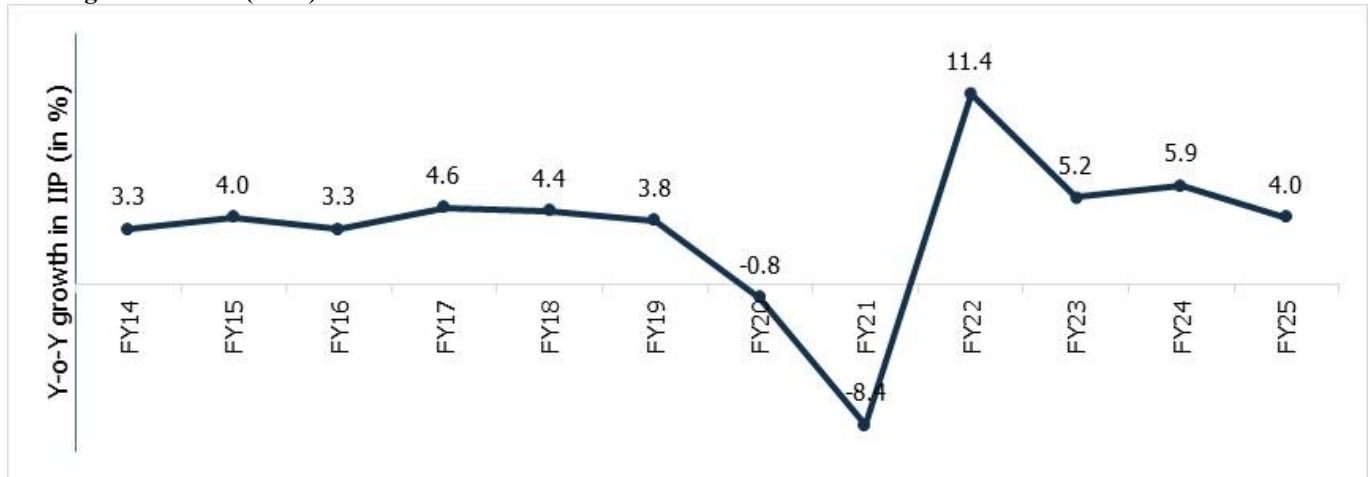
The Quick Estimates of the Index of Industrial Production (IIP) for March 2025 show a 3.0% growth, up from 2.9% in February 2025. The y-o-y growth for March 2025 was 4.0% down from 5.9% in March 2024, the overall growth in the industry was moderate but subdued primarily due to deceleration in consumer non-durables, infrastructure industries, intermediate goods, capital and primary goods.

In March 2025, industrial growth saw a rise due to Manufacturing (3.0%), and Electricity (6.3%) while witnessing a decline in the mining sector (0.4%). Among the industry group of basic metals, items of flat products of alloy steel, pipes and tubes of steel and bars and rods of mild steel experienced significant growth. Use-based indices had a slow growth in Primary Goods, Capital Goods, and Intermediate Goods.

Manufacturing growth was driven by basic metals (6.9%), motor vehicles and semi-trailers (10.3%) and electrical equipment (15.7%). While government spending and private investment support growth, declining consumer non-durables and improving rural demand highlight the need for sustained consumption and investment.



### Y-o-Y growth in IIP (in %)

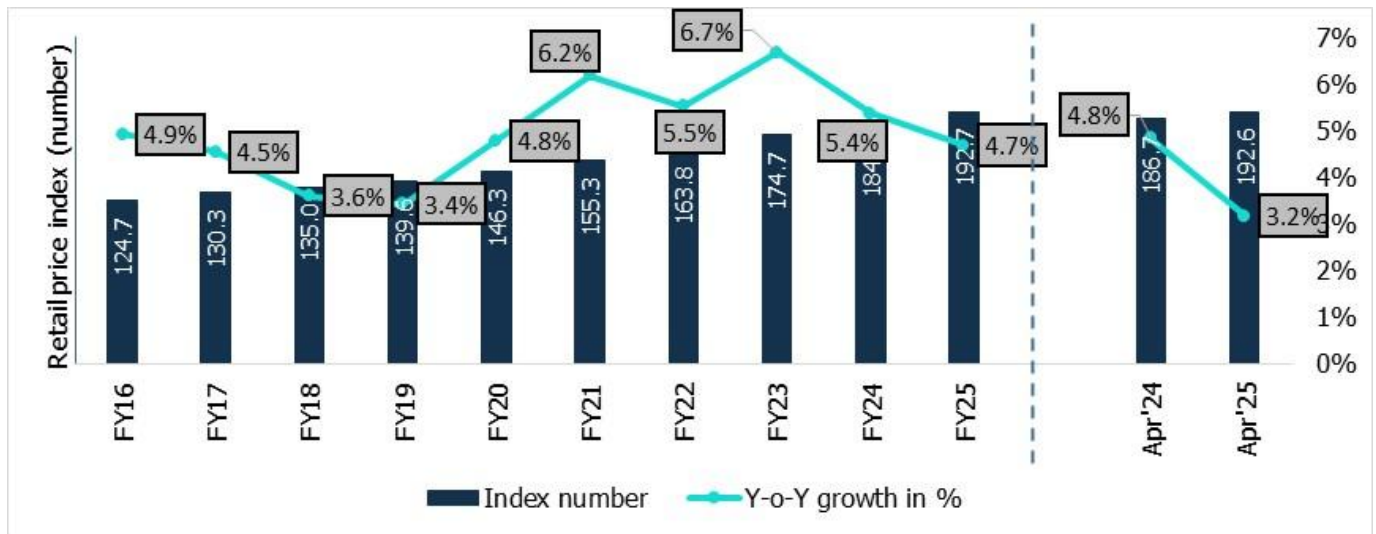


Source: MOSPI

### Consumer Price Index

The CPI (general) and food inflation in April 2025 over April 2024 (3.2%, provisional) witnessed lowest Y-o-Y inflation since July 2019. The moderation was driven by decline of price inflation in Vegetables, Pulses, Fruits, Meat and fish, Personal care and effects and Cereals.

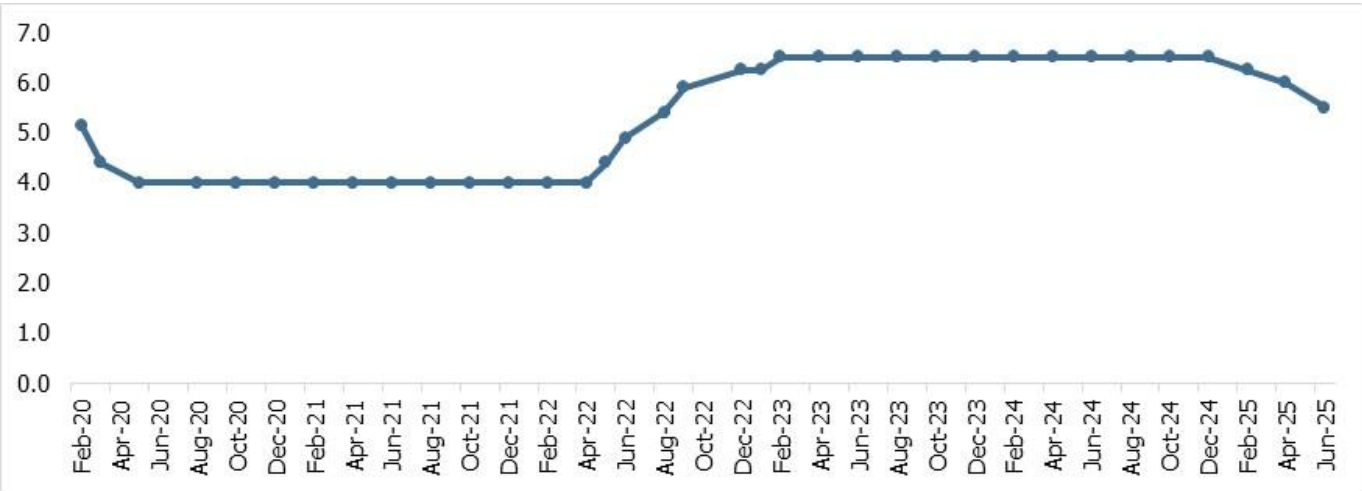
Retail Price Inflation in terms of index and Y-o-Y Growth in % (Base: 2011-12=100)



Source: MOSPI

The CPI is primarily factored in by RBI while preparing their bi-monthly monetary policy. At the bi-monthly meeting held in April 2025, RBI projected inflation at 4.0% for FY26 with inflation during Q1FY26 at 3.6%, Q2FY26 at 3.9% and Q3FY26 at 3.8% and Q4FY26 4.4%.

RBI historical Repo Rate



Source: RBI

Further, the central bank changed its stance to be accommodative. With a decline in food inflation, the headline inflation moderated during January-February 2025. The economic growth outlook for India is expected to remain resilient, but it will require careful monitoring due to depreciation of the Indian rupee in recent months. Additionally, certain key sectors may face headwinds amid hiked tariffs from the US.

The RBI has adopted for a non-inflationary growth with the foundations of strong demand and supply with a good macroeconomic balance. The domestic growth and inflation curve require the policies to be supportive with the volatile trade conditions.

Concluding Remarks

Global economic growth faces headwinds from geopolitical tensions, volatile commodity prices, high interest rates, inflation, financial market volatility, climate change, and rising public debt. However, India's economy remains relatively strong, with an IMF forecast of 6.5% GDP growth in CY24 (FY25 according to the fiscal year), compared to the global projection of 3.3%. Key drivers include strong domestic demand, government capital expenditure and moderating inflation.

India’s position as a manufacturing hub is strengthened by government initiatives, a skilled workforce, and a growing startup ecosystem, with ongoing reforms and innovation enhancing its global role. Key growth indicators like the PMI, E-way bills, bank credit, toll collections, and GST collections have improved in FY24. India's economic growth in FY25-26 will be supported by strong growth in agriculture, industrial expansion, and a surge in services exports. Key indicators point to sustained growth driven by improved infrastructure, private consumption, and foreign investments. Normalizing the employment situation after opening of the economy is supporting consumption expenditure. Public investment is set to grow with a Rs. 11.21 lakh crore capital expenditure allocation for FY26. Private sector investment is also rising, supported by new project data and capital goods imports. Improved rural demand, favorable monsoon conditions, and government policy will further boost the investment cycle.

The impact of U.S. tariffs on India’s export trade is anticipated to be minimal. The key sectors which will have a potential impact are engineering goods, electronics, gems and jewellery, pharmaceuticals, textiles, and automobiles, among others. The affected sectors represent a small fraction of India’s total exports, with key industries such as pharmaceuticals remaining unaffected, steel industry affected by the 25% tariffs although the impact is expected to be minimal given the volume of goods exported is less, and textiles are potentially benefiting from reduced competition.

India’s relatively lower tariff structure enhances its attractiveness as a trade partner, and ongoing negotiations with the U.S., along with efforts to diversify export markets, including the EU and ASEAN, are likely to mitigate potential adverse effects. As India progressively positions itself as a competitive manufacturing hub, particularly in textiles, pharmaceuticals, electronics, and auto components, it remains more competitive than countries like China, Taiwan, Bangladesh, and Vietnam. This strengthens India’s position as a viable alternative in global trade, particularly in sectors where it holds a comparative advantage. India’s expanding manufacturing capacity, coupled with its skilled workforce, makes it an appealing investment destination for global companies.

Sectors such as electronics and textiles, including the relocation of Apple's iPhone production, are likely to attract greater U.S. interest as businesses seek lower-tariff alternatives.

On February 13, Prime Minister Narendra Modi and President Donald Trump discussed enhancing the U.S.-India trade relationship, with a target to increase bilateral trade from USD 200 billion to USD 500 billion by 2030. Negotiations for a multi-sector bilateral trade agreement (BTA) are expected to commence later this year, focusing on trade fairness, national security, and job creation.

Thus, while U.S. tariffs may have a limited impact on India's exports, ongoing trade negotiations and India's competitive manufacturing advantage position it well for continued growth in global trade.

## Overview of Non-Banking Financial Institutions

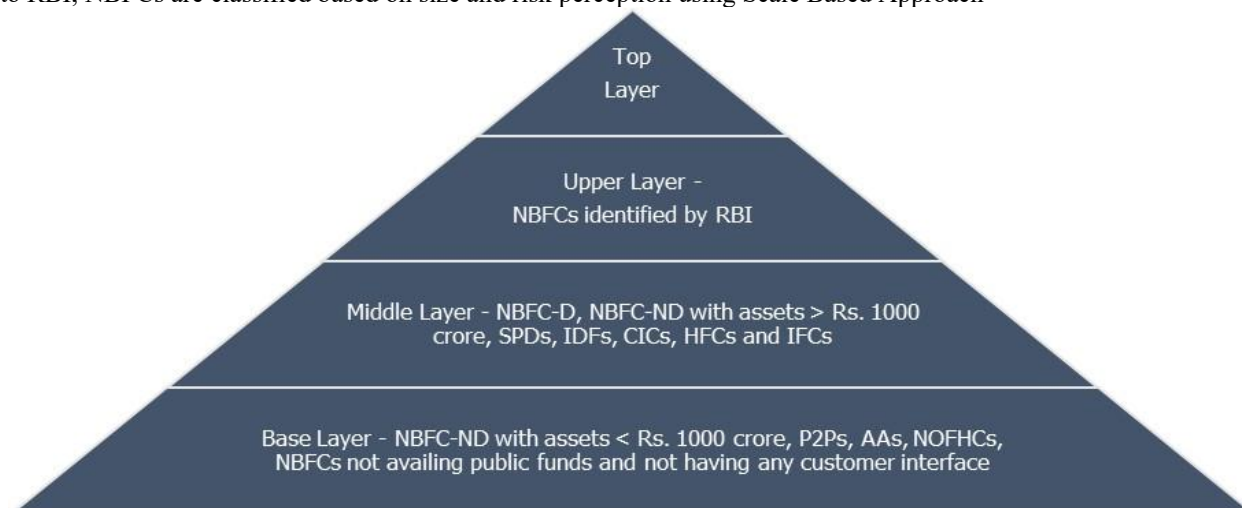
### *Non-Banking Financial Institutions Overview*

Non-Banking Financial Institutions (NBFIs) play a key role in the Indian financial system by complementing and competing with banks, and by bringing efficiency and diversity into financial intermediation. NBFCs have evolved in terms of operations, heterogeneity, asset quality and profitability, as well as regulatory architecture.

### *Structure of NBFCs*

NBFCs are a group of heterogeneous financial entities operating with diverse business strategies. The Reserve Bank's scale-based regulation (SBR) framework categorizes NBFCs into top, upper, middle, and base layers, based on their size, activity, and perceived riskiness. The SBR framework is progressive as it is built on the principle of proportionality, with regulations commensurate with the size and interconnectedness of the NBFCs. Smaller and/or less complex NBFCs are relatively lightly regulated, while larger and more systemically important NBFCs are subjected to enhanced regulatory scrutiny.

According to RBI, NBFCs are classified based on size and risk perception using Scale Based Approach –



Source: RBI, CareEdge Research

Notes: 1. NBFCs-D, CICs, NBFC-IFCs and HFCs will be included in the middle or the upper layer.

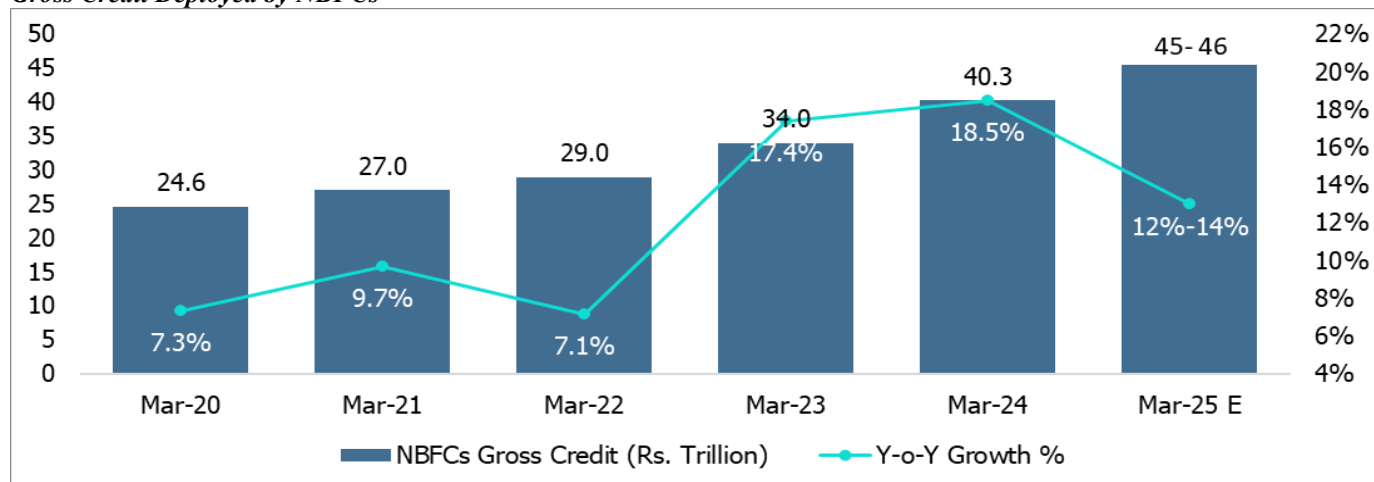
2. The remaining NBFCs, viz., NBFC-ICC, NBFC-MFI, NBFC-Factors and NBFC-MGC could lie in any of the layers depending on the parameters of SBR.

3. Government owned NBFCs shall be placed in the Base Layer or Middle Layer, as the case may be.

And since NBFCs cater to niche areas, they are also categorized based on the activities they undertake. Till February 21, 2019, NBFCs were divided into 12 categories. Thereafter, these categories were harmonized to provide NBFCs with greater operational flexibility. As a result, asset finance companies (AFCs), loan companies (LCs), and investment companies (ICs) were merged into a new category called Investment and Credit Companies (NBFC-ICC). At present, there are 11 categories of NBFCs based on activity-based classification.

## Trends in Banks and NBFCs Credit in India

### Gross Credit Deployed by NBFCs

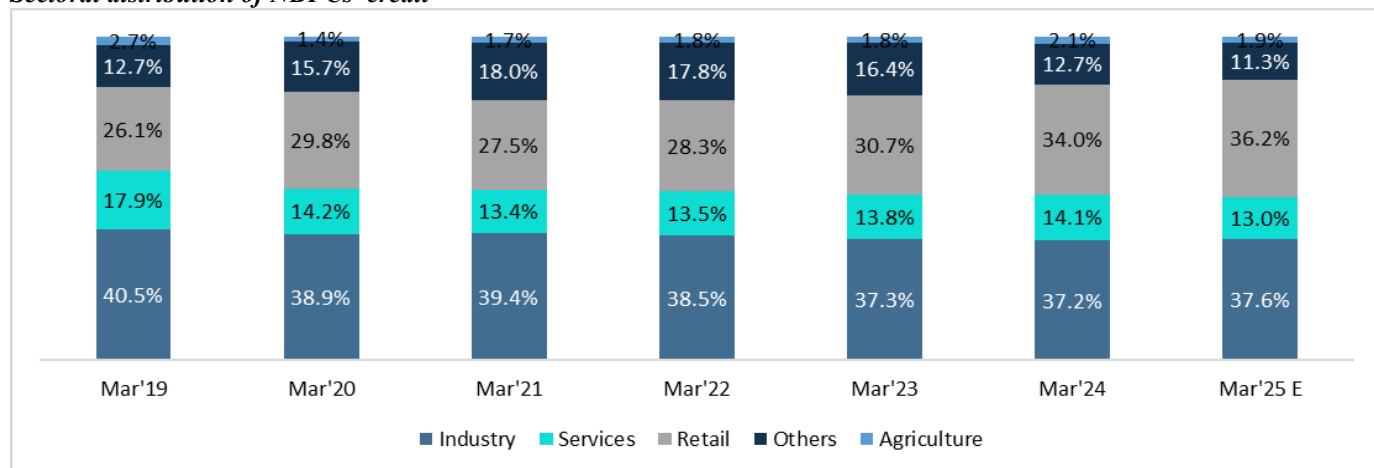


Source: RBI, CareEdge Research

E – Estimated

As of Mar-24, the credit growth rate witnessed a significant uptick of 18.5% y-o-y reaching Rs. 40.3 lakh crores. The continued growth trajectory of NBFCs credit is indicating its importance in India's Financial System. This growth is driven by an increase in demand for retail credit and demand for working capital loans amid fluctuations in commodity prices. CareEdge Research estimates NBFCs to grow in the range of 12%-14% y-o-y in FY25, this growth is attributed to higher base effect and subdued growth across non-retail segments.

### Sectoral distribution of NBFCs' credit



Source: RBI, CareEdge Research

Note: Industry includes credit to micro, small, medium and large enterprises;

Retail loans are personal loans for housing loans, consumer durables, auto loans, and other personal loans;

Services include credit towards commercial real-estate, retail trade and other such loans

Others include credit deployed towards agriculture and allied activities and other non-food credit

E – Estimated

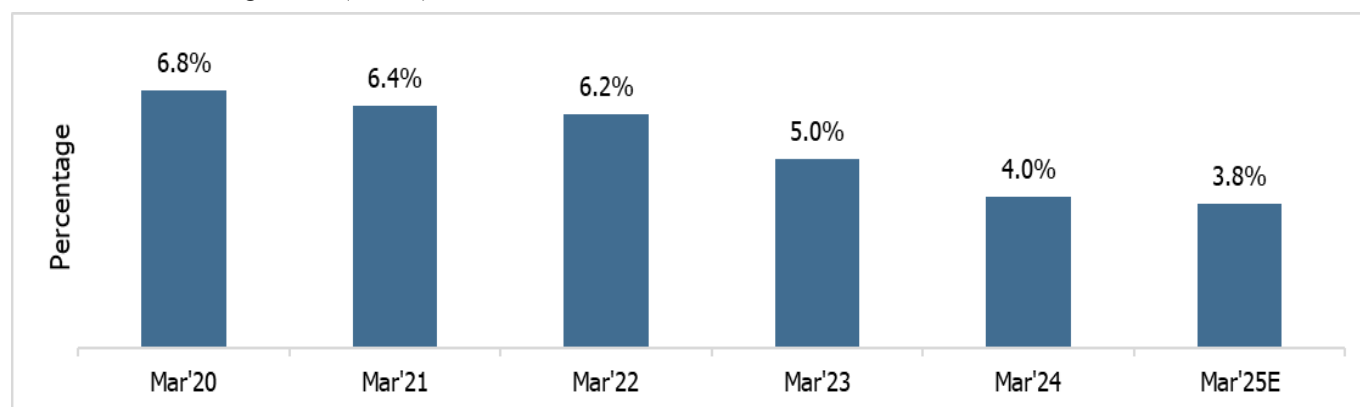
The industry sector has remained the largest recipient of credit extended by NBFCs followed by retail loans, services, other non-food credit, and agriculture & allied activities. NBFCs have increased the amount of credit deployed to industry on account of improved demand for credit mainly for working capital loans amid fluctuations in commodity prices. As of Mar'25, industry credit is estimated to have contributed Rs. 16-17 trillion, which is around 37% of NBFCs' gross credit deployed, as per the RBI.

While NBFCs' credit to the industry is growing, their credit to services has increased marginally mainly due to increase in credit to the commercial real estate sector, transport operators, trade, and other services. As of Mar'25, as per data published by RBI, credit deployed to the service sector has hovered around Rs. 5.7-6 trillion.

Housing loans, vehicle loans, gold loans, consumer durable loans, or any other personal loans also come under the purview of retail loans, which are the major focus area for NBFCs from the last couple of years. In the face of the low demand for credit coming from the services or industrial sectors, NBFCs have started moving their interests towards retail lending to augment growth. Implementation of unsecured retail lending has become faster than the overall gross deployment of credit. As of Mar'25, Rs. 16-17 lakh crore retail loans were outstanding, and this amount accounts for more than one-third of the overall NBFC credit. Furthermore, in terms of delinquencies retail loans have lower delinquencies when compared to MSME/corporate lending, another major factor for the NBFCs increased focus towards retail lending.

### Asset Quality

#### Gross Non-Performing Assets (GNPA) Ratio



Source: RBI, CareEdge Research

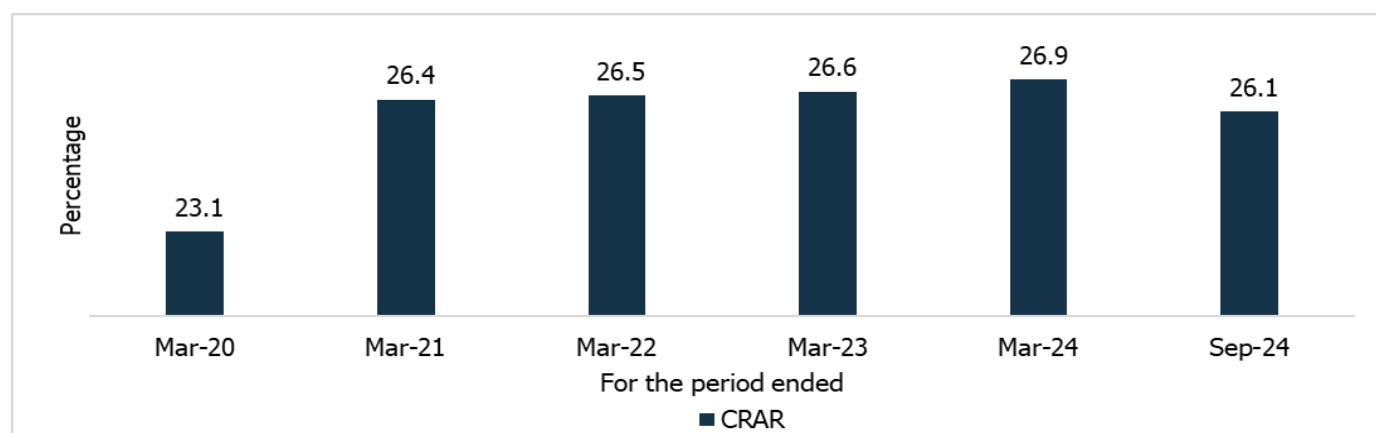
The asset quality of NBFCs has seen continued improvement in the post-Covid era, supported by strong balance sheets, an increase in provisions and improved collection efficiency. Additionally, restructuring of their loan book and non-performing assets (NPA) write-offs have also aided the improvement in the asset quality of NBFCs. The GNPA ratio of NBFCs is estimated to have decrease 3.8% in Mar-25

Going forward asset quality is expected to remain in check owing to increased provisions, decline in fresh slippages.

### Capital Adequacy

Over the years, NBFCs' CRARs have improved on account of increase in the level of Tier-I capital, retained earnings and moderation in NPA. NBFCs are well capitalized, with their capital to risk-weighted asset ratio (CRAR) well above the stipulated level of 15%. As per the RBI data, CRAR was 26.1% as of Sep-24.

#### Capital Position of NBFCs

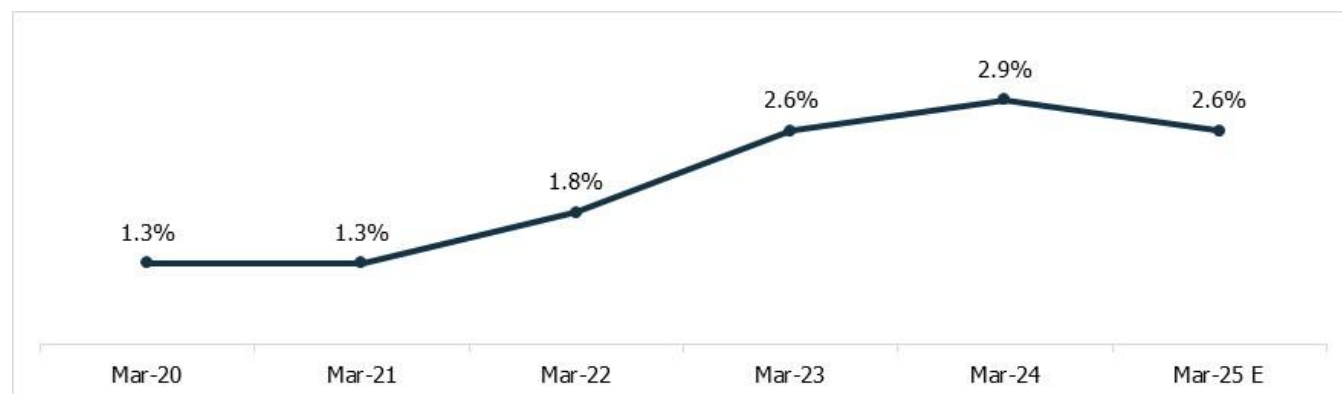


Source: RBI, Data are provisional

Note: Capital to Risk- Weighted Assets Ratio (CRAR) is Tier 1+Tier 2 Capital by Risk-weighted Assets

## Profitability of NBFCs

### Return on Assets of NBFCs



Source: RBI, CareEdge Research

Note: Data are provisional, E indicates Estimated

### Key growth drivers

**Technological adoption and Co-lending arrangements:** NBFCs deploy technological solutions to develop innovative products and lower operational costs. NBFCs are increasingly leveraging technology to enhance their reach while increasing efficiency. NBFCs also collaborate with various alternative financiers and commercial banks by using the co-lending model, which enables them to diversify their income avenues and reach their targeted customer base through different channels. This co-lending model enables lenders to pool resources and distribute their risk while providing borrowers with access to diverse funding sources. Co-lending model is beneficial to banks and NBFCs as it enables them to accumulate large funds while distributing the risk associate with the funds.

**Government's focus on infrastructure development:** With the growing population, the long-term need for robust infrastructure is necessary for economic development. This generates the need for massive investments in the development and modernization of infrastructure facilities, which will not only cater to the growing demand but will also ensure competitiveness in the global market.

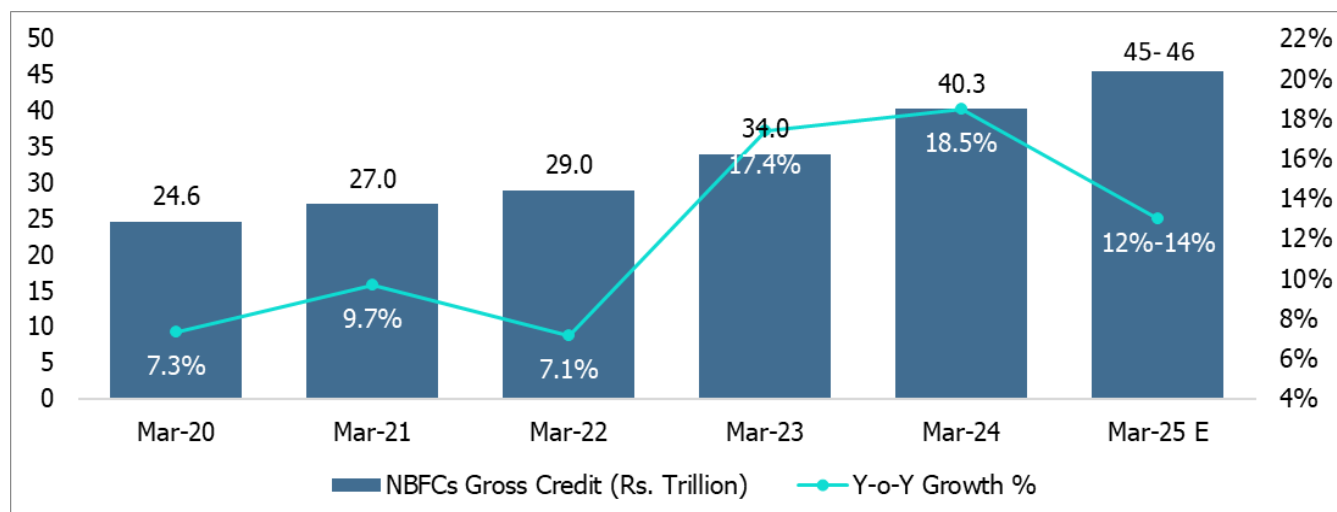
**Government's increasing efforts towards renewable power sector:** The Government has been actively pursuing the growth of renewable power sector and has implemented several initiatives. These initiatives mainly focus on promoting renewable energy, strengthening distribution networks and contribute towards growth and sustainability of the power sector. In order to achieve the aim of these initiatives, power sector companies will require huge funds to set-up new renewable energy plants, upgrade the existing power plants, transmission and distribution networks and NBFCs have a significant opportunity to meet the funding requirements of power sector.

**Strengthening real estate developments:** Real Estate has the potential for catapulting India to the third largest construction market globally. The sector is expected to contribute 15% to the Indian economy by 2030. The recent policy reforms such as the Real Estate Act, GST and REITs are steps to reduce approval delays and are only going to strengthen the real estate and construction sector. NBFCs can play a key role in growth of real estate and construction sector by providing them adequate funds required.

## Growth Outlook

CareEdge Research estimates NBFCs to grow in the range of 12%-14% y-o-y in FY25. NBFCs are likely to witness moderation in growth amid low growth in retail segment, especially unsecured retail loans primarily and slow middle-class spending.

### Gross Credit Deployed by NBFCs



Source: RBI, CareEdge Research

Note: Data are provisional, E – Estimated

The microfinance and personal loan segment are likely to remain significant contributors to NBFCs' growth. These segments are likely to continue their growth momentum. In the near term, the growth in vehicle segment is likely to be supported by improved operating environment, new model launches and sustained demand for vehicles, supported by improved availability of semi-conductors. However, NBFCs' credit growth may face headwinds due to the impact on asset quality of unsecured loans and the amendments in the regulatory framework.

## Overview of Housing Sector

Housing development and democratized homeownership are important economic and social policy objectives in India. Economic development and rising per capita income have created a new aspirational India. Owning a home is an essential part of Indian aspirations.

The real estate industry is one of the most crucial and recognized sectors across the globe. The industry can be further segmented into four sub-sections – housing, commercial, retail, and hospitality. Of these, the residential segment contributes to around 80 percent of the overall sector. The growth of the overall real estate industry also depends on the growth in the corporate environment and the demand for office spaces, urban and semi-urban accommodations. The construction industry is therefore one of the major sectors in terms of its direct, indirect, and induced impacts on all sectors of the economy.

In India, the real estate industry contributes in generating huge employment. Around three houses are built per 1,000 people per year as against the required construction rate of five houses per 1,000 individuals per year, as per industry estimates. This indicates that there is significant untapped potential for growth in the sector. While the current shortage in housing in urban areas is pegged at around 1 crore units, the shortage in the affordable housing space is expected to be much higher considering the population belonging to that strata. Along with this, increased economic growth and the uptick in India's service sector have created additional demand for office space, which in turn is likely to result in greater demand for housing units in the nearby vicinity.

India is in the top 10 price-appreciating housing markets internationally. Therefore, it is also expected that this sector will incur more non-resident Indian (NRI) investment, both in the short term and the long term. The growing flow of funds through the FDI route in Indian real estate is encouraging increased transparency. Developers, to attract funding, have revamped their accounting and management systems to meet due diligence standards.

The housing finance sector in India comprises financial institutions, scheduled commercial banks, regional rural banks, agriculture, and rural development banks, housing finance companies, state-level apex cooperative housing finance society, NBFCs, MFIs, and self-help groups.

The purpose of a housing finance system is to provide the funds to home aspirational. The important feature of any financing scheme is the ability to channel the funds of investors to those purchasing their homes. The role of housing finance is to eliminate



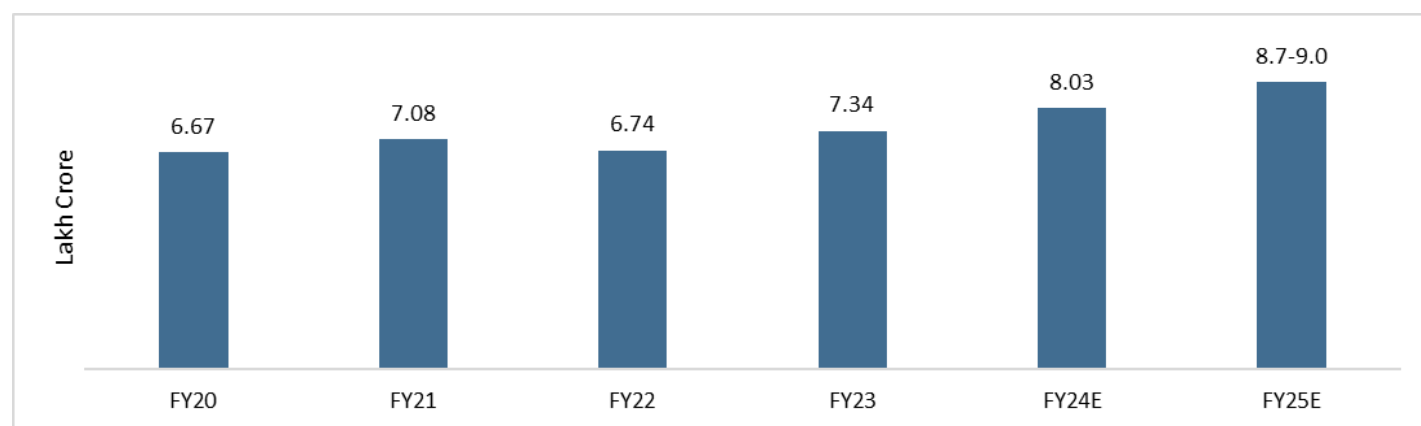
these obstacles and contribute to better living standards for a thriving economy. This will directly or indirectly generate demand for supporting industries and lead to the creation of job opportunities.

India has changed socially and there is no stigma attached today to go for borrowed funds. The emergence of housing finance is a major business in the country, the demand for housing loans was rapidly increasing in recent years. The reasons for this were affordability of housing, reduced interest rates, attractive tax incentives, supporting government policy (PMAY), and an increase in overall household incomes. Despite policy focus and sustained government efforts, India still suffers from a housing shortage that could increase with a rising population.

### ***Credit Growth Trends of Housing Finance Companies***

Housing finance companies (HFCs) serve as an alternative financing channel to the real estate and housing sector and are a part of the non-banking financial companies (NBFC) sector. Home loans account for over 65% of HFCs' loan books followed by construction finance and loan against property.

#### **HFCs Outstanding Loans and Advances Portfolio**



Source: RBI

E – Estimated, P - Projection

The outstanding loan and advances portfolio of HFCs continues to see an upward trend on the back of increase in demand for housing loans, government's focus towards affordable housing has encouraged home buys to avail home loans.

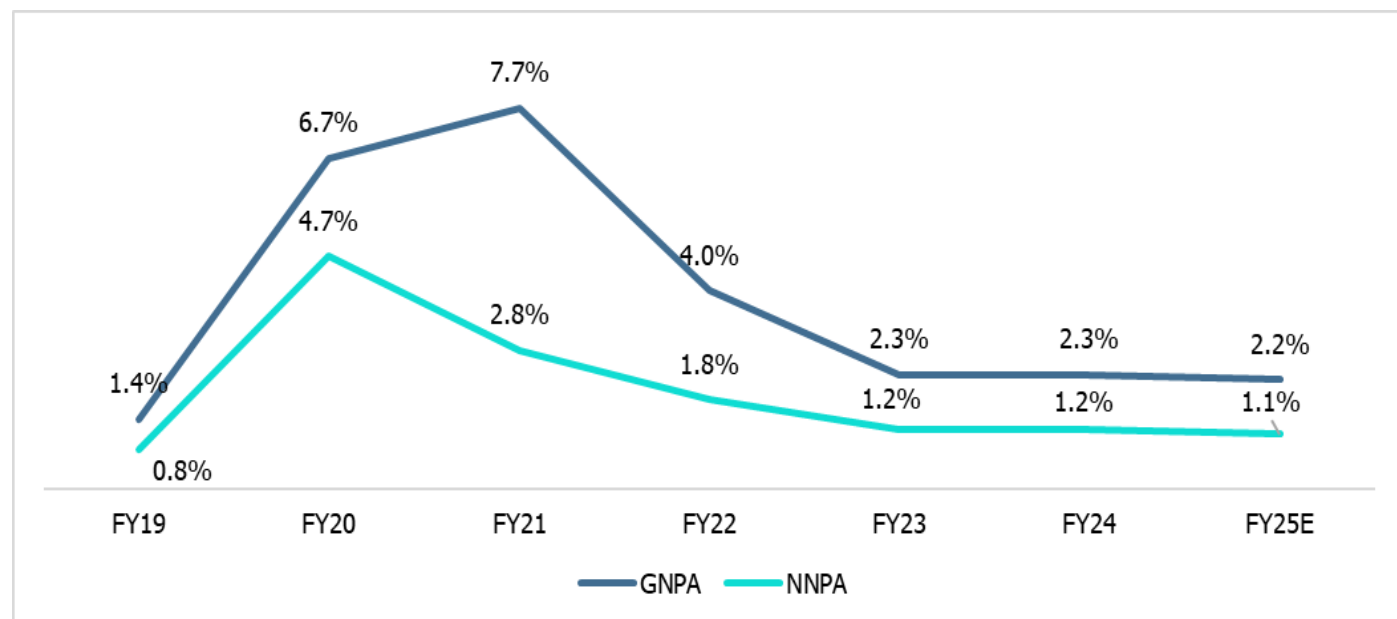
The affordable housing finance segment is the largest – and most challenging - within India's housing finance sector. India's typical affordable HFC customer lives in Tier-2 and Tier-3 cities, is new to the concept of credit, earns a low informal income, does not possess income documents and is usually self-employed. These realities warrant the use of specialized expertise in addition to what is used in conventional lending.

As of FY24, the loans and advances portfolio of HFC is estimated to be Rs. 8.03 lakh crores, indicating growth of around 9.5% over FY23. The upward growth trajectory of HFCs loans and advances can be attributed to the increasing demand for individual home loans.

The upward trend is expected to persist in FY25, with a projected portfolio of Rs 8.7 – 9 lakh crores, indicating a 8.5%-12% y-o-y growth. This growth projection is consistent with macroeconomic expectations of rising home ownership, increased penetration of home loans in semi-urban and rural markets, and the continued expansion of affordable housing.



### Asset Quality



Source: RBI, CareEdge Research

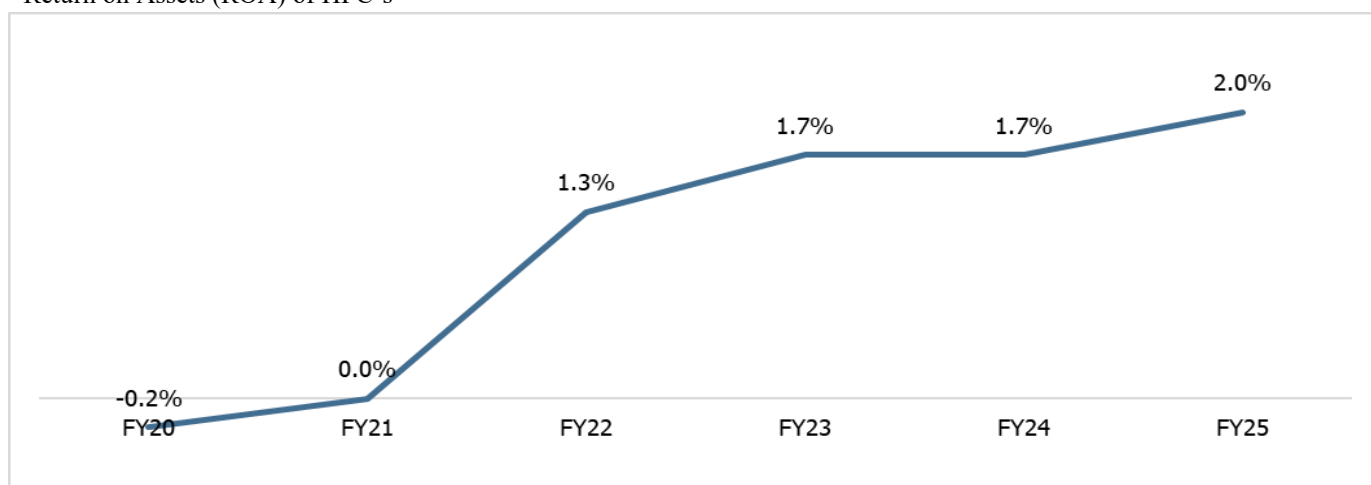
Note: E indicates Estimates

The asset quality continued to remain at around similar levels as in FY23. This sustained asset quality can be attributed to good recoveries, increased provisions, and lower slippages supported by asset recognition norms over the past 5 years. In FY25, net NPA is estimated to be ~1.1% led by restructuring of loan book and write-offs over the period. Additionally, healthy growth in disbursement, improved demand for credit and capital adequacy of HFCs has also aided the improvement in asset quality in the post Covid-era.

Over the years, the asset quality of HFCs has also improved as they have shifted their focus towards retail loans that have low slippages compared to corporate loans and are low risk in nature.

### Profitability

Return on Assets (ROA) of HFC's



Source: Company reports, CareEdge Research

Note: Analysis based on 5 major HFCs

Over the past few years, the return on assets of HFCs has increased, from -0.2% in FY20, to 2.0% in FY25. This uptick is supported by growing loan book, improved balance sheets and asset quality of HFCs.

## ***Growth Drivers***

The non-banking housing finance market in India is fragmented with over 85 HFCs. However, the top four players constitute over 70% of the market share. In addition, unlike banks, the HFCs are governed by the National Housing Bank, a subsidiary of the RBI. As HFCs were not able to accept deposits from consumers in normal circumstances earlier, they have less stringent regulations vis-à-vis banks.

The HFCs gained prominence when the retail housing segment was neglected by banks, with many small consumers unable to fulfil the stringent documentation requirements of banks. Although the interest rates charged were higher than that of banks (due to a higher cost of funding), this did not deter small consumers from pursuing HFCs because of a clear lack of alternatives. Thus, in the last few years, there has been a large influx of new players, taking the number of non-deposit-taking HFCs from 55 in FY14 to currently more than 75 in FY22, according to the National Housing Bank.

In cases where the home value does not exceed Rs. 10 lakhs, HFCs may add stamp duty, registration costs and other documentation charges to the home value to increase the maximum allowable loan on a property. This in turn, allows these HFCs to lend more to home buyers as compared to banks. Further, with banks having switched to marginal-cost-based lending rates (changing from base rate regime) in 2016, interest rates may increase with funding costs, thereby, reducing the gap in rates offered by banks and HFCs. Despite the banks' larger scale and funding advantages, they have been losing out to the HFCs.

*Population Demography:* As per United Nations – Population Division - Department of Economic and Social Affairs, the Indian age demographic has two-thirds of our population below 35 years of age, and the share of people in the age group of 0-14 is 26.16%. The share of the working-age population (15-65 years) is 67.27%, which indicates a very positive outlook for the Indian housing sector.

The demand for new houses is steadily increasing as the pace of urbanization is expected to increase with the Government's focus on building new smart cities as well as a focus on Tier 2 cities, which have a population of around 10 lakh, and Tier 3 cities, which have a population of less than 10 lakh. Thus, CareEdge Research expects that surging growth and employment in these cities will prove to be a significant driver for people in the rural and semi-urban areas to shift to Tier 2 and Tier 3 cities.

The Indian economy has experienced steady growth in the past decade and is expected to be one of the fastest growing economies in the post-pandemic era. India's urban population is expected to reach over half a billion by 2025 from an estimated 46.1 crore in 2018. Rising income and employment opportunities have led to migration to urban areas thereby creating greater need for real estate in major Indian cities. The growth in economy coupled with increased urbanization is expected to boost the demand for housing industry.

*Increase in Urbanization:* Rapid urbanization bodes well for the sector. India is the second largest urban system in the world. Indian cities are home to about 11% of the total global urban population. Urban growth is expected to contribute to around 73% of the total population increase by 2036 according to Ministry of Health and Family Welfare (MoHFW), 2019.

According to Census of India 2011, India has an urbanisation level of 31.1% which has only increased over the years. Earlier estimations indicate that about 41.6 crore people will be added as urban dwellers in India between 2018 and 2050 according to United Nations study dated 2018 and that India will be 50% urban by 2050 according to UN-Habitat, 2017.

*Increasing purchasing power:* The rising disposable income, which has grown at a CAGR of 8.85% between the period FY18 to FY25, is expected to lead to increase in demand for residential real estate in India as more and more people are able to afford real estate purchases.

*Rise in Number of Nuclear Families:* According to 2001 census, out of 19 crore households, 10 crore or a little over 50 % were nuclear households. In the 2011 census, the share grew to 52.1% - 13 crore nuclear out of 24.9 crore households.

The nuclear family concept is very well linked with rapid urbanization of the country. People migrate from one place to another in search of jobs which ultimately increases the nuclear family count. Increase in nuclear families will lead to an eventual rise in demand for residential units.

*Shift in buying behavior:* The coronavirus pandemic has shifted the attitude that resulted in consumers buying new homes. The financial uncertainty brought on by the pandemic is estimated to have led to many consumers considering a home as an essential financial security.

Consumers are also giving a serious thought to how they live and may want to move to larger homes considering their family size and the need to accommodate work-from-home, hybrid work and study-from-home. The demand for projects with good architecture, uncluttered space and recreational activities for children and elderly is projected to increase.

*Government support under Pradhan Mantri Awas Yojana (PMAY):* PMAY is a government housing scheme in India aimed at providing affordable housing to all. It offers various forms of support to different income groups, including interest subsidies on home loans, financial assistance for self-construction, public-private partnerships for affordable housing projects, and slum redevelopment initiatives.

The scheme also promotes the use of innovative construction technologies and the development of affordable rental housing complexes. PMAY embodies the government's commitment to ensuring housing for all and improving living conditions for people across the country.

### **Technological development (Fintech)**

Technology has helped HFCs/ NBFCs to provide fast, efficient, cost-effective, customized products and services to customers. It helps in increasing the productivity of the workforce, better utilization of resources, and automation of many manual procedures. Fintech is among the most talked-about development in the world currently having emerged as the world's second-largest fin-tech hub (trailing only the US), India, too, is experiencing this 'FinTech Boom.' Given that consumer banking is on the verge of disruption, there should be greater emphasis on the customer.

While traditional banks have yet to embrace a customer-centric model, fintech can help guide and boost the housing finance industry. It has helped in reaching out to larger geographies for business acquisition without setting up brick and mortar setup. The use of mobile and mobile technology has made the onboarding of a customer easy, fast, and cost-effective. Technology helps to manage risk through analytics. It helps in making informed credit decisions.

The collection and recovery processes have become far more effective and efficient and significant scale-up of business across geographies at a cost-effective manner is possible with the help of technology. Technological advancement will help housing finance companies big time, it will help have a closer eye on NPA as it will be customer-centric, and companies will understand their consumers more effectively.

### **Outlook**

CareEdge Research expects housing finance companies outstanding portfolio to have reached between 8.7-9.0 lakh crores in FY25 on the back of sustained demand from the affordable housing segment, rising urbanization, low mortgage to GDP ratio, favourable demographics and increase in need of house ownership. However, stiff competition from banks, high property prices and moderation in home affordability will continue to be key challenges for the overall housing finance segment. The asset quality of housing finance companies is likely to be impacted by the inability of the borrower to repay amid interest rate hikes and rise in inflationary pressures.

The growth of housing industry is likely to have been supported by continuous efforts of the Government towards affordable housing finance, such as the Pradhan Mantri Awas Yojana ("PMAY"), which was launched in June 2015 to provide affordable housing to the urban poor. During the union budget of 2024-25, the Government has announced Rs.10 lakh crore under PM Awas Yojana 2.0, for Urban Housing, aims to fulfil one crore housing needs with a provision of interest subsidy to facilitate loans at affordable rates. Further, two crore houses under Rural Housing have been reiterated. CareEdge expects this initiative to bode well for the affordable housing segment, the benefits of this, however, are likely to be witnessed post FY25. CareEdge expects the outcome of this additional outlay under PMAY in the medium term to remain contingent upon the efficient construction and timely delivery of houses. As per Union Budget 2025-26, the government is expected to increase its infrastructure investments both at the state and central levels. This includes an outlay of Rs. 1.5 lakh crore is proposed for the 50-year interest free loans to states

aimed at capex and incentives reforms. In Public Private Partnership (PPP) mode, each infrastructure-related ministry will come up with a 3-year pipeline of projects that can be implemented.

Data as per PMAY Urban, since inception, the Government sanctioned 116.97 lakh houses under PMAY, of which 93.01 lakh houses were completed as of 09th June 2025. CareEdge expects the demand for affordable housing segment to increase supported by several factors, including their government incentives, relatively smaller base compared to traditional banking institutions and prime housing finance entities, their capacity to penetrate unorganized market segments, and their adept appraisal skills. CareEdge expects an overall boost in demand in the residential segment to aid the need for housing finance. Additionally, the wholesale finance book of HFCs is expected to see marginal growth driven by an up-cycle in residential real estate market and waning wholesale credit stress, pool of stressed wholesale assets.

## **MSME Finance**

*Introduction:* The micro, small and medium enterprises (“MSME”) sector is a vibrant and dynamic sector with crucial linkages to employment. The MSME sector is considered the growth engine of the Indian economy, with significant contribution to the GDP, exports, and employment generation. The sector contributes significantly to the economic and social development of the country by fostering entrepreneurship and generating large employment opportunities at comparatively lower capital cost. MSMEs are complementary to large industries as ancillary units and the sector therefore contributes significantly to the inclusive industrial development of the country.

MSMEs are widening their domain across sectors of the economy, producing a diverse range of products and services to meet demands of domestic as well as global markets.

### ***Credit growth in MSME lending***

India witnessed a sharp jump in MSME lending in FY21 and this increase has been supported by Atmanirbhar Bharat scheme of Emergency Credit Line Guarantee Scheme (ECLGS) which provided 100% credit guarantee to lenders. The scheme that was announced by the Government in May 2020 helped the firms to get access to more credit.

NBFCs mainly deploy credit to MSMEs belonging to the services and agricultural sectors. In comparison, bank credit to MSMEs witnessed an improvement in FY21 and strengthened further in the FY22 on account of a resurgence in demand from MSMEs as well as support from the Central Government by way of credit guarantee. The ECLGS scheme launched in May 2020 after the pandemic hit the country in March 2020 revived credit offtake by MSMEs. The scheme was introduced to help mitigate the economic distress faced by MSMEs by providing them additional funding in the form of a fully guaranteed emergency credit line.

The credit extended towards MSME has increased significantly as during the pandemic, the Government encouraged banks to extend credit to MSMEs and aid them to buffer the effects of the pandemic. And as micro and small enterprises were more vulnerable, the credit towards them during the pandemic increased significantly during the FY21. On the other hand, medium enterprises were able to buffer the effects of pandemic to a certain extent. Although the credit towards medium enterprises increased over the previous financial year, the growth was moderate compared to growth in credit extended to micro and small enterprises. This has continued to result in the growth of credit to MSMEs significantly in FY22. Moreover, the extension of ECLGS up to March 2023, with the guarantee cover raised by Rs 50,000 crores to a total of 5 trillion has also contributed in the credit growth of MSME's. As of Mar'24, the total bank credit outstanding to MSMEs crossed Rs. 10 trillion and the same has crossed Rs. 11.5 trillion as of Mar'25.

### ***Share of Banks & Non-Banks in MSME lending***

The MSME sector is underpenetrated and there is a huge unmet credit demand in the sector, primarily due to lack of documentation and credit history required to access to financing from formal banking channels. There is also a significant gap between the original credit requirement and the actual credit exposure of formal channels to MSMEs, which provides a huge opportunity in MSME lending. As of March'25, the proportion of NBFCs share is expected to increased to 12.5% compared to previous year's 10.6%.

## SWOT Analysis

Strength	Weakness
<ul style="list-style-type: none"><li>• Adapt quickly to market changes due to smaller size and simpler operations.</li><li>• Contribute around 30% to GDP and employ over 257 million people, vital to India's growth.</li><li>• Operate in sectors like manufacturing, agriculture, services, and retail, spanning India's economy.</li></ul>	<ul style="list-style-type: none"><li>• Shortage of skilled labour affects quality and efficiency.</li><li>• Many MSMEs lack modern technology and infrastructure, limiting productivity and competitiveness.</li><li>• Limited bargaining power with customers and suppliers as compared to large corporates.</li></ul>
Opportunity	Threat
<ul style="list-style-type: none"><li>• Digital tools, e-commerce, and automation can improve efficiency, lower costs, and expand markets.</li><li>• With government support, MSMEs can access global markets, especially in textiles, handicrafts, and agro-products.</li></ul>	<ul style="list-style-type: none"><li>• MSMEs rely on larger firms for raw materials, making them vulnerable to supply chain disruptions.</li><li>• Larger companies threaten MSMEs with superior scale, technology, and resources.</li></ul>

## Outlook

The MSME sector is the driving force of the Indian economy and has major potential to spread industrialization across the economy. The sector faces number of challenges such as limited access to finance, inadequate availability of skilled labour, and insufficient infrastructure. Along with this, rising interest rates by RBI to control inflation has become a hindrance to the growth in sector. This has led to increase in borrowing cost for MSMEs and further made the situation difficult for accessing credit. This high rise in borrowing cost is expected to impact the cash flows and profitability of MSMEs. Although, this sector has many challenges, the growth potential remains high.

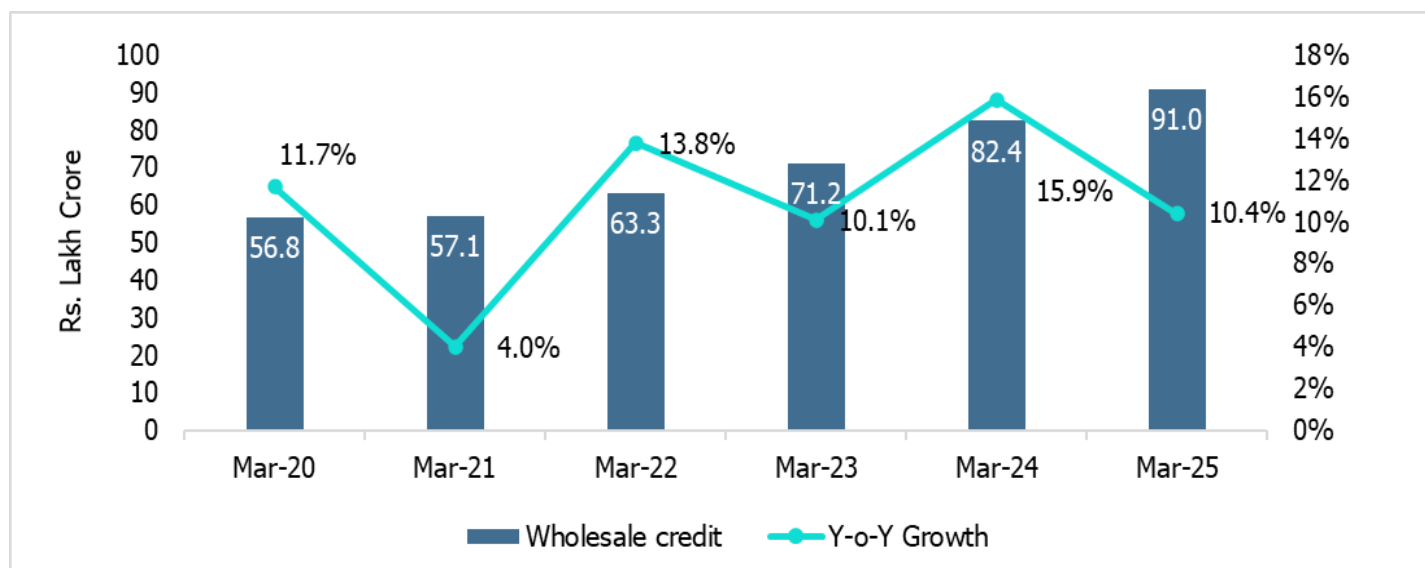
MSMEs employ many people making the sector a key contributor to the economic development of the country. The sheer number of work force engaged also results in this sector receiving good Government support and benefits. Apart from Government initiatives, the improved use of digital solutions adopted during the pandemic (such as easy payments and marketing through digital platforms) increased demand for finished products have strengthened the MSMEs and resulted in recovery of their business.

The MSME sector is expected to help India achieve its goal of becoming a USD 5 trillion economy. In addition to this, MSMEs are expected to contribute more than 40% of India's nominal gross domestic product (GDP) by financial year 2025 for which it will require immense support from the Government, institutions, and banks.

## Wholesale Finance

### Banking System – Wholesale Credit

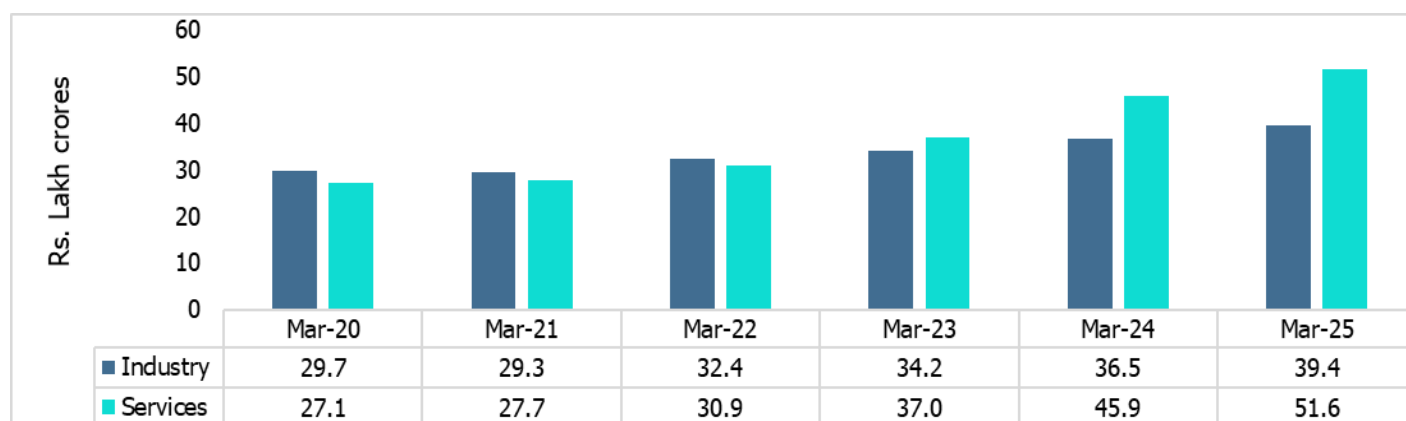
#### Growth in Wholesale Credit



Source: RBI, CareEdge Research

For wholesale credit analysis, SCBs credit towards industry and services is considered. In the post pandemic era with the resumption of infrastructure activities, growth in businesses, increased demand from aviation, transport operators and commercial real-estate sectors has led to significant contribution of wholesale credit in credit deployed by SCBs. However, over the years, share of wholesale credit in SCBs non-food credit has declined from 55% in Mar-20 to 50% share in SCBs non-food credit in Mar-25.

#### Sectoral Distribution of Wholesale Credit

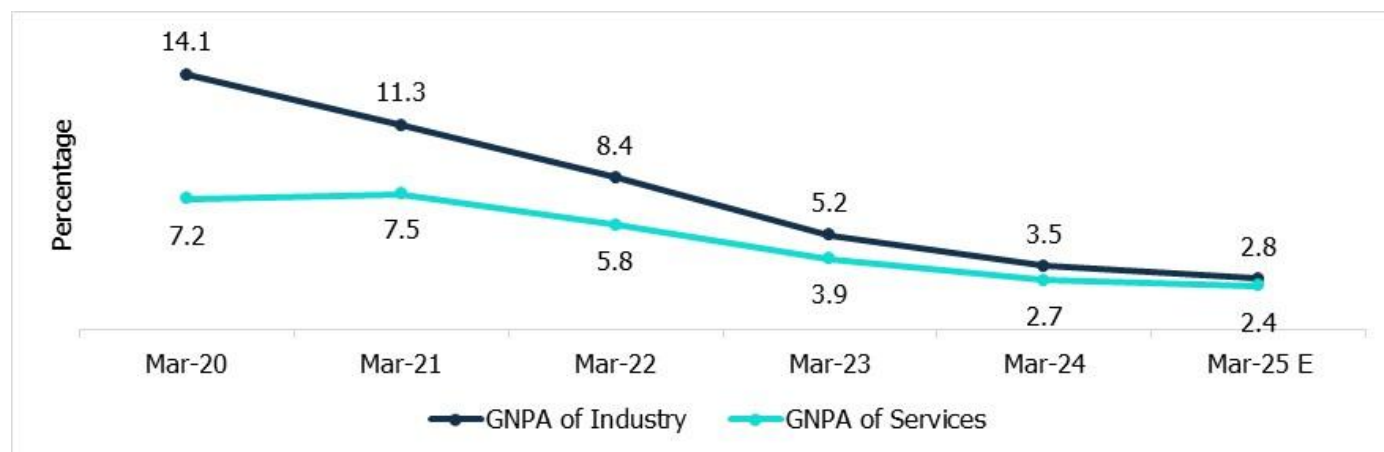


Over the years, there has been moderation in growth of bank credit towards industry and services post the IL&FS crisis. The credit towards industry sector which includes credit towards micro, small and medium enterprises and large enterprises increased from Rs 29.7 lakh crores as of Mar-20 to Rs 39.4 lakh crores as of Mar-25 indicating 5.8% compounded annual growth rate. The credit outstanding of the industry segment registered a similar growth at approx. 8% y-o-y in Mar-25.

The bank credit towards services sector includes credit towards transport operators, commercial real estate, computer software, aviation, trade, NBFCs, etc. The credit towards services reached Rs. 51.6 lakh crores as of Mar-25 indicating 13.7% compounded annual growth rate over Mar-20. The services sector reported a robust growth of 12.4% y-o-y in Mar-25. This growth has been majorly driven by growth in credit towards commercial real estate (merger impact and demand), NBFCs, transport operators, and other services.

## Asset quality

GNPA ratio of Industry and Service Sector



Source: RBI, CareEdge Research

Over the years, there has been significant improvement in asset quality of SCBs. The GNPA ratio of the industrial sector continues to improve, although it remained elevated for construction, gems and jewellery and food processing sub-sectors.

## Conclusion

The wholesale credit has seen slight moderation in growth, this is partially offset by the HDFC-HDFC Bank merger. The moderation in industry credit was largely on account of decline in credit towards basic metal & metal products, chemicals & chemical products, and infrastructure along with a reduction in petroleum, coal products, & nuclear fuels, also led to moderation in growth. However, service sector witnessed significant y-o-y growth in Mar-25 that was supported by increased credit towards aviation, transport, and commercial real estate, while growth in NBFCs moderated. Overall, the revival of credit growth in large industries could accelerate the overall non-food credit growth and provide some cushion in case of a slowdown in growth momentum in the retail vertical.

## Asset management

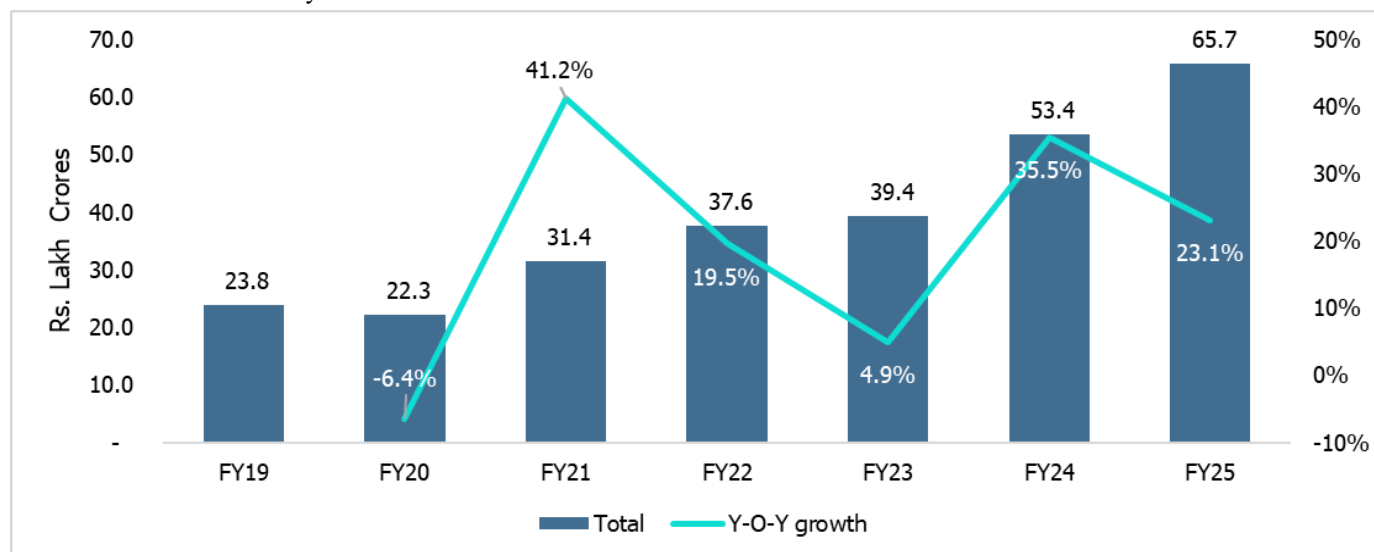
### Overview of Mutual fund products

A mutual fund is a professionally managed investment scheme that raises capital or investment from a group of people and uses that pooled capital to invest in diverse types of securities like equities, bonds, money market instruments and/or other securities. Mutual funds can be classified under various categories, based on their structure, investment style and the investment objective.

### Penetration of mutual funds in India

A mutual fund is a collective investment vehicle that collects & pools money from several investors and invests the same in equities, bonds, government securities, and money market instruments. The money collected in a mutual fund scheme is invested by professional fund managers in stocks and bonds etc. in line with a scheme's investment objective. The income/gains generated from this collective investment scheme are distributed proportionately amongst the investors, after deducting applicable expenses and levies, by calculating a scheme's "Net Asset Value" or NAV. In return, mutual fund charges a small fee.

## Indian Mutual Fund Industry's Net AUM



Source: CMIE, CareEdge Research

This growth in AUM is majorly driven by a higher growth in AUM of equity-linked mutual funds. In FY25, total AUM had reached Rs. 65.7 lakh crores representing nearly 23% growth over FY24. This significant increase is attributed by positive sentiments of retail investors, participating in a disciplined manner through Systematic Investment Planning (SIP). Going forward, we expect fresh investments to continue majorly into equity-linked mutual funds which will drive the industry's aggregate AUM.

### Key growth drivers of mutual fund industry

- Increasing Penetration of Mutual Fund Market in India:** India continues to be underpenetrated with a mutual fund penetration rate (the ratio of period ending mutual fund AUM to GDP) reached nearly 20% as of Mar-25, as compared to global average of 70-80%. India accounts for less than 2% of the global mutual fund industry, representing a significant growth opportunity.

Average Assets managed by the Indian mutual fund industry have grown from Rs. 22.3 trillion in Mar-20 to Rs. 65.7 trillion as of Mar-25, thereby indicating around 24% CAGR over Mar-20. The size of average assets under management and mutual fund penetration rate indicates that though the size is increasing rapidly, there continues to be a huge untapped potential of the mutual funds in India.

There is lack of healthy participation from investors in B30 (beyond top 30) locations. Recently, the mutual fund sector is witnessing rising activity from B30 locations, especially in the equity segment due to improved distribution and regulatory changes in fee structure. Due to increasing mobile phone penetration and increasing wealth managers integration towards technology to service transparent and systematic products in an efficient manner helps to develop informed customers and enables distributors to penetrate deeper to serve clients across the wealth management space.

- Increase in Retail participation and mass affluent:** The wealth managed by portfolio managers (including assets under advisory) in India is about Rs. 37.8 lakh crores as of Mar'25. The increased penetration of wealth management companies into Tier II and III cities will also help to drive the growth, given more than 40% of the UHNIs live in non-Metro cities, where currently wealth is majorly managed by IFAs and Chartered Accountants. The top five states, Maharashtra, New Delhi, Karnataka, Gujarat, and West Bengal contributed around 68% of the AUM of mutual funds as of Mar'25. Of which, Maharashtra and New Delhi contributed nearly 49% of the AUM. With rising income levels and a growing affluent middle class, Retail investors are becoming more inclined towards equities as an investment option over the traditional preference of savings towards physical assets, especially from B30 cities. Around 19% of the assets of the mutual fund industry came from B30 locations. As of Mar'25, assets from B30 locations increased by 24% to Rs. 12.2 lakh crores over Mar'24. Investors from B30 locations are attracted towards equity as compared to T30 where the debt

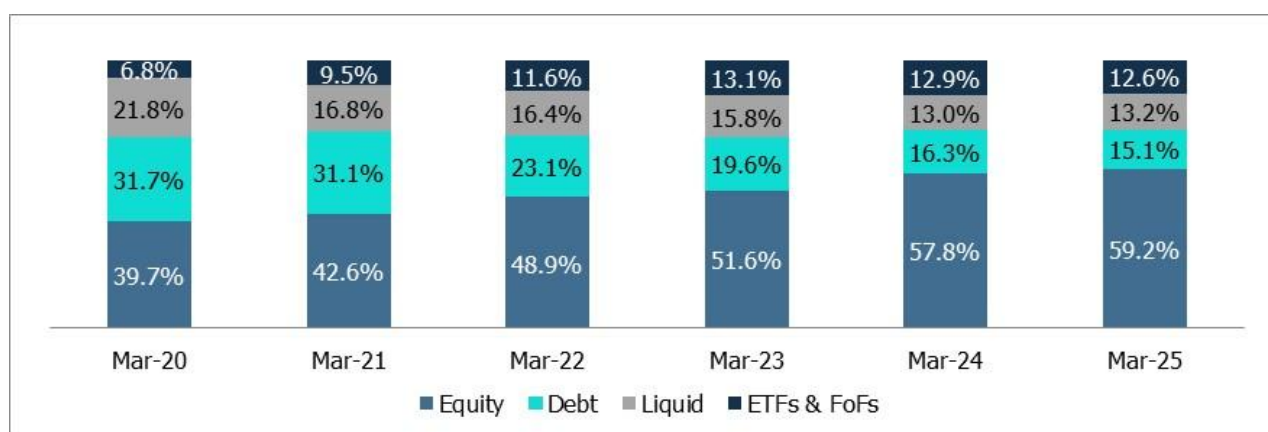


portion is higher due to large participation from institutional investors. As of Mar'25, 86% of the assets from B30 locations are in equity schemes.

- *Increase in folios:* Retail investors' preference is becoming more mature as they get more informed regarding potential of investments in equity mutual funds and risk associated with investing in it. Over the years, there has been an increase in number of folios, as of Mar'25 number of folios reached 235 million from 90 million as of Mar'20. The increasing penetration of mutual funds products is driven by the rising number of folios and participation from mass affluent segments.

Individual investor's component of the total number of folios in the industry has been steadily increasing over the period of year where mass affluent retail investors are spearheading the growth rate. The individual investors hold a share of 61.4% of the industry assets as of Mar'25, relatively higher compared with 60.5% in Mar'24.

- *Increasing Share of Equity based Fund in Asset class over the years:* The proportionate share of equity-oriented schemes nearly 60% of the industry assets as of Mar'25, up from 39.7% in Mar'20. Among other categories, there is significant increase in ETF & FoFs market share from 6.8% as of Mar'20 to 12.6% as of Mar'25.



Source-AMFI, CareEdge Research

- *An Uptick in passive investing:* The shift towards passive investing is increasing as they are cost effective when compared to actively managed funds. Investors have a wide range of options to choose from the available type of passive investment options in the market such as Alternative Investment Funds (AIFs), Portfolio Management Services (PMS) and Exchange-traded funds (ETFs).
- *Diversification:* Investors understand the need for and importance of investing in different asset classes which helps them diversify their portfolio of investments. This, diversification also helps in minimization of risk while earning better returns. As a result, it will lead to potential growth in investment management.

## SWOT Analysis of Mutual Fund Industry

Strength	Weakness
<ul style="list-style-type: none"> <li>Asset managers provide diversified portfolios, reducing risk by spreading investments across assets and sectors.</li> <li>Advanced analytics, AI, and algorithmic trading help optimize strategies and offer real-time insights.</li> </ul>	<ul style="list-style-type: none"> <li>Clients may switch if returns are inconsistent, or they find better-performing funds.</li> <li>The rise of passive investing and competition pressures firms to cut fees, affecting profitability of the funds.</li> </ul>
Opportunity	Threat
<ul style="list-style-type: none"> <li>Partnering with fintech and banks helps asset managers expand offerings, reach new markets, and boost digital capabilities.</li> <li>ESG investing opens opportunities for asset managers to create specialized funds.</li> </ul>	<ul style="list-style-type: none"> <li>Tax policy changes, fiduciary regulations, and increased scrutiny can raise compliance costs and impact operations.</li> <li>Investment avenues for investors such as equity markets, debt market instruments, Mutual Funds, Gold, and other physical assets.</li> </ul>

### Way Forward for Mutual Fund Industry

The shift in trend from traditionally managed funds to passive investment funds such as ETFs, PMS, AIFs will continue to witness a steady growth in the wealth industry. Investors are now looking for cost-effective and sustainable investment options. Moreover, advancement in technology such as machine learning and artificial intelligence is also evolving rapidly. The increased usage of robo-advisors across variety of fund products by the individuals is also a result of emerging technology in wealth management space. In addition, clients have the freedom to choose their own customized investment portfolios based on their preferences and risk associated with it. The rising demand in discretionary portfolio management services is contributing towards the growth of portfolio management.

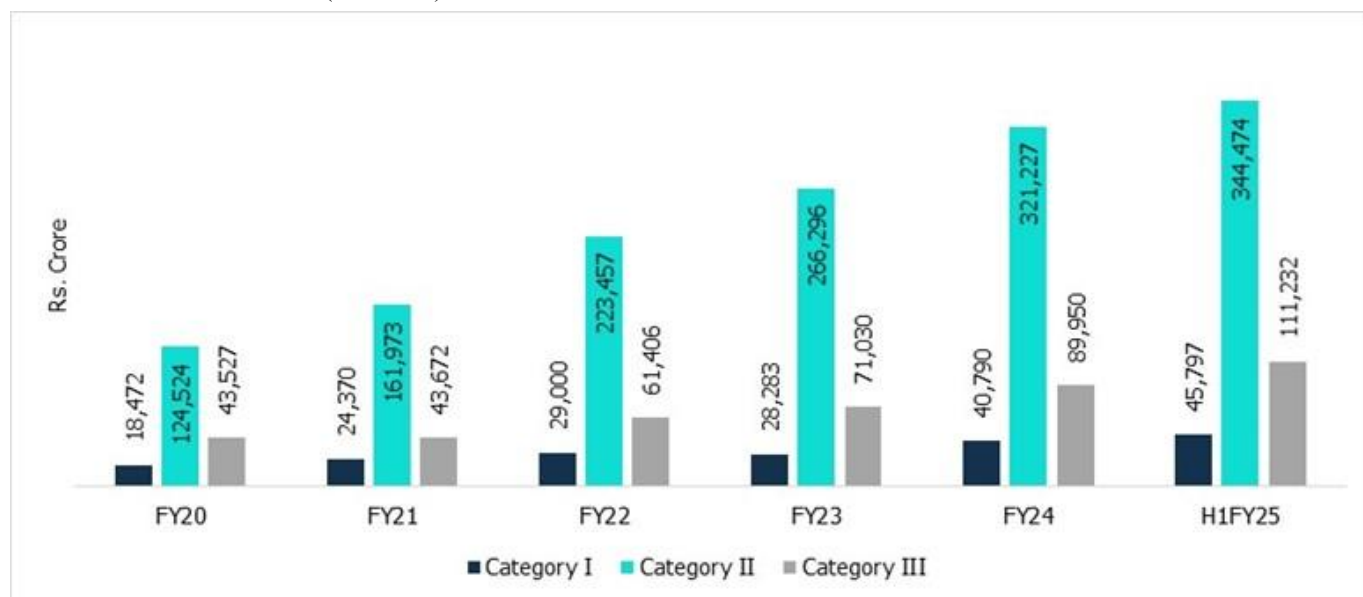
Along with this, AIFs are gaining swiftness in the industry. Investment in derivatives, hedge funds, real estate, and commodity products such as metals, energy etc., has increased over the past years. The urge to earn good returns while mitigating risk at the same time has made the investors more focused on diversifying their portfolio in various alternate investment options which also helps them protect their capital and achieve growth in long term.

### Alternative Investment Fund (AIF)

Alternative Investment Fund (AIF) is a fund established or incorporated in India which is a privately pooled investment vehicle collecting funds from sophisticated investors, whether Indian or foreign, for investing in accordance with a defined investment policy for the benefit of its investors. These investments do not belong to any of the traditional or conventional investment categories.

The AIF market in India is at a very nascent stage. Since SEBI regulations came into effect in 2012, the number of AIFs registered in India has grown to 1,586 as of 29th May 2025. Aggregate funds raised have increased significantly from Rs 5,01,503 crores as of FY25 to around Rs. 4,51,967 crores as of FY24, indicating a CAGR of 21.9% over FY25 and around a 11% growth over FY24, indicating rapid growth in demand for alternative investments in India.

## Alternative Fund Investment (Rs. Crore)



## SWOT Analysis of AIFs

Strength	Weakness
<ul style="list-style-type: none"> <li>Alternative assets can yield higher returns, especially in private equity and venture capital.</li> <li>Real estate, commodities, and infrastructure serve as inflation hedges, retaining value in inflationary conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Valuing alternative assets can be difficult due to investments in private companies, limited fair market value assessments and performance tracking.</li> <li>Many alternative assets are illiquid, limiting easy buying or selling and posing risks for investors needing quick exit.</li> </ul>
Opportunity	Threat
<ul style="list-style-type: none"> <li>Pension funds, sovereign wealth funds, and insurance companies can boost allocations to alternative assets for higher returns and diversification.</li> <li>High private credit space and real asset funding requirement in India, which can be met by Alternative Funds.</li> </ul>	<ul style="list-style-type: none"> <li>Increased government and regulatory focus on transparency, investor protection, and taxation could hinder industry growth.</li> <li>Investment avenues for investors such as equity markets, debt market instruments, Mutual Funds, Gold, and other physical assets.</li> </ul>

## Outlook

The India's growing economy is projected to be the third largest globally by the year 2030, making it an attractive opportunity for investors. India has been identified as the most appealing emerging market across various asset categories, especially in terms of venture capital (VC). Despite facing global economic challenges, India's strong economic outlook has led to record-high public equity markets after a successful year for IPOs in 2023. This is advantageous for private capital since more developed capital markets can offer improved assistance during the investment process, which is a common obstacle for less established markets. The specially designated economic zone GIFT city, located in Gujarat in the west of India, is also attracting fund managers who are relocating from abroad to capitalize on tax benefits and other advantages for investing in the country. This could also help expand the pool of local industry skills. Venture capital is likely to perform better than other types of investment in the next few years, with Asia-Pacific venture capital producing higher average returns than North American investments. While short-term risks remain and performance will fluctuate over the next 12 to 18 months, investors are likely to be more discerning when making new investments. Lower valuations, however, could offer long-term opportunities.

It is anticipated that the venture capital will surpass other types of investments in the future, with Asian Pacific venture capital generating higher average profits compared to North American investments. Although there are some short-term risks and expected varied performance in the next 12 to 18 months, investors may become more discerning when selecting new investments; however, lower valuations could offer long-term opportunities.

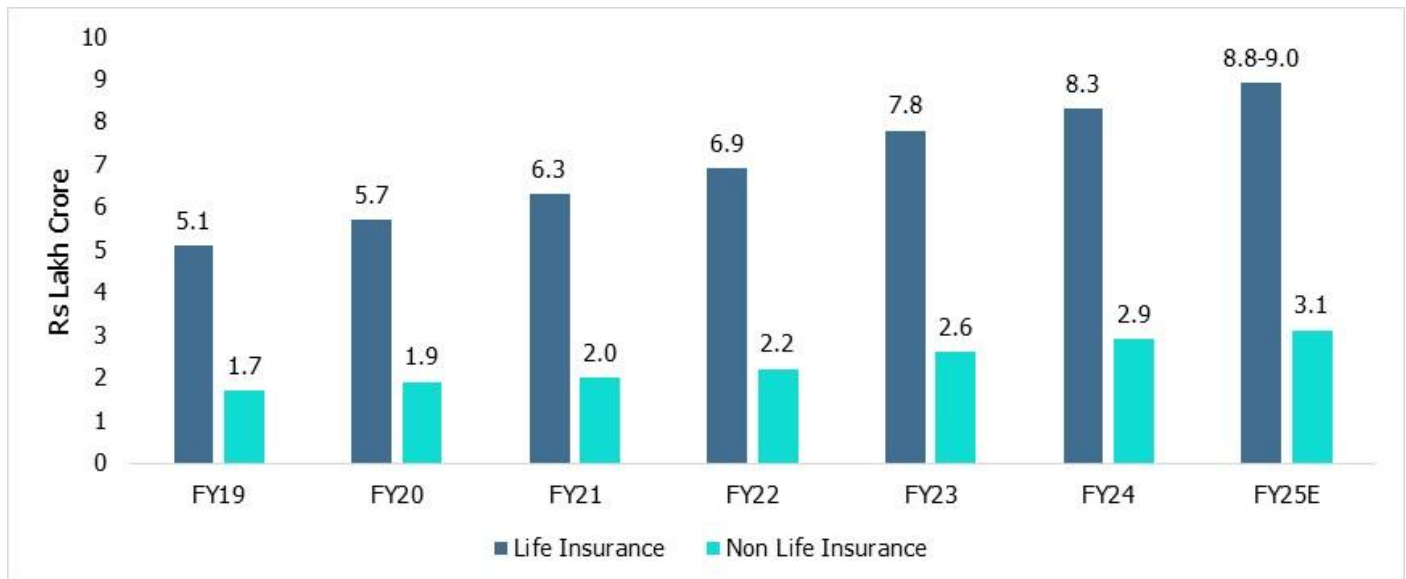
## Insurance Industry in India

The insurance industry seeks to protect a country's people, assets, and businesses. Hence, the business of insurance has always been closely linked to a country's business performance and asset ownership.

Life insurance protects the livelihoods of people and future earnings and has a direct correlation with the earnings of people, their business performance and net worth. General insurance protects assets and businesses and their valuation as well as overall economic activity. Hence, a popular way of measuring insurance penetration is to benchmark it with the GDP of a country.

The insurance industry directs pooled funds towards those who need them the most and acts as a massive investor in infrastructure and government bonds, thus indirectly funding large-scale government and private projects. The industry also generates large-scale employment by employing people as agents, distributors, and service providers, and thus plays a fundamental role in strengthening the country's economy. In FY19, the life insurance industry recorded a premium income of Rs. 5.1 lakh crores, which increased by around 75% to an estimated amount of Rs. 8.8 - 9 lakh crores in FY25, representing a CAGR of 9.5% - 9.9%. The non-life insurance industry collected gross direct premiums worth Rs. 1.7 lakh crores in FY19, which in FY25 grew to Rs. 3.1 lakh crores, representing a CAGR of 10.5%.

### Total Insurance Premium



Source: IRDAI, CareEdge Research

Note: E indicates that total premium for Life insurance in FY25 is estimated

Currently, the insurance penetration in India has been steadily increasing, with life insurance penetration driving the growth of insurance industry. India's insurance industry is still under penetrated and there is significant market opportunity in this segment. In FY24, India's insurance penetration was at 3.7 % as compared to world's 7%. The total life insurance premium is expected to reach Rs 8.8 - 9 Lakh Crores, and the total non-life insurance premium is expected to increase to Rs 3.1 Lakh Crores. India is poised to emerge as one of the fastest-growing insurance markets over the medium term.

## Life Insurance Industry in India

Life insurance is one of the fastest growing sectors in India since 2000. Parliament on March 22 passed the Insurance Amendment Bill 2021 to increase the foreign direct investment (FDI) limit in the insurance sector to 74% from 49%. As of Mar-25, there were total of 26 players in Life Insurance Sector off which LIC of India is the only public sector company. LIC of India is the largest player in India having market share of 57% as of Mar-25 (based on first-year premium).

First Year Premium of life insurers fell 11.6% over Feb'24 to Rs 29,985 crore in Feb-25. Conversely, the premiums rose 2% over Mar-24 to Rs 61,639 crore in Mar-25. This marginal growth is amid flat group premiums and a decline in individual non-single policy volumes. Private insurers experienced a marginal 2.6% increase, with growth in group non-single premiums offsetting a dip in single premium collections. This growth is supported by various factors such as alterations in the policy structure regarding the sum assured and commissions due to the updated surrender value guidelines that took effect on October 1, 2024, volatile markets impacting ULIP sales, and intensified competition and challenges in the bancassurance channel. LIC generates over 90% of its business through the agency channel, with only about 3% coming from the bancassurance channel. Whereas private firms derive around 25% of their revenue from the agency channel and more than 50% from the bancassurance channel.

## General Insurance Industry in India

India's insurance industry is segregated into two segments: life insurance and general insurance. Life insurance policies offer protection against the death of a person, whereas general insurance policies protect against financial losses due to the loss of assets. General insurance protects the monetary value of assets or reimburses financial losses resulting from certain contingencies. General insurance encompasses several plans that help avoid risks related to health, motor, fire, travel, and other assets.

As of Mar-25, the general insurance industry had 34 players consisting of 25 general insurers, seven health insurers, and two specialist insurers. During FY25, the general insurance industry expanded by 6.2% y-o-y to cross Rs. 3.08 lakh crore in gross direct premiums underwritten. The industry grew by CAGR 11.7% between FY22 and FY25. But a change in reporting requirements, which now postpones the recognition of premiums on long-term policies, has likely affected performance.

### SWOT Analysis

Strength	Weakness
<ul style="list-style-type: none"><li>General insurance companies offer products like health, motor, property, liability, travel, and marine insurance, meeting diverse customer needs.</li><li>Policy premiums provide general insurers with consistent cash flows, supporting financial stability.</li><li>Many general insurance products are mandatory or highly recommended, ensuring steady demand.</li></ul>	<ul style="list-style-type: none"><li>Many insurers depend on intermediaries like brokers and agents, which can limit control over customer relationships and raise acquisition costs.</li><li>Exposure to natural disasters, large-scale accidents, and other catastrophic events can result in substantial financial losses for general insurers.</li></ul>
Opportunity	Threat
<ul style="list-style-type: none"><li>Government efforts for more inclusive insurance (e.g., health coverage) can increase demand and provide subsidies.</li><li>Customizing products for niche markets like cyber liability, climate risk, or pandemic coverage opens new growth opportunities.</li></ul>	<ul style="list-style-type: none"><li>Rising reinsurance costs due to increased risks can squeeze profit margins for general insurers.</li><li>Economic downturns can lead to reduced insurance purchases, impacting premium growth.</li><li>Emerging risks like pandemics, climate events, or health threats may cause unexpected claim surges and strain financial stability.</li></ul>

### Growth Drivers

- Healthy GDP growth and rising incomes:* Economic growth positively impacts consumer confidence. When individuals experience financial security, their propensity to invest in insurance products increases, as they seek to protect their assets and ensure their long-term financial stability. This heightened confidence extends to the business sector, prompting companies to invest in insurance as a means of safeguarding their operations and assets. The overall effect is a boost in demand for insurance products driven by both individual and corporate financial security.
- Demand from semi-urban and rural areas to support growth for life insurance players:* Banks have seen a substantial rise in retail loan credit across urban, semi-urban, and rural areas. The growing use of organized channels enhances consumer awareness and creates cross-selling opportunities for life insurance providers. Improved knowledge of financial instruments drives growth in these regions. Additionally, the government's emphasis on financial inclusion will extend the geographical reach of financial services. Life insurance companies will target premium growth in rural, urban, and semi-urban regions. Companies with robust distribution networks in these areas will gain a competitive edge.
- Rising Consumer Awareness:* As consumers become more aware of the importance of insurance for financial protection, there is an increasing demand for various insurance products, including health, life, and property insurance. The

widespread use of digital media, including social media platforms, has facilitated the dissemination of information about insurance products. Consumers can easily access reviews, testimonials, and expert advice, which helps them make informed decisions about purchasing insurance. The COVID-19 pandemic has heightened awareness about health risks and the importance of health insurance. People are now more conscious of the financial burden of medical emergencies and are more likely to invest in life and health insurance to mitigate these risks.

- *Digitalization and Innovation:* Digitalization enables insurers to expand their distribution channels beyond traditional methods. Online platforms, mobile apps, and social media channels provide new avenues for reaching potential customers. Digital marketing strategies, such as targeted advertising and personalized promotions, help insurers attract and retain customers more effectively. The push for digitalization in the insurance sector is fostering a wave of innovation that is transforming the industry. Insurtech companies are leveraging digital platforms to deliver personalized, efficient, and customer-centric insurance solutions. As technology continues to evolve, the insurance sector will likely see further advancements, driving growth and enhancing the overall customer experience.

## **Outlook**

The demand for insurance tends to rise with economic growth, often outpacing GDP increases. CareEdge anticipates that life insurers to expand in near term, fuelled by a higher demand for term policies, non-participating products, annuities, and improved cost efficiencies. Long-term growth is expected to come from low insurance penetration rates, increasing coverage needs, innovative products, expansion into rural areas, and flexibility among corporate agents.

Meanwhile, the updated product and commission structure, resulting from the recently enacted new regulations concerning surrender values, is causing volatile premium movements in the remainder of FY25. However, as these changes are anticipated to be favourable for customers, growth will rise over the medium term. Furthermore, the proposed Insurance Amendment Act aims to enhance market penetration by encouraging new companies to enter the market. CareEdge expects the life insurance industry to continue growing at around 7-9% over a three-to-five-year horizon. The growth drivers include careful underwriting, high GDP growth, rapid urbanisation, demand for protection plans, younger demographic driving insurance coverage, intense push to increase insurance coverage. Furthermore, the supportive regulatory landscape (ease of doing business, Bima Sugan, Bima Vahak, Bima Vistaar, consolidating the expense of management limits) is expected to drive growth of life insurance industry. The launch of Bima Sugam Portal by IRDAI can facilitate more safety for the policyholders as there is no need to store the physical documents and it also reduces paperwork. This digital platform serves as a comprehensive solution to cater to all the insurance needs of the policyholders. Moreover, factors such as growing awareness about insurance, new product innovations, digitalisation for easier user interface and expansion of reach in rural areas are expected to contribute towards the growth of the industry.

The growth story of the health insurance sector is expected to continue, with SAHIs continuing to dominate the retail insurance space. Additionally, the growth of the motor segment remains concomitant with vehicle sales and revision in TP tariffs. CareEdge projects that the Indian non-life insurance market would grow by approximately 13-15% over the medium term. This growth would be driven by macroeconomic factors including higher GDP growth, and an expected rise in per capita / disposable income levels.

The health insurance sector is expected to keep growing, with SAHIs leading the retail market. Growth in motor insurance will correlate with vehicle sales and adjustments to third-party tariffs. CareEdge predicts a 13-15% growth rate for the non-life insurance market, driven by GDP growth, rising disposable incomes, regulatory support, and the Bima Sugam platform. While stabilizing loss ratios, controlling expenses, and strengthening distribution networks will aid growth, challenges may arise from competition, geopolitical risks, and inflation.

## **Asset Reconstruction Company**

### **Introduction**

Asset Reconstruction Companies (ARCs), as an institutional framework for NPA management, that has been in existence for around 20 years. With the amendment of SARFESAI Act in September 2016 and subsequent regulatory modification, along with transformational reforms such as the Insolvency and Bankruptcy Code, introduced by the Government of India, the functioning of ARCs underwent the structural shift towards Real Assets reconstruction as against focused recovery earlier.

As per RBI’s latest guidelines, ARCs are required to have a minimum net owned fund (NOF) of Rs. 300 crore in order to commence the business of securitisation or asset reconstruction and on ongoing basis.

**Opportunity in India’s Stressed Asset Market**

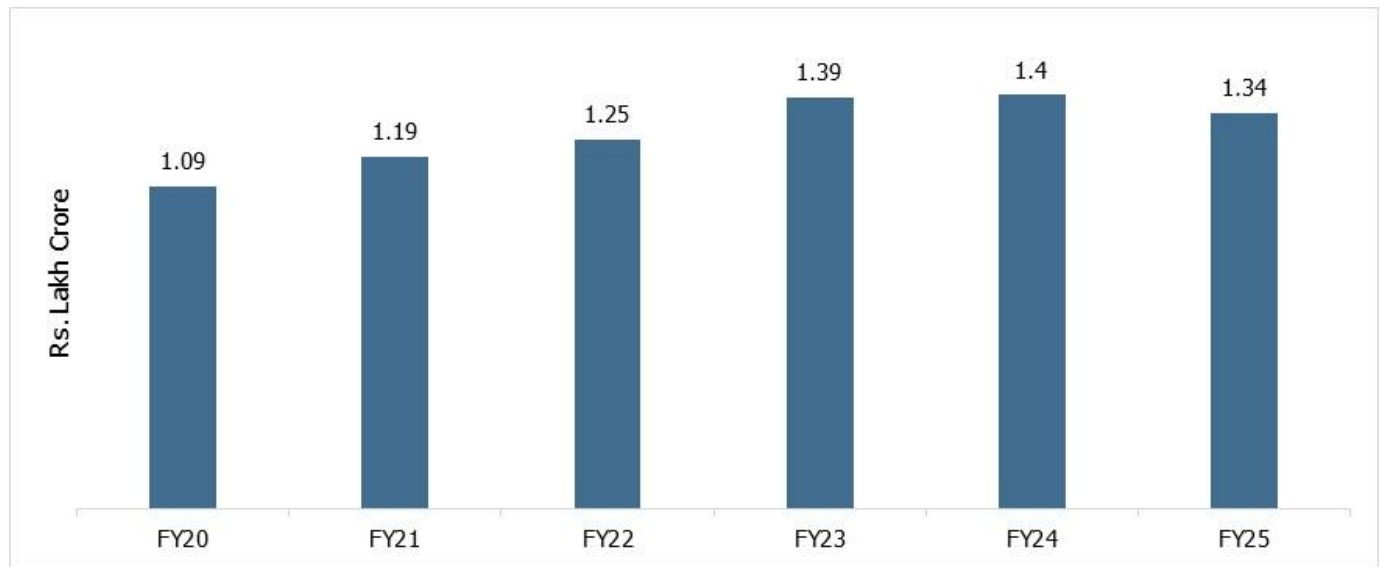
The asset quality of SCBs recorded sustained improvement and their GNPA ratio continued to decline in Mar’25 reaching a record low. Their NNPA ratio too has improved to a record low. Among bank groups, PSBs’ GNPA ratio improved the most in FY25. With the stock of GNPA coming down, requirement of provisions also reduced; however, active, and deep provisioning by SCBs was reflected in their improved provisioning coverage ratio (PCR).

The ongoing decline in GNPA levels since Mar’18 can largely be attributed to a steady decrease in new NPA additions, along with write-offs, recoveries, and a notable increase in upgrades following the pandemic. Additionally, banks have improved their asset quality by offloading NPAs to Asset Reconstruction Companies (ARCs). There was a marked increase in sales to ARCs in FY23, particularly involving assets sold to the newly established National Assets Reconstruction Company Ltd (NARCL).

**Assets under Management in ARCs**

Assets under Management for ARCs, as measured by Security Receipts (SR) outstanding, reached Rs. 1.34 lakh crores as on Mar’25.

Security Receipts outstanding of ARCs



Source: ARCIndia, CareEdge Research

With an increase in the proportion of cash deals, it is estimated that discounts will remain on higher side. To make way for new acquisitions and attract new and repeat investors, it is imperative that ARCs quickly resolve the assets and redeems the SRs. CareEdge expects the AUM to grow at 10% -12% CAGR over next few years.

**SWOT Analysis**

<b>Strength</b> <ul style="list-style-type: none"><li>• Potential for high returns</li><li>• Improved Debt Recovery Mechanism</li><li>• Potential for Large-Scale Debt Resolution</li><li>• Portfolio Diversification</li></ul>	<b>Weaknesses</b> <ul style="list-style-type: none"><li>• High Risk of Asset Depreciation</li><li>• Lack of Strong Recovery Infrastructure</li><li>• Cumbersome Legal Process</li><li>• High Acquisition Costs</li></ul>
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<b>Opportunities</b> <ul style="list-style-type: none"> <li>• Supportive regulatory framework</li> <li>• Increasing Demand for Stressed Asset Resolution</li> <li>• Foreign Investment in Distressed Assets</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>• Economic Uncertainty</li> <li>• Competition from IBC Resolution Process</li> <li>• Lower Recovery Due to Asset Value Deterioration</li> <li>• Volatility in Real Estate Market</li> </ul>
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### ***Growth Drivers of ARCs***

- *Increased focus on stressed asset resolution:* Banks are facing mounting pressure to resolve their stressed assets from investors and regulators. This will probably result in more Non-Performing Assets (NPAs) being sold to ARCs, which will drive the industry's expansion. Regulators are keeping a closer eye on banks' NPAs and requiring them to produce workable resolution plans. Banks are compelled by this pressure to transfer their stressed assets to ARCs to free up resources for core banking operations and regulatory compliance. Investors are calling for increased openness and proactive handling of bad debts. In addition to addressing bad debt problems and enhancing their financial health, banks that sell NPAs to ARCs may draw in additional investors. Strict capital adequacy standards mandate that banks keep adequate capital reserves to guard against future losses. Bank risk-weighted assets are decreased and capital is freed up for lending and other profitable endeavours when NPAs are sold to ARCs.
- *Diversification of asset classes:* ARCs are no longer limited to acquiring only corporate loans. By investing in a wider range of assets, ARCs can reduce their exposure to any single sector or type of asset. Different asset classes have different risk-return profiles. By investing in a variety of assets, ARCs can potentially achieve higher returns than if they were limited to corporate loans. The expansion into new asset classes gives ARCs access to a larger pool of potential investments, which can fuel their growth and profitability. ARCs have also increased their focus on acquiring stressed assets in sectors such as real estate, retail, and infrastructure, which further expands their growth potential.
- *Supportive Regulatory Environment:* The SARFAESI Act of 2002 pertains to the securitization, reconstruction of financial assets, and enforcement of security interest. The legal foundation for ARCs to purchase distressed assets from banks and other financial institutions is provided by this act. Additionally, it gives them the authority to uphold the security interest affixed to these assets, enabling speedier settlement and recovery.
- *Bankruptcy and Insolvency Code (IBC), 2016:* A thorough framework for handling corporate insolvency in India was established by this code. Asset Reconstruction Companies (ARCs) are vital in the resolution process, acting as resolution applicants or buyers of assets. The Insolvency and Bankruptcy Code (IBC) improves the predictability and efficiency of recoveries, offering ARCs a clear and timely process for resolving insolvencies.
- *The regulatory framework facilitates the creation of a secondary market for distressed assets,* which allows ARCs to sell assets more easily and recycle capital for further investments. Even with a regulatory environment that is favourable, ARCs still have to contend with issues such as limited access to funding, competition from other firms dealing with distressed assets, and the ongoing necessity to enhance the legal and regulatory framework.
- *Growing Investment Interest:* Investors can earn large profits by purchasing and managing distressed assets. As the number of non-performing assets (NPAs) continues to rise, Asset Reconstruction Companies (ARCs) present opportunities for returns that surpass those of traditional investments. This sector is especially appealing to private equity firms and high-risk investors. Improvements in data analytics and technology are enhancing the evaluation and management of assets, which in turn increases investor confidence through improved recovery rates. Supportive regulations, a growing pool of assets, and attractive returns are fuelling interest in ARCs. This influx of capital is expected to improve the resolution of distressed assets and bolster financial stability.

### ***Outlook***

ARCs play a crucial role in the infrastructure sector for asset resolution and financial reform in India. The development of ARCs in India has been marked by phases of strong growth and stagnation in terms of assets under management and the number of loan accounts handled. The phases of crests and trough were partly driven by the changing macroeconomic conditions and largely by developing regulatory environment. The Reserve Bank's regulatory changes are aimed towards strengthening the ARC industry, ensuring genuine sale of NPAs by banks, enhancing the involvement of ARCs in the process of resolution, and deepening the market for SRs, among others.



The asset quality of SCBs recorded sustained improvement and their GNPA ratio declined in Mar'25 to a record low. Their NNPA ratio too has improved to a record low. This implies that ARCs managed the banking industry's stressed assets. Additionally, in terms of untapped potential, ARC's can continue to improve to help banks in reducing non-performing assets.

Eventually, factors such as regulatory transparency, higher stream of stressed assets, Government initiatives and potential for greater returns in India vis-à-vis returns received from global stressed assets are likely to work in favour of the Indian stressed assets market.

The development of a vibrant distressed assets market is key to growth as market participants are currently reliant on loans from banks and the corporate bond market, which is underpenetrated at present. On part of banks, a sound distressed assets market by way of asset reconstruction companies will ensure freeing up on bank capital which will enable banks to grow their loan book. Additionally, the presence of ARCs will alleviate the burden of debt collection from banks, reducing the resources needed for that purpose.

## OUR BUSINESS

*Unless otherwise stated, references in this section to “we”, “our” or “us” (including in the context of any financial information) are to the Company and its Subsidiaries, and to the extent is accompanied by financial information, such information is included on a consolidated basis. Some of the information in the following section, especially information with respect to our plans and strategies, contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections “Forward Looking Statements”, “Risk Factors”, and “Financial Information” on pages 17, 19 and 214, respectively of this Prospectus. Additionally, please refer to section titled “Definitions and Abbreviations” on page 1 for the definition of certain terms used in this section. Unless otherwise indicated or unless the context otherwise requires, the financial information included herein is derived from our Annual Financial Statements as included in this Prospectus. Our fiscal year ends on March 31 of each year and references to a particular fiscal year are to the twelve months ended March 31 of that year.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “Research Report on Financial Services Industry” dated June 12, 2025 (“CAAPL Research Report”) prepared and issued by Care Analytics and Advisory Private Limited, appointed by us and exclusively commissioned and paid for by us in connection with the Issue. CAAPL has used various primary and secondary sources including government sources as well as international agencies to prepare the report. The data included herein includes excerpts from the CAAPL Research Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CAAPL Research Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For further details and risks in relation to the CAAPL Research Report, see Risk Factors No. 54 titled ‘Certain facts and statistics are derived from publications not independently verified by us, the Lead Managers or its respective advisors’. The CAAPL Research Report is not exhaustive and is based on certain assumptions, parameters and conditions. The data and statistics in the CAAPL Research Report may be inaccurate, incomplete or unreliable.” Please refer to “Industry Overview” on page 111 of this Prospectus.*

### Overview

The Issuer, Edelweiss Financial Services Limited (“EFSL”), was incorporated on November 21, 1995 under the name Edelweiss Capital Limited and started operations as an investment banking firm after receipt of a Category II license from SEBI. Edelweiss Capital Limited subsequently received a Category I Merchant Banker license from SEBI with effect from October 16, 2000. The name of Edelweiss Capital Limited was changed to ‘Edelweiss Financial Services Limited’ with effect from August 1, 2011. EFSL also act an Investment Manager of Edelweiss Multi Strategy Investment Trust (the “Fund”), a Category III Alternative Investment Fund registered with SEBI.

EFSL was listed in December 2007 under the symbols NSE: EDELWEISS, BSE: 532922, Reuters: EDEL.NS and EDEL.BO and Bloomberg: EDEL IS and EDEL IB. Our Corporate Identity Number is L99999MH1995PLC094641.

After commencing the business as an investment banking firm, the Issuer, through its subsidiaries has diversified its businesses to retail and corporate credit, mutual fund, alternative asset management, asset reconstruction, life insurance and general insurance businesses. We believe that our focus on product innovation and a seamless customer experience has helped expand our retail footprint to approximately ~9.73 million customers. Our research driven approach and consistent ability to capitalise on emerging market trends has further enabled us to foster strong relationships across client segments including corporates, institutions (both domestic and international), high networth individuals and retail clients.

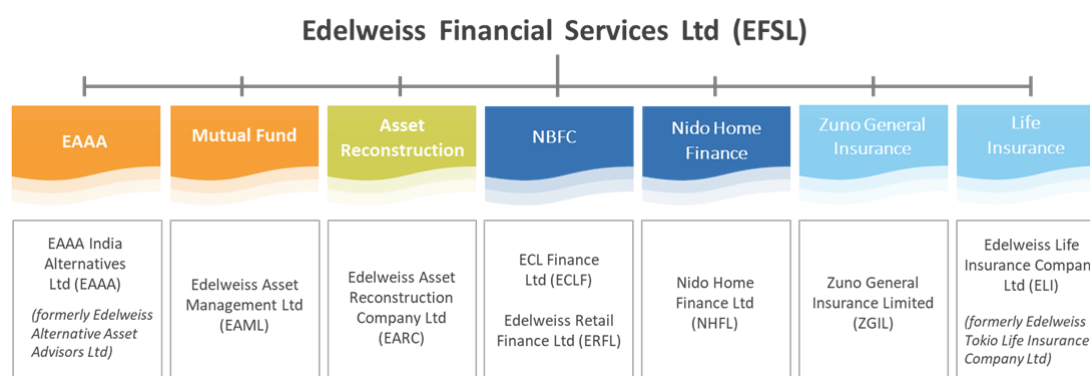
We have a pan-India and international network with 252 (two hundred and fifty-two) domestic offices, and 3 (three) international offices (total 255 offices) and employed 5,612 as at March 31, 2025.

The total income of the Issuer was ₹ 86,325.91 million for the year ended March 31, 2023, ₹ 96,015.75 million for the year ended March 31, 2024, ₹ 95,187.14 million for the year ended March 31, 2025, on a consolidated basis. The profit attributable to owners of the Issuer was ₹ 3,441.63 million for the year ended March 31, 2023, ₹ 4,207.00 million for the year ended March 31, 2024 and ₹ 3,988.30 million for the year ended March 31, 2025, on a consolidated basis. The total income of the Issuer was

₹ 3,834.14 million and the profit/(loss) of the Issuer was ₹ (519.08) million, on a standalone basis for the year ended March 31, 2025, respectively. We believe that our diversified business strategy has improved the resilience of our business model across economic cycles. We constantly pursue innovation and invest in new ideas, newer products and newer alternate channels of delivery. We seek to add significant value by providing new and innovative products and services and are committed to focusing on six key vectors in our journey into the future – people management, cost management, risk management, technology, customer experience and innovation – while adhering to our business principles – which emphasise placing our clients’ interests first, commitment to excellence and innovation and teamwork.

## Our Group Structure

Our group comprises 26 subsidiaries as at March 31, 2025. Our principal business lines and major subsidiaries engaged in those business lines are as follows:



## Our Strengths

We believe that the following strengths position us well for continued growth:

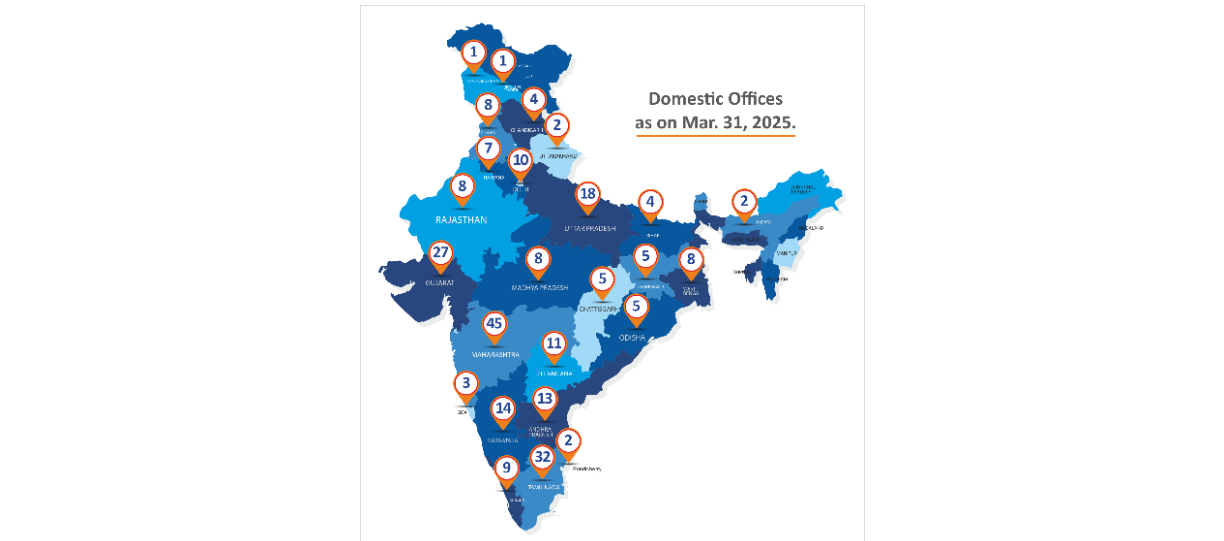
### *Diversified business model*

We have grown from a capital markets advisory business to a diversified financial services group engaged in businesses of asset management (alternatives and mutual funds), insurance (general and life insurance), asset reconstruction, credit (micro, small, micro enterprises and mortgages). We believe that our diversified service platform allows us to leverage relationships across various lines of businesses, thereby increasing our ability to garner repeat business and cross-sell our products and benefits from customer reference. We believe that in the long run our diversified business model provides multiple vectors for growth, delivers consistent growth and profitability, helps manage short-term volatility in the business cycle, affords us the ability to calibrate growth in line with favourable macro and micro-economic market conditions, and provides us with multiple avenues for deployment and growth of our human capital.

We believe that our successful diversification of our businesses, asset classes, client segments and geographies have gradually increased the scale and/or profitability of businesses, as well as the stability and sustainability on our overall group performance.

### *Pan-India distribution network*

Our pan-India and international network spanned across a total of 255 offices (including 252 domestic offices and 3 international offices) as at March 31, 2025.



Map is not according to scale and is only for illustration purposes.

extensive network enables us to acquire more customers, particularly for our retail businesses such as our retail credit, asset management and insurance businesses, where increased profitability and ROE are based upon increased scale of business.

*quately capitalised*

credit business operating under our NBFC and HFC licenses and are subject to the capital to risk assets ratio (“**CRAR**”) requirements prescribed by the RBI. Further, our ARC business also operates under the NBFC license. We are currently required to maintain a minimum 15% CRAR in respect of our NBFC subsidiaries under the prudential norms prescribed by the RBI SBR Framework Master Directions. Under the prudential norms prescribed by the RBI pursuant to the RBI’s Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (as amended, modified, supplemented, from time to time) we are required to maintain in respect of our HFC a minimum of 15% as prescribed under the prudential norms of the RBI based on our total capital to risk weighted assets. We generally maintain a CRAR higher than the minimum that is prescribed by the RBI as applicable.

the parent company of the group, EFSL, is currently not subject to any minimum CRAR requirements, the CRAR for our NBFCs (NBFC-middle layer and above under the RBI SBR Framework Master Directions) in our Credit and Asset Restructuring business, as at March 31, 2025, March 31, 2024 and March 31, 2023 on standalone basis are as under:

Name of the NBFC	Minimum Regulatory CRAR	CRAR as at March 31, 2025	CRAR as at March 31, 2024	CRAR as at March 31, 2023
ECL Finance Limited	15%	32.62%	40.68%	30.84%
Edelweiss Retail Finance Limited	15%	34.63%	57.44%	72.25%
Nido Home Finance Limited (HFC) Total Capital Ratio	15%	33.60%	39.05%	32.06%
Edelweiss Asset Reconstruction Company Limited	15%	90.46%	60.33%	49.23%

### *sified funding profile*

current funding requirements are predominantly sourced through the issuance of redeemable non-convertible debentures and through credit facilities from banks. We have accessed funds from multiple classes of credit providers, including nationalised banks, private Indian banks, mutual funds and other NBFCs. We believe that we have developed stable long-term relationships with our lenders and established a track record of the timely servicing of our debts. Our Total Borrowings on a consolidated basis were ₹ 2,17,360.48 million as at March 31, 2023, ₹ 2,02,484.18 million as at March 31, 2024, and ₹ 1,78,745.14 million as at March 31, 2025, out of which ₹ 56,185.80 million were to mature in less than a year. Our Total Borrowings on a standalone basis were ₹ 30,724.42 million as at March 31, 2025.

### ***Improving asset quality with strong internal control and risk management systems***

We believe that we have the necessary internal controls and risk management systems to assess and monitor risks across our various business lines. Our risk management systems function through an independent department concerning accounts and operations at each business unit and a dedicated risk management team. We seek to monitor and control risk exposure through a variety of separate but complementary financial, credit and operational reporting systems.

We believe that our business processes ensure independence of functions and a segregation of responsibilities. Legal and technical verifications include collateral valuation, title search, document verification, fraud and KYC verifications, personal meetings with clients and internal review before the disbursement of loans. Our processes have been standardised with the objective of providing high quality of service and ensuring efficiency, and to facilitate integration of our workforce, processes and technology. Each of our key business processes is regularly monitored by the respective business or operations head.

The asset quality of the overall credit book held by our three credit entities has continued to be under control with gross NPA for our three credit entities were 2.31%, 1.85%, and 2.01% of our gross advances as at March 31, 2025, March 31, 2024 and March 31, 2023, respectively. Our net NPA for our three credit entities were 1.70%, 1.29% and 1.36% of our gross advances as at March 31, 2025, March 31, 2024 and March 31, 2023, respectively.

### ***Strong Edelweiss Brand***

We believe that Edelweiss today enjoys a strong brand franchise in the financial services space backed by a reputation for consistent focus on execution and innovation. We have sought to carve a distinct brand identity which, help us to increase awareness and consideration amongst our customers.

### ***Effective use of technology***

We have high technology adoption in our businesses. In our alternatives business, investment monitoring for our infrastructure investments is done remotely on a real time basis via a digital control centre. Our mutual fund business website has one of the quickest investor transaction journeys; thereby improving customer experience and aiding digital customer acquisition. Our general insurance business is one of the early adopters of cloud native general insurance platform and has remote surveys for motor claims. Further, amongst the few insurance companies to have successfully completed Ayushman Bharat Digital Mission integration and launched telematics enabled “usage based” insurance with Switch 2.0 – ‘Pay as you drive and pay how you drive’ motor insurance.

We also have a customised platform for loan origination and credit underwriting for some of our products in retail credit, which provides our credit officers with basic scorecards generated by the platform, to judge the creditworthiness of an individual. The platform generates scorecards after considering all factors, including an external credit rating (CIBIL), salary or income details and other asset details. This platform is also linked to a de-duplication system, which provides access to a customer’s credit history and record. We believe that our customer service initiatives coupled with our use of technology has helped us enhance our recognition and secure both new and repeat business in our retail operations.

### ***Strong management and distinctive people and culture***

Our most important asset is our people. We seek to consistently reinforce our management strength and experience through strong corporate governance and our employees’ commitment to our business through recruitment, training a performance review and compensation system that emphasises teamwork. Our Senior Management has extensive experience in the banking and financial services sector and most of them have been with our group for a number of years, providing stability in our Senior Management leadership. Further, each of our businesses is supported by a dedicated team of managers with specialised professional expertise.

We believe the strength of our Senior Management team helps us in implementing policies and processes that ensure healthy credit quality and high standards of work ethic and that our current management structure allows scalability. Our Senior Management seeks to maintain a strong focus on corporate governance.

## **Our Strategies**

### ***Diversify our portfolio of products, increasing group retail exposure and footprint our business***

We intend to continue to diversify and expand our product portfolio to cater to the various financial needs of our customers and increase the share of income derived from the sale of financial products and services. Our businesses provide a diverse bouquet of solutions of asset management (alternatives and mutual fund), insurance (general and life insurance), asset reconstruction and credit (micro, semi and medium enterprises, and mortgages) to our clients, enabling and supporting them on their financial journeys. We intend to leverage our brand and office network to develop complementary business segments and become the preferred provider of financial products – a one-stop shop for our customers' financial needs. Offering a wide range of products also helps us to attract more customers and to increase our scale of operations.

We intend to focus on high growth and dispersed risk-retail lending and to continue to grow our presence in high growth segments such as Retail Mortgages and SME loans. We expect our retail business to provide opportunities to achieve economies of scale and intend to diversify our risk across geographies, industries and collaterals. The group focus will be on scaling up retail focused businesses of asset management, insurance and credit to SME and mortgage segments. In line with this strategy, the stated priority of the group has been to reduce our wholesale exposure and increase our banking partnerships for an asset light model of retail lending.

Our asset management businesses which include our mutual fund and alternative business have grown significantly, with their customer assets to ₹ 20,13,704.31 million as on March 31, 2025. Our mutual fund business has been one of the fastest growing amongst the top 15 AMCs in the industry. We are one of the dominant player in the alternative asset management segment with our alternatives AUM crossing ₹ 5,96,289.24 million as on March 31, 2025. We continue to grow our presence in high growth segments such as retail mortgages and SME loans.

We expect that our diverse revenue stream will reduce our dependence on any particular product or business, which will enable us to spread and mitigate our risk exposure to any particular industry, business, geography or customer segment aiding to as also to reduction in volatility of our performance.

We expect that our complementary businesses will allow us to offer new products to existing customers while also attracting new customers. We also expect that our knowledge of local markets will allow us to diversify into products desired by our customers, differentiating us from our competitors.

We have witnessed a robust growth in our customer franchise over the last couple of years. As on March 31, 2025, our customer reach was at ~9.73 million which is approximately 44.90% YoY growth of customer reach. We see the retail segment as a key driver in our future growth and hence are recalibrating our group to increase retail footprint.

### ***Focus on efficient allocation of capital***

We will actively seek growth opportunities in the businesses in which we operate as well as in new businesses that we see as potential areas of growth and value creation. These opportunities can take various forms, including acquisitions, mergers, demergers, stake sales, joint ventures and strategic investments. We will continue to seek both organic and inorganic growth opportunities and pursue these where we see the ability to add value for our various stakeholders and also grow our footprint across the businesses we operate in.

Focus on capital efficiency is at the core of asset light strategy which we intend to pursue going ahead. We are moving towards a capital light model for our retail credit business by collaborating with banks (co-lending, on-lending, co- origination and securitisation) and down selling. We believe the partnership led models such as co-lending will improve efficiency of capital utilised and help grow overall asset under management.

### ***Continue to leverage our large customer base and diversified business platform***

We intend to continue to leverage our customer base by selling products across different business segments. As on March 31, 2025, our customer reach was at ~9.73 million which is approximately a 44.90% YoY growth of customer reach; a testament to the high quality product and customer experience provided by the group's businesses.

Going ahead our increasing focus will be to leverage our large customer base and to build momentum for cross selling which will further enhance our strategy for providing a one-stop shop for our customers' financial needs. Our focus also has been on increasing our partner network in insurance businesses to provide an ecosystem approach to the customer to various ancillary services and in retail credit to help improve our product offering and risk-based pricing using technology enabled underwriting.

### ***Continue to improve productivity, reduce risks and decrease costs***

With an aim to improve operational performance, streamline service delivery and build long term cost efficiencies various projects have been undertaken to improve business independence. We have successfully unbundled various central operations to the underlying businesses which aid the businesses to choose the best service at the best cost suited for their specific business requirement aimed at reducing long term cost overheads.

Even as a group, our aim was to reduce structural complexity and rationalise entities to build an optimum group operating structure which aids the long-term cost rationalisation process.

For effective governance, risk mitigation and operational oversight on our businesses, various governance structures have been created to review operating performance, monitor risk and consult on improving profitability of the underlying businesses.

### ***Continue to attract, train and retain talented employees***

We believe a key to our success will be our ability to maintain a healthy mix of experienced and young professionals. We have been successful in building a team of skilled and talented professionals with relevant experience, having expertise in credit evaluation, risk management, retail consumer products, asset management, actuarial sciences, treasury, technology and marketing. Recruitment is a key management activity and we intend to attract graduates from premier Indian business schools as well as employees with relevant experience. We also focus on employee retention and utilise various programs to motivate employees and maintain employee satisfaction including employee long term incentives, adequate vacation days, maternity/ paternity leave, hybrid working and sabbaticals for long-term employees.

## **Brief Highlights of our Businesses**

***Brief highlights of our diversified businesses including their business performance are as under:***

### **Asset Management Business**

Our asset management business consists of our mutual fund and our alternatives business. The businesses have grown significantly with our total assets under management in our Asset Management business being ₹ 20,13,704.31 million, ₹1,820,703.05 million and ₹ 1,522,204.74 million, as at March 31, 2025, March 31, 2024 and March 31, 2023, respectively.

#### **Mutual Fund**

Edelweiss Mutual Fund business is the 13th largest in the country and continues to be among the fast-growing AMCs in the industry. The business manages an AUM of ₹ 14,17,415.07 million as on March 31, 2025, under 63 schemes across categories. Overall MF Equity assets under management witnessed a growth of ~43% Y-o-Y in FY25 with ₹ 6,25,461.79 million in assets with a market share of 1.53% as on March 31, 2025. The business caters to 25,54,536 active folios as on March 31, 2025.

Edelweiss Mutual Fund has been recognised and awarded as, 'Morningstar awards – Best Asset Manager & Mid Cap Fund of the year March 2025'.

### *Alternative Asset Management*

Our alternative assets business focuses on offshore and onshore institutional investors and UHNI funds in strategies of special situations, structured debt, real estate credit and infrastructure yield. Our alternative asset business operates a diversified, multi-strategy platform, in large, under-tapped and fast-growing alternative asset classes, focusing on providing income and yield solutions to our clients.

Our total asset under management was ₹ 5,96,289.24 million, ₹ 546,789.35 million and ₹ 4,64,266.14 million at the end of Fiscal 2025, Fiscal 2024 and Fiscal 2023, respectively.

### **Asset Reconstruction Business**

Our asset reconstruction business, managed through Edelweiss Asset Reconstruction Company Limited (EARC), seeks out distressed assets and businesses and combines our financial turnaround expertise with our ability to provide working capital through bridge loans and priority funding to streamline business operations and improve profitability. We believe we have created an expert advisory board of leaders from across sectors like steel, power and infrastructure to help us implement best practices in our portfolio companies. We employ a combination of resolution strategies to distressed assets that can be broadly categorised as follows:

- *Revival* – since we target investment in potentially viable companies, revival and business turnaround is amongst the foremost business strategy that we utilise.
- *Negotiated Settlement* – we utilise this strategy by employing an independent view on achievable return to seek quick and amicable resolution of assets with limited effort.
- *Enforcement* – where revival has failed and negotiations for settlement are inconclusive, we utilise the benefits available under SARFAESI Act and other statutes to enforce secured assets in an ethical and structured manner as prescribed in the Act.

We target investment in distressed assets with clear potential for business revival and having focused and dedicated promoters of high integrity and/or potential for asset sale. We also target investments in distressed assets that do not have any material barriers for legal enforcement.

Our assets under management in the asset reconstruction business were ₹ 1,47,413.82 million, ₹ 3,15,917.20 million and ₹ 3,73,857.21 million as at March 31, 2025, March 31, 2024 and March 31, 2023, respectively. EARC has partnered with multiple banks/NBFCs backed by our expertise on resolution of stressed assets. EARC has been able to recover more than ₹ 57,301.81 million in Fiscal 2025, ₹ 94,164.16 million in Fiscal 2024 and ₹ 75,295.42 million in Fiscal 2023.

### **Insurance Business**

Edelweiss expanded its addressable retail markets by launching life insurance business during 2011. We completed our insurance offering by entering general insurance business in Fiscal 2018.

### **Life Insurance Business**

Edelweiss Life Insurance Company Limited (“**Edelweiss Life**”) (formerly Edelweiss Tokio Life Insurance Limited) established nationwide operations in July 2011 with an immovable focus on protecting people’s dreams and aspirations.

Our life insurance business has also expanded its distribution footprint across India and had 103 branches in around 84 cities as on March 31, 2025.

The company (Edelweiss Life) operates under a life insurance license issued by IRDAI. It had equity of ₹ 9,341.72 million as on March 31, 2025. It issued approximately 50,000 individual policies by end of March 31, 2025. The company (Edelweiss Life) had a distribution presence through its 103 branches and ~72,800 personal financial advisors (PFAs) as on March 31, 2025.



The Gross Premium income in March 31, 2025, was ₹ 20,863.22 million and ₹ 19,259.37 million as on March 31, 2024 with a growth of about 8% YoY. The collected Individual Annualised Premium Equivalent (APE) was at ₹ 5,748.52 million in financial year ended March 31, 2025, and ₹ 5,142.06 million as on March 31, 2024. The total assets under management as on March 31, 2025, was ₹ 93,720.40 million, and as on March 31, 2024 was ₹ 79,897.40 million. The 13th month persistency ratio on premium basis is at 70.80% for the period ended March 31, 2025, and 77.60% as at March 31, 2024. The Embedded Value of the business, calculated on market consistent basis, stands at ₹ 21,860 million as on March 31, 2025.

The company's Solvency Ratio – calculated on the basis of IRDAI norms applicable to insurance companies – was 181% as on March 31, 2025, 179% as on March 31, 2024 and 220% as on March 31, 2023. Our solvency ratio has been consistently well above the required 150%.

We believe that a younger demographic, a rising life expectancy, and an absence of effective social security coverage create a strong case for the longer-term growth potential of insurance products in India. To realise on this long-term potential, we continue to invest to increase the scale of our Life Insurance business.

Edelweiss Life is focused on differentiating itself by being customer centric and enhancing customer experience driven by technology. It follows a prioritized need-based sales methodology that puts the customer at the centre of solution design and business processes. The customer centric approach of the business translates into product design, building customer-oriented internal systems and processes and sales and service approach, which enables us to build long lasting relationships.

Edelweiss Life has consistently been recognized by industry forums for its diverse capabilities, as is evident from the following accolades:

- Recognized as Great Place to Work for 5 consecutive years
- Among Top 50 Workplaces Building a Culture of Innovation for All in 2025
- Certified ISO 27001:2022 (Information Security Management System)
- MD & CEO of Edelweiss Life recognised as 'India's Most Trusted Leader 2024' by The Great Place To Work Institute
- NASSCOM tech for good awards 2024 for Innovative use of Tech (Insta Issuance - Bolt)
- FICCI Insurance Awards 2024 for Best CSR Initiative (Organ Donation Campaign)

#### *General Insurance Business*

Edelweiss strengthened its retail foray and increased the breadth of solutions offered to customers, both corporate and individual, with the launch of general insurance business in February 2018 through its 100% owned subsidiary Zuno General Insurance Limited (“**ZGIL**”).

It focuses on bringing out new and innovative solutions for its clients. Further, there is impetus on investing in ecosystem partnerships and leveraging technology to deliver superlative customer experience. Our general insurance business was First to launch telematics enabled “usage based” Insurance with Switch 2.0 – *India's First 'Pay as you drive and pay how you drive' motor Insurance*.

Our general insurance business is one of the early adopters of everything cloud native -be it Insurance Core, the APIs or the digital applications. They together facilitate real time policy issuance from website and OEM partners. We also enable 24x7 Motor Claims intimation via AI BOTS and Video surveys for motor claims assessments. Our mobile application supports mobile telematics based Zuno Driving Quotient for improved driving behaviour among other customer-centric services.

ZGIL had equity of ₹ 3,239.02 million, for the Fiscal 2025 and has approximately reached 7 million+ customer for the Fiscal 2024. ZGIL had issued 5,95,111 policies for the Fiscal 2025 and 4,30,126 policies in Fiscal 2024, and operates through 9 offices as of March 31, 2025.

ZGIL generated Gross Written Premium (“GWP”) of ₹ 10,121.91 million, ₹ 8,509.70 million, and ₹ 5,517.39 million for the year ending March 31, 2025, March 31, 2024 and March 31, 2023, respectively.

ZGIL’s loss after tax was ₹ 479.94 million, ₹ 1,228.19 million and ₹ 1,254.87 million, for Fiscal 2025, Fiscal 2024 and Fiscal 2023, respectively. ZGIL’s Solvency Ratio – calculated on the basis of IRDAI norms applicable to insurance companies – was 158%, 172% and 180% as on March 31, 2025, March 31, 2024 and March 31, 2023, respectively.

We believe that we have developed strong capabilities to build the scale of our business in the financial services and general insurance markets, and that these capabilities can be leveraged to build the scale of our business in the general insurance market. Our emphasis has been on strengthening revenues and improving our service footprint by expanding our partner network which includes garages, hospitals, OEM’s and new-age digital players. We have also tied up with technology partners to bolster our efforts towards providing a superlative customer experience.

General Insurance covers multiple product categories and the key risks relate to parametric risks wherein we price our insurance products based on various assumptions and estimates relating to, among other factors, benefits, claim frequency and claim severity etc. In addition to delivering innovative solutions and enhancing customer experience, we are committed to operational excellence through our digital platform, leveraging data analytics and nuanced underwriting. We are proud to have won top awards for our product innovation and technology adoption efforts given by eminent industry consortiums and platforms.

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

Our commitment to innovation and digital advancement in insurance has earned recognition across esteemed award forums including the categories: (i) Best Branded Engagement Campaign using Gamification by MarTech Excellence Awards 2024; (ii) E4M Golden Mikes for Best On-Ground Promotion by Brand & Radio Network; (iii) Most Preferred Workplace 2024-25 (Markman Daily in collaboration with India Today & Business Standard); (iv) Best Employer Brand By World HRD Congress, Tech Excellence in IT Cost Control, and National excellence awards (Best Product Innovation for Zuno EV Add-on cover under GI category, Innovative Product Award for Zuno Health Plus). We continue to win awards across categories in multiple industry forums, adding a total of 15 awards in FY25.

## **Credit Business**

Our Group’s credit business is a mix of diversified and scalable businesses. It consists of retail and corporate credit. The retail credit segment offers mortgages including home finance, retail construction finance and loan against property, SME finance. We have considerably reduced our wholesale credit book will continue to sell-down for an eventual exit.

We seek to increase the size of our retail credit book in an asset light model by collaborating with Banks (primarily through co-lending, on-lending, co-origination and securitization) and grow the loan book in a balanced risk efficient manner. We also emphasize prudent financing criteria, strong risk management and a conservative collateral coverage ratio in order to achieve a low rate of Gross NPA and Net NPA in our retail credit business. We believe that the Government’s initiatives to increase digitization of public services will result in increased financial inclusion and home ownership among the Indian population and are supportive of our Credit business and we consistently seek to leverage technology to improve consumer access and increase retail use of our credit products and services.

### ***Retail Credit Business***

Our retail credit businesses operate under ECL Finance Limited (“ECLF”) and Edelweiss Retail Finance Limited (“ERFL”), NBFCs and Nido Home Finance Limited (“NHFL”/“Nido”), an HFC, catering to a wide spectrum of individuals, high-net worth individuals (“HNI”) and affluent clientele, as well as lower income urban and rural customers (collectively, our “Retail Credit” business) and offers the following products:

### ***Retail Mortgage***

Our mortgages business caters to retail homebuyers and small business owners/self-employed clients. We provide a wide variety of products including construction finance, home loans, loan against property, small ticket home loans and small ticket loan against property. Our journey began in major metropolitan areas and tier 1 cities. We are now focusing on building small-ticket and affordable home loans in tier 2 and tier 3 cities, capturing the growing demand and opportunities in these regions. We prioritise home loans through developer tie-ups and participating in affordable housing programs. With our increased eligibility to obtain refinance from the National Housing Board at a reduced borrowing cost, we seek to grow this business with enhanced profitability.

Furthermore, our focus on the asset light, co-lending led credit strategy enables mobilise resources and free up equity capital for further growth in addition to yield optimisation on such loans. The collateral for retail mortgage products typically involves a pledge of residential or commercial property.

Nido Home Finance Limited had asset under management of ₹ 42,351.19 million and ₹ 39,618.37 million as on March 31, 2025 and March 31, 2024, respectively. The loan to value ratio in its home loans and LAP portfolio remained at a comfortable level.

### ***SME & Business Loans***

SME finance business is our key focus areas in retail credit and caters to the small and medium enterprises/businesses and highly scalable market. We offer secured and unsecured business loans to SMEs, addressing significant unmet demand that is not currently adequately serviced by banks and financial institutions and NBFCs are increasing their penetration of this sector. The collateral for secured SME loans is typically a pledge of residential or commercial property.

Retail MSME and other businesses had a gross loan book of ₹ 8,383.13 million as on March 31, 2025.

### ***Wholesale Credit Business***

Our corporate credit business (also referred to as wholesale lending) mainly comprised of wholesale mortgages and structured collateralised credit with a portfolio across Structured Finance (“SF”) and Real Estate (“RE”). In FY24, the company passed a resolution to exit the RE and SF business and reduce the underlying loan portfolio in the mid-term. Gross wholesale credit assets in ECLF stand at ₹ 3,074.78 million as on March 31, 2025. As per our stated strategy, we are working towards exiting our wholesale credit book completely.

### ***Asset Quality and Risk Management***

Gross Loans/ Gross Loan Book of ERFL was ₹ 3,310.98 million, ₹ 7,367.28 million and ₹ 5,648.05 million as at March 31, 2025, March 31, 2024 and March 31, 2023, respectively, on a standalone basis. Gross Stage 3 loans % and/or Gross NPA % of ERFL were 3.60%, 2.24% and 2.81% of the gross advances as at March 31, 2025, March 31, 2024 and March 31, 2023, respectively on a standalone basis. Net Stage 3 Loans % and/or Net NPA % of ERFL were 2.21%, 1.47% and 2.17% of the gross advances as at March 31, 2025, March 31, 2024 and March 31, 2023, respectively on a standalone basis.

Gross Loans/ Gross Loan Book of Nido Home Finance Limited was ₹ 32,436.78 million, ₹ 30,971.28 million, and ₹ 30,692.05 million as at March 31, 2025, March 31, 2024 and March 31, 2023, respectively on a standalone basis. Gross Stage 3 loans % of Nido Home Finance Limited were 2.17%, 1.46%, and 1.91% of the gross advances as at March 31, 2025, March 31, 2024 and March 31, 2023, respectively on a standalone basis. Net Stage 3 Loans % and/or Net NPA % of Nido Home Finance Limited were 1.77%, 1.19%, and 1.47% of the gross advances as at March 31, 2025, March 31, 2024 and March 31, 2023, respectively on a standalone basis.

Gross Loans/ Gross Loan Book of ECLF was ₹ 9,672.55 million, ₹ 13,217.36 million, and ₹ 38,645.09 million as at March 31, 2025, March 31, 2024, and March 31, 2023 respectively. Our Gross Stage 3 loans were 2.33%, 2.56%, and 1.96% of our gross advances as at March 31, 2025, March 31, 2024, and March 31, 2023, respectively. Our Net Stage 3 Loans % were 1.33%, 1.41%, and 1.16% of our gross advances as at March 31, 2025, March 31, 2024, and March 31, 2023 respectively.

We seek to maintain an average collateral value ratio in excess of two times the loan amount at the time of origination and maintain focus on asset quality and controlling underwriting costs. We believe that, as a result of our prudent risk management and strict underwriting policies, we have been able to manage the quality of collateral assets securing our corporate credit loans. Even when a loan is required to be classified as an NPA, we continue to hold a significant amount of collateral against such loans. We have also observed in the past that over-collateralisation acts as a disincentive for the borrower to default.

To mitigate concentration risk in the corporate credit book, we implement appropriate limits on exposure to a single borrower or a group or a sector or particular scrip taken as collateral etc. The single borrower and group borrower lending limits (SBL/GBL) comply with RBI directives for NBFCs. Industry. We monitor industry sector/scrip-wise exposures to avoid ensure building up any concentration.

We manage risk our Credit business through the 3 'C's framework - counterparty, collateral and cash flow.

- *Counterparty* – We assess the borrower's track record, relationship with our group, and ability to execute the project. We also analyse the borrower group's financial standing, assets and liabilities and cash flow and liquidity, and conduct a credit history and regulatory checks.
- *Collateral* – We evaluate whether it is a hybrid collateral pool or a ring-fenced structure and analyse ease of enforcement. We conduct a valuation based on both economic value and liquidity. We conduct an environmental analysis and follow-up with periodical post-disbursement monitoring.
- *Cash flow* – We analyse the fundamentals of the borrower's business performance and the collateral assets. We stress test cash flow analysis assuming both periodic and event-based scenarios. We employ escrow arrangements to ring- fence and control project cash flows wherever appropriate.

## **Our Lending Policies and Processes**

Our loan offerings cater to a broad cross-section of clients ranging from corporates to SMEs to individuals including rural population. The lending policies that we have in place are aimed at ensuring that risk management remains our focus and our loan portfolio remains of a high quality. We also maintain prudent provisioning and write-off policies in respect of our NPAs in line with regulatory requirements.

### ***Lending Policies***

Our lending products and policies are aligned to the specific needs of diverse categories of clients. To ensure this, each of our business segment maintains its internal credit policies and approval processes, which are aligned with our established risk evaluation criteria.

### ***Credit Processes***

We believe our business processes ensure complete independence of functions and a segregation of responsibilities. We believe our credit appraisal and credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. These verifications include collateral valuation, title search, document verification, fraud and KYC verifications, personal meetings with clients and audit before the disbursement of loans. Our standardised processes aim to deliver high quality of service and ensuring efficiency by integrating our workforce, processes and technology. Our key business processes are regularly monitored by the respective business or operations head. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

We believe that we have the necessary internal controls and risk management systems to assess and monitor risks across various business lines. These systems function through an independent department concerning accounts and operations and a dedicated centralised risk management team. We seek to monitor and control risk exposure through a variety of separate but complementary financial, credit and operational reporting systems.

### ***Collection & Recovery process***

We have built a robust infrastructure with specialised teams and a multi-channel approach for collections and recoveries. The efforts of the collection teams are strongly supported by our analytics team. A strong post-approval monitoring system help the collections team to identify early stress in accounts.

### **Capital to Risk Assets Ratio**

Our credit business is subject to the CRAR requirements as prescribed by the RBI or NHB, as applicable. We are currently required to maintain in respect of our NBFCs-ML a minimum of 15% as prescribed under the prudential norms of the RBI based on our total capital to risk weighted assets. We are also required to maintain in respect of our HFC a minimum of 15% as prescribed under the prudential norms of the RBI based on our total capital to risk weighted assets. As part of our governance policy, we maintain capital adequacy higher than the statutorily prescribed CRAR.

The table below sets out our CRAR for our key NBFC subsidiaries/HFC engaged in the credit business, which is computed on the basis of the applicable RBI/NHB requirements, as at the dates indicated:

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
<b>ECL Finance Limited</b>			
CRAR – Tier I capital (%)	23.28%	20.34%	15.82%
CRAR – Tier II capital (%)	9.34%	20.34%	15.02%
Total CRAR (%)	32.62%	40.68%	30.84%
<b>Edelweiss Retail Finance Limited</b>			
CRAR – Tier I capital (%)	27.33%	47.80%	58.25%
CRAR – Tier II capital (%)	7.30%	9.64%	14.00%
Total CRAR (%)	34.63%	57.44%	72.25%
<b>Nido Home Finance Limited (calculated as per Ind AS)</b>			
CET1 Capital ratio	33.60%	39.05%	32.06%
CET2 Capital ratio	0.00%	0.00%	0.00%
Total Capital Ratio	33.60%	39.05%	32.06%

### ***Liability Management***

We focus on meeting our funding requirements and managing short-term surpluses in a manner similar to that of a treasury of commercial banks. As a part of this process, we track daily cash flows and expected cash flows for near and medium term. We ensure maintenance of liquidity at group and entity level and its investment across different asset classes. Our sources of funding comprise credit facilities by way of term loans from banks, cash credits from banks, redeemable non- convertible debentures and money market borrowings. We raise funds from diversified sources and through a wide range of instruments in order to reduce our funding cost and maintain a large lender base. This assists us to raise resources at competitive rates, protect interest margins and maintain a diversified funding portfolio designed to achieve funding stability and liquidity. We believe that through our liability management operations, we maintain our ability to repay borrowings as they mature and obtain new loans at competitive rates. We seek to manage and maintain an optimum level of liquidity and comply with the prudent requirements of asset liability management. The objective is to obtain smooth functioning of all our operations and to avoid the holding of excessive cash. We maintain a balance between interest earning liquid assets and cash to optimise earnings. We actively manage our cash and funds flow by using various cash management services provided by banks. We also invest temporary surplus funds with liquid debt based mutual funds. Our investments are made in accordance with the investment policy approved by the Board. These responsibilities are now devolved at entity level to ensure compliance and efficiency.

### ***Asset and Liability Management***

Our business requires significant working capital and, accordingly, our day-to-day liquidity management is a critical function. We manage our liquidity and balance sheet to ensure that maturing liabilities are repaid smoothly. We also manage key components of balance sheet, monitor interest rate sensitivity in our portfolio and take pre-emptive steps to mitigate any potential liquidity risks and interest rate risks. We ensure that we maintain an adequate liquidity cushion to meet short-term obligations while continuing to meet long-term obligations as a going concern. As at March 31, 2025 our available liquidity, which includes unencumbered government bonds, mutual fund investments, bank fixed deposits, unutilised overdraft lines, sanctioned term loans from banks, exchange margin, and other high quality liquid assets which can be converted into cash in a short period of time if needed, was approximately ₹ 4,255.00 million which was ~23.80% of our borrowings on that day.

Our Asset Liability Management (the “**ALM**”)/Available Liquidity statement is prepared on a monthly basis to track our inflows and outflows. The ALM statement is placed before the asset liability management committee periodically. Since we have a mixed lending portfolio comprising short-term and long-term loans, we make efforts to match the maturity of liabilities with the maturity of assets. We structure the treasury assets to maintain sufficient liquidity, address the capital needs of the business and manage interest rate risks. We focus on enterprise-wide risk management to ensure optimum returns and capital preservation. These responsibilities are devolved at entity level to ensure compliance and efficiency.

We also seek to continue to reduce dependence on short-term money market borrowings, diversify our sources of borrowings and increase the proportion of our medium to long term borrowings. We have accordingly enhanced monitoring of our available liquidity and also continue to work on various sources to raise fresh funds.

Besides maintaining a liquid balance sheet, we continue to reduce dependence on market borrowings, diversify sources of borrowings, diversify the type of instruments through which we borrow and increase liabilities in the medium to long term buckets. We have reduced dependence on CP borrowings to 1.12 % of borrowings with the borrowings from NCDs and bank finance accounting for 98.88% of total adjusted borrowings at the end of Fiscal 2025. Overall share of borrowings maturing in less than one year and more than one year stands at 36.23% and 63.77 % respectively as at March 31, 2025.

All these steps have ensured that we continue to maintain positive gap in ALM through all time buckets, individually as well as at consolidated level and also maintain sufficient available liquidity.

### Key Operational Parameters

The consolidated profit/(loss) for the year attributable to owners of the Issuer was ₹ 3,988.30 million, ₹ 4,207.00 million and ₹ 3,441.63 million for the Fiscals 2025, 2024 and 2023, respectively.

The following table sets forth the Key Operational and Financial Parameters on a consolidated basis in respect of the Annual Consolidated Financial Statements:

<i>(₹ in million, unless otherwise stated)</i>			
Parameters	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
<b>Balance Sheet</b>			
Net Fixed assets (Refer Note I)	12,893.90	13,258.19	13,919.48
Total assets (Refer Note II)	4,16,225.04	4,29,195.71	4,40,642.67
Networth (Refer Note III)	41,142.64	44,255.44	63,815.93
Adjusted Networth (Refer Note III)	56,077.04	57,124.68	74,837.12
Total equity and liabilities (Refer Note IV)	4,16,225.04	4,29,195.71	4,40,642.67
<b>Profit and Loss</b>			
Total Income	95,187.14	96,015.75	86,325.91
Revenue from Operations	90,811.61	94,995.60	84,810.36
Other income	4,375.53	1,020.15	1,515.55
Total Expenses	87,170.94	91,641.75	83,796.60
Profit / (Loss) before tax	8,016.20	4,374.00	3,847.25
Profit/ (Loss) for the year	5,358.20	5,280.47	4,055.57
Other comprehensive income/(loss)	(7,731.39)	1,458.95	185.77
Total comprehensive income/(loss)	(2,373.19)	6,739.42	4,241.34
<b>EPS</b>			
(a) Basic	5.89	4.68	3.83
(b) Diluted	5.81	4.68	3.83
<b>Cash Flow</b>			
Net cash generated from / (used in) operating activities	20,517.54	28,935.77	17,198.88
Net cash generated from / (used in) investing activities	37,259.35	(4,815.81)	7,457.57
Net cash generated from / (used in) financing activities	(34,280.85)	(27,846.38)	(17,083.48)
Cash & Cash Equivalents as at the beginning of the year	23,732.18	27,458.60	19,885.63
Cash & Cash Equivalents as at the end of the year	47,228.22	23,732.18	27,458.60
Net (decrease) / increase in cash and cash equivalents	23,496.04	(3,726.42)	7,572.97

(₹ in million, unless otherwise stated)

Parameters	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
<b>Additional information</b>			
Cash and Cash Equivalents	47,228.22	23,732.18	27,458.60
Interest Income	26,900.30	28,537.93	29,458.64
Finance Costs	25,370.44	27,865.03	25,745.63

**I. Reconciliation Net Fixed Assets**

(₹ in million, unless otherwise stated)

Particulars	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
Investment property	1,266.23	1,550.67	1,822.13
Property, Plant and Equipment (including Right to use (ROU) assets	9,558.29	9,685.55	10,328.00
Capital work in progress	4.39	36.55	7.09
Intangible assets under development	180.50	324.65	240.60
Goodwill on consolidation	0	236.60	236.60
Other Intangible assets	1,884.49	1,424.17	1,285.06
<b>Total Net Fixed Assets</b>	<b>1,2893.9</b>	<b>13,258.19</b>	<b>13,919.48</b>

Note: Net Fixed Assets includes Investment property, Property, Plant and Equipment (including Right to use (ROU) assets, Capital work in progress, Intangible assets under development, Goodwill on consolidation and Other Intangible assets.

**II. Total Assets**

(₹ in million, unless otherwise stated)

Particulars	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
<b>Total Financial assets</b>	<b>3,65,402.93</b>	<b>381,993.73</b>	<b>396,248.42</b>
Cash and cash equivalents	47,228.22	23,732.18	27,458.60
Bank balances other than cash and cash equivalents	5,178.61	9,575.76	9,532.13
Derivative financial instruments	787.05	1,192.41	779.00
Trade Receivables	3,936.52	3,575.37	4,133.08
Loans	1,22,213.04	148,040.32	1,73,536.28
Investments	1,75,741.32	184,914.75	171,622.24
Other financial assets	10,318.17	10,962.94	9,187.09
<b>Total Non-financial assets</b>	<b>50,822.11</b>	<b>47,201.98</b>	<b>44,394.25</b>
Reinsurance assets	3,911.81	3,273.99	3,013.36
Current tax assets (net)	6,799.62	7,761.32	8,227.34
Deferred tax assets (net)	17,795.39	15,464.78	12,115.65
Investment property	1,266.23	1,550.67	1,822.13
Property, Plant and Equipment (including Right to use (ROU) assets	9,558.29	9,685.55	10,328.00
Capital work in progress	4.39	36.55	7.09
Intangible assets under development	180.50	324.65	240.60
Goodwill on consolidation	0	236.60	236.60
Other Intangible assets	1,884.49	1,424.17	1,285.06
Other non- financial assets	9,421.39	7,443.70	7,118.42
<b>Total Assets</b>	<b>4,16,225.04</b>	<b>429,195.71</b>	<b>440,642.67</b>

### III. Reconciliation of Networth and Adjusted Networth

(₹ in million, unless otherwise stated)

Particulars	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
Equity Share capital	921.40	898.89	898.38
Other equity	43,325.91	46,724.72	66,542.74
Less: Revaluation Reserve through Other Comprehensive Income	(3,104.67)	(3,368.17)	(3,625.19)
<b>Networth (A)</b>	<b>41,142.64</b>	<b>44,255.44</b>	<b>63,815.93</b>
Equity attributable to Non-controlling interest (B)	14,934.40	12,869.24	11,021.19
<b>Adjusted Networth (C=A+B)</b>	<b>56,077.04</b>	<b>57,124.68</b>	<b>74,837.12</b>

### IV. Total equity and liabilities

(₹ in million, unless otherwise stated)

Particulars	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
Derivative Financial Instruments	1,427.30	1,155.83	775.72
Trade Payables	12,596.59	16,739.87	14,122.16
Insurance claims payable	520.57	373.82	509.76
Debt securities	1,23,604.41	143,980.51	1,54,030.34
Borrowings (other than debt securities)	43,893.39	47,425.55	49,963.27
Subordinated Liabilities	11,247.34	11,078.12	13,366.87
Other financial liabilities (including Lease Liabilities)	54,662.42	53,290.79	54,070.45
Current tax liabilities (net)	915.58	364.14	249.21
Provisions	662.34	619.25	623.96
Policyholders' liabilities	9,6518.10	83,042.84	66,135.11
Deferred tax liabilities (net)	3,400.79	2,050.94	1,827.60
Other non-financial liabilities	7,594.50	8,581.20	6,505.91
Equity Share capital	921.40	898.89	898.38
Other equity	43,325.91	46,724.72	66,542.74
Equity attributable to Non-controlling interest	14,934.40	12,869.24	11,021.19
<b>Total Equity and Liabilities</b>	<b>4,16,225.04</b>	<b>429,195.71</b>	<b>440,642.67</b>

The standalone profit/(loss) of the Issuer was ₹ (519.08) million, ₹ 6,952.12 million and ₹ 23,882.47 million for the Fiscals 2025, 2024 and 2023, respectively.

The following tables sets forth the Key Operational and Financial Parameters on a standalone basis in respect of the Annual Standalone Financial Statements.

(₹ in million, unless otherwise stated)

Parameters	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
<b>Balance Sheet</b>			
Net Fixed assets (Refer Note I below)	185.61	6.96	10.34
Total assets (Refer Note II below)	87,459.45	88,789.13	1,07,185.86
Net Worth (Refer Note III below)	55,170.85	54,628.43	72,552.63
Total equity and liabilities (Refer Note IV below)	87,459.45	88,789.13	1,07,185.86
<b>Profit and Loss</b>			
Total Income	3,834.14	10,276.82	30,886.92
Total Revenue from operations	3,383.74	(1,391.27)	24,091.08
Other income	450.40	11,668.09	6,795.84



(₹ in million, unless otherwise stated)

Parameters	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Total Expenses	4,376.70	5,121.57	7,740.36
Exceptional Item	-	-	-
Profit before tax	(542.56)	5,155.25	23,146.56
Profit for the year	(519.08)	6,952.12	23,882.47
Other comprehensive income	(11.92)	(4.27)	0.33
Total comprehensive income	(531.00)	6,947.85	23,882.80
EPS			
(a) Basic	(0.57)	7.73	26.59
(b) Diluted	(0.56)	7.72	26.59
<b>Cash Flow</b>			
Net cash generated from / (used in) operating activities	(5,184.78)	(12,657.86)	(3,286.08)
Net cash generated from / (used in) investing activities	6,037.75	12,647.80	2,854.22
Net cash generated from / (used in) financing activities	(1,278.61)	(879.00)	(2,837.39)
Cash and cash equivalents as at the beginning of the year	461.03	1,350.09	4,619.34
Cash and cash equivalents at the end of the year	35.39	461.03	1,350.09
Net (decrease) / increase in cash and cash equivalents	(425.64)	(889.06)	(3,269.25)
<b>Additional information</b>			
Cash and Cash Equivalents	35.39	461.03	1,350.09
Interest Income	4,140.40	4,079.80	3,499.18
Finance Costs	3,441.25	3,268.90	3,027.37

## I. Reconciliation of Net Fixed Assets

(₹ in million, unless otherwise stated)

Particulars	As at		
	Fiscal 2025	Fiscal 2024	Fiscal 2023
Property, Plant and Equipment	6.11	6.96	10.34
Intangible assets under development	-	-	-
Other intangible Assets	179.50	-	-
Total Net Fixed Assets	185.61	6.96	10.34

Note: Net Fixed Assets includes Property, Plant and Equipment, and Other Intangible assets.

## II. Total Assets

(₹ in million, unless otherwise stated)

Particulars	As at		
	Fiscal 2025	Fiscal 2024	Fiscal 2023
<b>Total Financial assets</b>	81,803.39	83,192.36	1,03,018.89
Cash and cash equivalents	35.39	461.03	1,350.09
Bank balance other than cash and cash equivalents	10.70	9.48	39.17
Trade receivables	366.96	154.50	305.64
Loans	30,891.31	36,382.39	29,023.40
Investments	50,310.93	46,080.37	72,100.70
Other financial assets	188.10	104.59	199.89
<b>Total Non-financial assets</b>	5,656.06	5,596.77	4,166.97
Current tax assets (net)	598.93	826.03	1,143.22
Deferred tax assets (net)	3,887.56	3,803.28	1,895.05
Property, plant and equipment	6.11	6.96	10.34
Other intangible assets	179.50	-	-
Other non-financial assets	983.96	960.50	1,118.36
<b>Total Assets</b>	<b>87,459.45</b>	<b>88,789.13</b>	<b>1,07,185.86</b>

## III. Reconciliation of Networth

(₹ in million, unless otherwise stated)

Particulars	As on		
	Fiscal 2025	Fiscal 2024	Fiscal 2023
Equity Share Capital	921.40	898.89	898.38
Other Equity	54,249.45	53,729.54	71,654.25
<b>Networth</b>	<b>55,170.85</b>	<b>54,628.43</b>	<b>72,552.63</b>

#### IV. Total Equity and Liabilities

(₹ in million, unless otherwise stated)

Particulars	As on		
	As on Fiscal 2025	Fiscal 2024	Fiscal 2023
<b>Financial Liabilities</b>	31,761.09	34,078.56	34,600.98
Derivative financial instruments	0	-	-
Trade payables	198.91	3112.59	2,233.99
Debt securities	30,724.42	28,079.84	25,886.54
Borrowings (other than debt securities)	0	1,597.39	-
Other financial liabilities	837.76	1,288.74	6,480.45
<b>Non-financial Liabilities</b>	527.51	82.14	32.25
Current tax liabilities (net)	29.18	29.21	7.86
Provisions	4.11	4.00	9.31
Other non-financial liabilities	494.22	48.93	15.08
<b>Total Equity</b>	<b>55,170.85</b>	<b>54,628.43</b>	<b>72,552.63</b>
Equity Share Capital	921.40	898.89	898.38
Other Equity	54,249.45	53,729.54	71,654.25
<b>Total Equity and Liabilities</b>	<b>87,459.45</b>	<b>88,789.13</b>	<b>1,07,185.86</b>

#### Key Parameters of Edelweiss Retail Finance Limited

(₹ in million, except percentage)

Particulars	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Gross Stage III Loan (A)	119.09	165.00	158.46
Total Gross Loan (B)	3,310.98	7367.28	5,648.05
Gross Stage 3 % (A/B)	3.60%	2.24%	2.81%
Gross Stage III Loan	119.09	165.00	158.46
Less: Allowance for ECL on Stage III	47.12	56.64	35.68
Net Stage III (A)	71.97	108.36	122.78
Total Gross Loan	3,310.98	7,367.28	5,648.05
Less: Allowance for ECL on Stage III	47.12	56.64	35.68
Net Loan (B)	3,263.86	7,310.64	5,612.37
Net Stage 3 % (A/B)	2.21%	1.47%	2.17%

#### Key Parameters of Nido Home Finance Limited

(₹ in million, except percentage)

Particulars	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Gross Stage III Loan (A)	705.47	452.76	587.53
Total Gross Loan (B)	32,436.78	30,971.28	30,692.05
Gross Stage 3 % (A/B)	2.17%	1.46%	1.91%
Gross Stage III Loan	705.47	452.76	587.53
Less: Allowance for ECL on Stage III	133.93	82.57	138.63
Net Stage III (A)	571.54	370.19	448.92
Total Gross Loan	32,436.78	30,971.28	30,692.05
Less: Allowance for ECL on Stage III	133.93	82.57	138.63
Net Loan (B)	32,302.85	30,888.71	30,553.44
Net Stage 3 % (A/B)	1.77%	1.19%	1.47%

Note: The amount is inclusive of ECL allowance on loan commitments.

#### Key Parameters of ECL Finance Limited

(₹ in million, except percentage)

Particulars	As at and for the year ended March 31, 2025	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023
Gross Stage III Loan (A)	225.64	338.32	758.73
Total Gross Loan (B)	9,672.55	13217.36	38,645.09
Gross Stage 3 % (A/B)	2.33%	2.56%	1.96%
Gross Stage III Loan	225.64	338.32	758.73
Less: Allowance for ECL on Stage III	98.00	153.66	310.96
Net Stage III (A)	127.64	184.66	447.77
Total Gross Loan	9,672.55	13217.36	38,645.09
Less: Allowance for ECL on Stage III	98.00	153.66	310.96
Net Loan (B)	9,574.55	13,063.70	38,334.13
Net Stage 3 % (A/B)	1.33%	1.41%	1.16%

#### Our Credit Ratings

Credit Ratings for Edelweiss Financial Services Limited as on the date of this Prospectus:

Credit Rating Agency	Instruments	Ratings
ACUITE	Long Term NCDs	ACUITE A+/Rating watch with negative implications
Brickwork	Long Term SPs	BWR A+/Stable
Brickwork	Long Term NCDs	BWR PP-MLD A+/Stable
CARE	Long Term NCDs	CARE A/Stable
Crisil	Long Term SPs	Crisil PPMLD A+ /Stable
Crisil	Short-term – Commercial Paper	Crisil A1+
ICRA	Long Term NCDs	ICRA A+ / Stable
Crisil	Long Term NCDs	Crisil A+/Stable
INFM	Short-term – Commercial Paper	IVR A1+

#### Our Business Approach

From advisory and investment banking services, we have grown by strategically focusing on synergistic diversification in complementary businesses, client segments, asset classes and geographies. Our strong focus on diversification has helped our group grow from being an investment banking advisory house into a credit and financial services institution.

We believe that knowledge, research and innovation have been the key drivers of our growth. We constantly pursue innovation, explore complementary businesses and invest in new business models. The core thinking that underlines each of our business decisions is to provide long-term value creation by building sustainable businesses while focusing on risk.

We believe that, over the years, we have demonstrated the ability to reinvent ourselves in response to evolving economic and business cycles. We believe that the element of adaptability and flexibility ensures our businesses identify opportunities, deal with dynamic economic situations and are equipped to leverage knowledge, experience and professionalism in dealing with new prospects.

As a diversified financial services company, we believe that we cater to all segments of society, as distinguished from largely mono-line financial services companies that are focused on one or two asset classes and narrowly defined customer segments, resulting to greater exposure to market cycles. Our businesses include retail credit, corporate credit, asset management, asset reconstruction and insurance. While our credit businesses, currently facing environmental headwinds, have provided us the steady growth and scalability in the past. We also believe that our insurance business is a long-term opportunity to create a stable source of growth.

### ***Growing our business***

Over the years, a key question that we have faced is what it takes to build a sustainable business. Having engaged in trying to build sustainable and quality businesses over the last 25 years, we now believe that building a business involves the management of four key vectors:

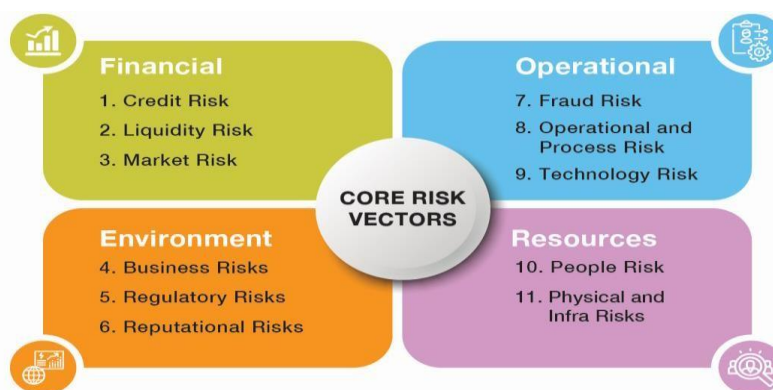
- **Customers** – Customer experience is a key component of the long-term growth of our business. Our brand building mission has been intensified by digitalisation and easy access of customers to our products. We have also increasingly enhanced our focus on customers with three new guiding principles added to our original list of ten, each of them focusing on customers.
- **People** – We believe that our people are critical to the mission of our group and human capital sets apart good companies from great companies. We believe that we have been fortunate to work with people who have not only proved to be valuable assets in driving our business and enterprise functions but equally adept at helping extend our core focus on people management to their own leadership teams.
- **Risk** – Managing risk and trading carefully is central to our mission and risk management has been a core focus since our inception for the growth of our business. By embedding risk management into the culture of the organisation, we have tried to ensure that the first line of defence starts with each individual and pervades throughout our organisation.
- **Cost** – Managing costs is not about cutting costs, but about calibrating costs to ensure that necessary balance between current and future spending and investment. We seek to continue invest in businesses and opportunities in order to build the scale of our credit and asset management and insurance businesses.

We seek to support our management with these four key vectors along with a high degree of technological penetration throughout our business operations.

### ***Risk management***

Our diversified financial services business activities are exposed to various risks that are either inherent to the business or have their genesis in changes in the macro-economic environment. The good risk management practices of the group have facilitated navigating through environmentally turbulent times. Respect for risk is an integral part of business at Edelweiss. The good risk management practices of the Group have facilitated navigating through environmentally turbulent times. Our Enterprise Risk Management (ERM) framework has helped us strategically benchmark our practices across different business lines to the desired levels.

We have also put in place an in-house “Eleven-risk framework” as under to formalize the process of assess, avoid, manage and mitigate risks across business verticals in a continuous manner.



A brief description of the risks we face is as under:

Risk Vector	Description
Business Risk	Risk of failure of strategy or execution or adverse change in environment or inability to innovate
Market Risk	Risk of loss resulting from adverse movements in market variables
Liquidity Risk	Risk of not being able to timely monetize an asset at a fair price; or inability to meet financial obligations
Credit Risk	Risk of loss due to inability or unwillingness of a counterparty to meet financial /contractual obligations
Operational & Process Risk	Risk of loss resulting from inadequate or failed processes, system controls or human negligence
Fraud Risk	Activities undertaken by an individual or entity in a dishonest or illegal manner for personal gains
Regulatory Risk	Risk of not adhering to the letter and spirit of laws and regulations leading to fines or other penal action
Reputation Risk	Risk arising from negative perception about the organization on the part of stakeholders
Technology Risk	Risk of loss due to technology failures such as information security incidents or service outages
Physical & Infra Risk	Risk of loss and people safety due to disruption of basic services/infra due to natural or manmade events
People Risk	Risk of not having the right people with the right skills/competencies at the right time to achieve business goals

A number of new initiatives have been taken in these eleven risk areas. For Regulatory risk, introduction of analytics to identify early warning signs has facilitated in effective implementation of pro-active mitigant measures along with compliance training programs to employees on policies and framework. For Operational & Process risk, all businesses have identified its critical as well as non-critical processes and thorough review of the standard operating procedures (SOPs) for all the critical processes.

Reputational risk has been factored in all business strategies and it is managed with effective crisis management approach and timely transparent response to all stakeholders. For Technology risk, significant progress has been made on IT security front to manage the risk emanating from the changing ecosystem.

The elaborate risk governance structure at Edelweiss includes Risk Committee of the Board of the listed company. In addition, key subsidiaries also have risk committee of their respective boards. At individual business level we have Investment Committees and Business Risk Groups to Access, Avoid, Manage and Mitigate various risks.

Our diversified businesses give us the opportunity to leverage parallel growth opportunities, while at the same time providing significant risk mitigation through reallocation of resources to address the prevailing economic environment. We have developed our business model over several years to reach a level of diversification where our profits are distributed across business segments thereby increasing the stability and sustainability in our operations.

### Human Resources

Employee inclusion and diversity are an important element at the heart of Edelweiss. As at March 31, 2025, approximately 26% of our employees are women out of a total of 5,612 employees.

We reinforce tenets that enable employees with different backgrounds, gender, ways of thinking, style of operating to work effectively together and holistically play to their strengths. A significant component of our value-based culture is commitment to acknowledge and appreciate the efforts of employees through extensive recognition programs.

We believe our human capital is one of our most important strengths and a key driver of growth, efficiency and productivity. We invest in developing our talent and leadership through various initiatives aimed at strengthening the ability of our managers to

bring together people, strategies, and execution to drive business results. We also have a leadership programme with the objective of multiplying leadership capability, developing internal leaders and ensuring seamless execution of our future growth. As at March 31, 2025, approximately 1.67% of our employees are in our centralised three-tiered leadership pool, comprising of Management Committee members, senior leaders and business leaders, each of whom undergo a structured engagement, communication and development programme during their membership period in the leadership pool.

### ***Corporate social responsibility***

We believe that corporate social responsibility program (“CSR”) is an important foundation of our business reputation. Our CSR is carried out through our philanthropic arm, the EdelGive Foundation (“EdelGive”). EdelGive’s mission is to leverage our resources with a view to empower social entrepreneurs and organisations towards achieving systemic change. EdelGive seeks to build a strong, efficient and high impact social sector by being the bridge between the users and providers of philanthropic capital and knowledge, by catalysing the exchange of ideas, skills, talents and resources among civil society, philanthropists, businesses and government.

Through EdelGive, we financially support, and also review and manage, our portfolio of non-profits and social entrepreneurs. We also provide philanthropists with investment advice customised for the non-profit sector, as well as analyses of outcomes of philanthropic investments and monitoring of individual programme milestones and broader social impact.

EdelGive follows a research-based approach while sourcing credible non-profits. Investment decisions are based on thorough due diligence of target beneficiary needs, aspects of sustainability and programme impact analysis. EdelGive’s objective is to select the best grantees as well as focusing on organizations that are addressing the most urgent and overlooked problems. EdelGive also attempts to signal other funders by taking the additional step of educating and attracting donors, especially those lacking expertise in the area, thus effectively improving or magnifying the return on a larger pool of philanthropic resources. EdelGive also endeavours to improve the performance of grant recipients by moving from the role of capital provider to fully engaged partner, thereby improving the grantee’s effectiveness as an organization.

EdelGive’s programme areas include social and economic empowerment of women (freedom from violence, access to legal justice, grassroots leadership, access to rights and entitlements and freedom from economic dependence), access to quality education (early childhood education, school transformation, and innovation and experimentation), and building resilient livelihoods (water for livelihood, skill and institution building, employability skill building and financial Inclusion - programmes that focus on the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society).

### ***Outsourcing***

We enter into outsourcing arrangements for non-essential functions with third party vendors for a number of our businesses and services required by us. These vendors provide services, which include, among others, software services, client sourcing, and call centre services. We conduct due diligence before finalising such outsourcing arrangements. We adhere to outsourcing guidelines prescribed by various regulators.

Edelweiss Life Insurance Company Limited complies with the IRDAI (Outsourcing of Activities by Indian Insurers) Regulations, 2017 published on May 5, 2017 and does not outsource any of the activities that are prohibited from being outsourced thereunder, including: fund management NAV calculations; compliance with AML and KYC; product design; actuarial functions; risk management; decision-making on underwriting and claims; policyholders grievances redressal; decision to appoint insurance agents; and approval of advertisements.

### ***Insurance Coverage***

We maintain a number of insurance policies to cover the different risks involved in the operation of our business. We maintain a directors’ and officers’ liability policy to cover certain liabilities that may be imposed on our Directors and officers. We believe that our insurance coverage is appropriate and adequate for our operations. We have insurance policies covering, among others, electronic equipment, burglary, standard fire and special peril and machinery breakdown, and comprehensive general liability insurance.

### ***Competition***

Our competitors include established Indian and foreign commercial banks, NBFCs, HFCs, small finance banks, microfinance companies and the private unorganised and informal financiers, as well as insurance companies and advisory businesses, who

principally operate in the local market. In particular, many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalising related operational costs.

### ***Property***

We own the premises located at Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai, 400 098 and the premises located at 401, A wing, 4th Floor, Bheem Co-operative Housing Society Limited, Near Anand Nagar, Dahisar East. Mumbai. In addition, we also own office premises at Kohinoor Towers in Mumbai and Fountainhead learning and development centre at Alibaug. As at March 31, 2025, we had 255 offices (including 252 domestic offices and 3 international offices) in around 136 cities (including 134 domestic and 2 international cities). Except the owned properties mentioned above, other domestic office premises are on lease.

## HISTORY AND MAIN OBJECTS

### ***Corporate Profile***

The Issuer was incorporated in Mumbai as 'Edelweiss Capital Limited' on November 21, 1995 under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the RoC. Thereafter, the Issuer was issued a certificate of commencement of business by the RoC, on January 16, 1996. Subsequently, the name of the Issuer was changed to 'Edelweiss Financial Services Limited' pursuant to a fresh certificate of incorporation issued by the RoC on August 1, 2011. The registered and corporate office of the Issuer is situated at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400 098, Maharashtra, India and our CIN is L99999MH1995PLC094641. For details of the business of the Issuer, see "Our Business" beginning on page 140.

### ***Change in registered office of the Issuer***

Pursuant to a resolution of our Board on September 18, 2000, the registered office of the Issuer was shifted from 413, Dalamal Towers, Nariman Point, Mumbai – 400 021, Maharashtra to 1<sup>st</sup> Floor, Shalaka Sangh Cooperative Housing Society, 9 Maharishi Karve Road, Cooperage Queen Barrack Area, Mumbai – 400 021, Maharashtra.

Thereafter, pursuant to a resolution of our Board dated July 2, 2004, our registered office shifted from 1<sup>st</sup> Floor, Shalaka Sangh Cooperative Housing Society, 9 Maharishi Karve Road, Cooperage Queen Barrack Area, Mumbai 400 021, Maharashtra to 14<sup>th</sup> Floor, Express Towers, Nariman Point, Mumbai 400 021, Maharashtra.

Further, pursuant to a resolution of our Board dated March 9, 2011, the registered office of the Issuer again shifted from 14<sup>th</sup> Floor, Express Towers, Nariman Point, Mumbai 400021, Maharashtra to Edelweiss House, Off. C.S.T Road, Kalina, Mumbai – 400 098, Maharashtra with effect from April 15, 2011.

### ***Main objects of the Issuer***

The main objects of the Issuer as contained in its Memorandum of Association are:

- 1. To carry on the business as securities brokers, share and stock brokers, finance and investment brokers, sub-brokers, underwriters, sub-underwriters and consultants for and to purchase, acquire, hold, sell, buy, invest, trade, exchange, deal, barter, borrow, lend, guarantee, give, comfort for pledge, hypothecate, charge and deal in investment instruments of all kinds .and types whether securities or not including shares, stocks, debentures, bonds, cumulative convertible preference shares, certificates of deposits, commercial papers, participation certificates, other securities by original subscription, coupons, warrants, options and such other derivatives, units of Unit Trust of India and other mutual funds or any other securities issued by the companies, governments, corporations, co-operatives, firms, trusts, societies, authorities whether situated in India or abroad and to carry on financial operations of all kinds including credit rating, money changers, OTC dealers, stock exchange members, bought out deals, placement of shares, hedging. Also, to carry on the business of portfolio management services.*
- 2. To carry on the business of an investment company and to invest the capital and other moneys of the Issuer in the purchase or upon the security of shares, stocks, units, debentures, debenture stocks, bonds, mortgages, obligations and securities of any kind issued by any company including securities issued by asset reconstruction companies or securitisation companies and other companies in any manner or guaranteed by any company, corporation or undertaking of whatever nature whether incorporated or otherwise, and wheresoever constituted or carrying on business and to buy, sell or otherwise deal in shares, stocks, debenture-stocks, bonds, notes, mortgages, obligation and other securities issued or guaranteed by any government, sovereign, ruler, commissioners, trusts, municipal, local or other authority or body whatsoever nature in India or abroad and also to carry on the business of investment and research advisory services.*
- 3. To act as money changers, brokers, buyers and sellers of all foreign currencies, to take positions and to trade on the movements of foreign currencies on behalf of customers or otherwise, to hold operate and transact in foreign currencies by maintaining foreign currency bank accounts or otherwise, and to issue or act as agents for traveller's cheques, credit cards and all instruments in any currency, subject to all rules, regulations and approvals as may be necessary.*



4. *To carry on the business of management consultants, merchant bankers and advisors on all aspects of corporate financial and commercial matters.*
5. *To undertake and carry on the business and activities as an asset management company and/or to sponsor the setup of a mutual fund, asset management company and trustee company.*
6. *To carry on the business as a Non-Banking Financial Company, holding company, investment company, to undertake banking business/set up a banking company through a non-operating financial holding company or in such other manner, as may be prescribed by the Reserve Bank of India, from time to time.*

***Details of any acquisition of or amalgamation with any entity in the last one year***

The Issuer has not made any acquisition or amalgamation in the last one year prior to filing of this Prospectus.

***Key Material Agreements and Material Contracts***

The Issuer has not entered into material agreements and material contracts which are not in the ordinary course of business.

***Subsidiary Companies***

As on the date of this Prospectus, the Issuer has the following subsidiaries, in accordance with the Companies Act, 2013:

1. ECap Securities & Investments Limited
2. Edelweiss Investment Adviser Limited
3. ECap Equities Limited
4. Edel Finance Company Limited
5. Edelweiss Rural & Corporate Services Limited
6. EdelGive Foundation
7. ECL Finance Limited
8. Nido Home Finance Limited
9. Edelweiss Retail Finance Limited
10. Edelweiss Asset Reconstruction Company Limited
11. EAAA India Alternatives Limited
12. Edelweiss Asset Management Limited
13. Edelweiss Trusteeship Company Limited
14. Allium Corporate Services Private Limited
15. Edel Investments Limited
16. Edelcap Securities Limited
17. Nuvama Custodial Services Limited
18. Comtrade Commodities Services Limited
19. Edelweiss Securities and Investments Private Limited
20. EAAA Real Assets Managers Limited
21. Sekura India Management Limited
22. Edelweiss Life Insurance Company Limited
23. Zuno General Insurance Limited
24. EAAA Pte. Limited
25. Edelweiss International (Singapore) Pte. Limited
26. Edelweiss Global Wealth Management Limited
27. EAAA Transinfra Managers Limited (*with effect from April 18, 2025*)

EC International Limited (ECIL) was considered for preparing the consolidated financial statements as per IND AS for the financial year 2025. ECIL was liquidated with effect from January 01, 2025.

***Associates and Joint Ventures***

As on the date of this Prospectus, the Issuer does not have any associates or joint ventures.

## ***Enterprises over which control is exercised by the Company***

As on the date of this Prospectus, the Issuer exercises control on the following enterprises:

### ***Trusts***

- |   |  |  |
|---|--|--|
| • EARC TRUST SC - 6                                       | • EARC TRUST SC - 378                                    | • EARC TRUST SC - 436  |
| • EARC TRUST SC - 9                                       | • EARC TRUST SC - 380                                    | • EARC TRUST SC - 442  |
| • EARC TRUST SC - 102                                     | • EARC TRUST SC - 381                                    | • EARC TRUST SC - 443  |
| • EARC TRUST SC - 112                                     | • EARC TRUST SC - 383                                    | • EARC TRUST SC - 444  |
| • EARC TRUST SC - 130                                     | • EARC TRUST SC - 384                                    | • EARC TRUST SC - 445  |
| • EARC SAF-2 TRUST  | • EARC TRUST SC - 385                                    | • EARC TRUST SC - 447  |
| • EARC TRUST SC - 227 ( <i>Up to December 31, 2024</i> )  | • EARC TRUST SC - 386                                    | • EARC TRUST SC - 448  |
| • EARC TRUST SC - 228 ( <i>Up to December 31, 2024</i> )  | • EARC TRUST SC - 387                                    | • EARC TRUST SC - 449  |
| • EARC TRUST SC - 229                                     | • EARC TRUST SC - 388 ( <i>Up to December 31, 2024</i> ) | • EARC TRUST SC - 451  |
| • EARC TRUST SC - 238                                     | • EARC TRUST SC - 391                                    | • EARC TRUST SC - 452  |
| • EARC TRUST SC - 245                                     | • EARC TRUST SC - 392                                    | • EARC TRUST SC - 453  |
| • EARC TRUST SC - 251                                     | • EARC TRUST SC - 393                                    | • EARC TRUST SC - 455  |
| • EARC TRUST SC - 263                                     | • EARC TRUST SC - 394                                    | • EARC TRUST SC - 456  |
| • EARC TRUST SC - 266 ( <i>Up to December 31, 2024</i> )  | • EARC TRUST SC - 395 ( <i>Up to March 31, 2025</i> )    | • EARC TRUST SC - 459  |
| • EARC TRUST SC - 298                                     | • EARC TRUST SC - 396                                    | • EARC TRUST SC - 461 ( <i>Up to March 31, 2025</i> )            |
| • EARC TRUST SC - 306 ( <i>Up to June 30, 2024</i> )      | • EARC TRUST SC - 397                                    | • EARC TRUST SC - 462  |
| • EARC TRUST SC - 308                                     | • EARC TRUST SC - 401                                    | • EARC TRUST SC - 464  |
| • EARC TRUST SC - 314                                     | • EARC TRUST SC - 402                                    | • EARC TRUST SC - 470  |
| • EARC TRUST SC - 325                                     | • EARC TRUST SC - 405                                    | • EARC TRUST SC - 477  |
| • EARC TRUST SC - 329                                     | • EARC TRUST SC - 406                                    | • EARC TRUST SC - 481  |
| • EARC TRUST SC - 331                                     | • EARC TRUST SC - 410                                    | • EARC TRUST SC - 482  |
| • EARC TRUST SC - 332 ( <i>Up to September 30, 2024</i> ) | • EARC TRUST SC - 412                                    | • EARC TRUST SC - 483  |
| • EARC TRUST SC - 334                                     | • EARC TRUST SC - 413                                    | • EARC TRUST SC - 484  |
| • EARC TRUST SC - 344                                     | • EARC TRUST SC - 415                                    | • EARC TRUST SC - 486  |
| • EARC TRUST SC - 347                                     | • EARC TRUST SC - 416                                    | • EARC TRUST SC - 488 ( <i>Up to December 31, 2024</i> )         |
| • EARC TRUST SC - 348                                     | • EARC TRUST SC - 417                                    | • EARC TRUST SC - 489  |
| • EARC TRUST SC - 351 ( <i>Up to December 31, 2024</i> )  | • EARC TRUST SC - 418                                    | • EARC TRUST SC - 492  |
| • EARC TRUST SC - 352                                     | • EARC TRUST SC - 421                                    | • EARC TRUST SC - 493  |
| • EARC TRUST SC - 357 ( <i>Up to March 31, 2025</i> )     | • EARC TRUST SC - 422                                    | • EARC TRUST SC - 457 ( <i>with effect from March 12, 2025</i> ) |
| • EARC TRUST SC - 360 ( <i>Up to June 30, 2024</i> )      | • EARC TRUST SC - 423                                    | • EARC TRUST SC - 468 ( <i>with effect from March 13, 2025</i> ) |
| • EARC TRUST SC - 361                                     | • EARC TRUST SC - 424                                    | • EARC TRUST SC - 494 ( <i>with effect from March 26, 2025</i> ) |
| • EARC TRUST SC - 363 ( <i>Up to March 31, 2025</i> )     | • EARC TRUST SC - 425                                    | • EARC TRUST SC - 469 ( <i>with effect from March 27, 2025</i> ) |
| • EARC TRUST SC - 370                                     | • EARC TRUST SC - 427 ( <i>Up to December 31, 2024</i> ) | • EARC TRUST SC - 498 ( <i>with effect from June 23, 2025</i> )  |

- EARC TRUST SC - 372
- EARC TRUST SC - 373
- EARC TRUST SC - 374
- EARC TRUST SC - 375
- EARC TRUST SC - 376
- EARC TRUST SC - 377
- EARC TRUST SC - 428
- EARC TRUST SC – 429 (*Up to December 31, 2024*)
- EARC TRUST SC - 430
- EARC TRUST SC - 431 (*Up to December 31, 2024*)
- EARC TRUST SC - 433
- EARC TRUST SC – 434
- EARC TRUST SC – 497 (*with effect from May 29, 2025*)
- EARC TRUST SC - 499 (*with effect from June 23, 2025*)

#### ***LLPs***

As on March 31, 2025, the Issuer has the following LLPs:

1. Edelweiss Multi Strategy Fund Advisors LLP

#### ***Alternative Investment Funds***

As on March 31, 2025, the Issuer has the following Alternative Investment Funds:

1. Edelweiss Private Equity Tech Fund
2. Edelweiss Value and Growth Fund

## OUR MANAGEMENT

### *Board of Directors*

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors. The Articles of Association sets out that the number of Directors in the Issuer shall be not less than 3 (three) and not more than 15 (fifteen).

As of the date of this Prospectus, we have 7 (seven) Directors on the Board, out of which 1 (one) Director is Managing Director, 2 (two) Directors are Non-Executive Non-Independent Director, and 4 (four) Directors are Non-Executive Independent Director. The Issuer has 2 (two) women directors including 1 (one) woman Independent Director on the Board.

### *Details of Board of Directors as on the date of this Prospectus:*

Name, Designation, DIN, Nationality, and Occupation	Age (in years)	Address	Director Since	Other directorships
Rashesh Chandrakant Shah Designation: Chairman and Managing Director DIN: 00008322 Nationality: Indian Occupation: Service	61	223/B Kalpataru Horizon-B, S. K. Ahire Marg, Worli, Mumbai 400 018, Maharashtra, India	Date of appointment: November 21, 1995 Date of re-appointment: April 1, 2022	<u>Indian Companies:</u> <ul style="list-style-type: none"> <li>• Edelweiss Asset Management Limited;</li> <li>• ECL Finance Limited;</li> <li>• Edelweiss Life Insurance Company Limited;</li> <li>• Mabella Trustee Services Private Limited;</li> <li>• Rashesh &amp; Vidya Shah Family Foundation;</li> <li>• Zuno General Insurance Limited; and</li> <li>• EAAA India Alternatives Limited.</li> </ul> <u>Foreign Companies:</u> Nil
Venkatchalam A Ramaswamy Designation: Vice-Chairman & Non-executive Director DIN: 00008509 Nationality: Indian Occupation: Service	58	Flat No 2101/2201, Mangrishi Apartments, Kashinath Dhuru Road, Near Kirti College, Dadar West, Mumbai – 400028, Maharashtra, India.	Date of appointment : May 14, 2025	<u>Indian Companies:</u> <ul style="list-style-type: none"> <li>• EAAA Real Assets Managers Limited;</li> <li>• EAAA India Alternatives Limited; and</li> <li>• EAAA Transinfra Managers Limited.</li> </ul> <u>Foreign Companies:</u> Nil
Vidya Rashesh Shah Designation: Non-Executive Non-Independent Director DIN: 00274831 Nationality: Indian Occupation: Service	59	223, Kalpataru Horizon B, S K Ahire Marg, Worli, Mumbai 400 018, Maharashtra, India	Date of appointment: August 1, 2014	<u>Indian Companies:</u> <ul style="list-style-type: none"> <li>• Edelgive Foundation;</li> <li>• Edelweiss Asset Reconstruction Company Limited;</li> <li>• Foundation for Reinventing Governance;</li> <li>• Kimyo Learning Private Limited;</li> <li>• Mabella Trustee Services Private</li> </ul>

Name, Designation, DIN, Nationality, and Occupation	Age (in years)	Address	Director Since	Other directorships
				<p>Limited;</p> <ul style="list-style-type: none"> <li>• Rashesh &amp; Vidya Shah Family Foundation;</li> <li>• Foundation for Promotion of Sports and Games;</li> <li>• Jan Sahas Foundation;</li> <li>• IIM Ahmedabad Endowment Management Foundation;</li> <li>• Edel Finance Company Limited; and</li> <li>• Vardhman Special Steels Limited.</li> </ul> <p><u>Foreign Companies:</u></p> <ul style="list-style-type: none"> <li>• Wings; and</li> <li>• Empower Families for Innovative Philanthropy.</li> </ul>
<p>Ashok Kini</p> <p>Designation: Independent Director</p> <p>DIN:00812946</p> <p>Nationality: Indian</p> <p>Occupation: Professional</p>	79	<p>B202, Mantri Pride Apts, Behind Madhavan Park, 1st Block, Jayanagar, Bengaluru – 560011, Karnataka, India</p>	<p>Date of appointment: April 1, 2019</p> <p>Date of re-appointment: April 1, 2022</p>	<p><u>Indian Companies:</u></p> <ul style="list-style-type: none"> <li>• FFPL Finserv Private Limited;</li> <li>• Fino Paytech Limited; and</li> <li>• Nihilent Limited.</li> </ul> <p><u>Foreign Companies:</u></p> <p>Nil</p>
<p>Dr. Ashima Goyal</p> <p>Designation: Independent Director</p> <p>DIN:00233635</p> <p>Nationality: Indian</p> <p>Occupation: Professional</p>	69	<p>A 301/302 Raheja Sherwood, Nirlon Compound, Behind Hub Mall, Off. Western Express Highway, Goregaon (East), Mumbai 400063, Maharashtra, India</p>	<p>Date of appointment: April 1, 2019</p> <p>Date of re-appointment: April 1, 2022</p>	<p><u>Indian Companies:</u></p> <ul style="list-style-type: none"> <li>• SBI General Insurance Company Limited; and</li> <li>• Procter &amp; Gamble Hygiene and Health Care Limited.</li> </ul> <p><u>Foreign Companies:</u></p> <p>Nil</p>
<p>Shiva Kumar</p> <p>Designation: Independent Director</p> <p>DIN: 06590343</p> <p>Nationality: Indian</p> <p>Occupation: Professional</p>	72	<p>D 61, Westend Heights, DLF Phase 5, Gurugram 122009, Haryana, India</p>	<p>Date of Appointment: August 4, 2022</p>	<p><u>Indian Companies:</u></p> <ul style="list-style-type: none"> <li>• UTI Trustee Company Private Limited;</li> <li>• EAAA Real Assets Managers Limited;</li> <li>• ECL Finance Limited;</li> <li>• Edelweiss Asset Reconstruction Company Limited; and</li> <li>• Vishuv Invest Private Limited.</li> </ul> <p><u>Foreign Companies:</u></p> <p>Nil</p>
<p>C. Balagopal</p> <p>Designation: Independent Director</p>	72	<p>4A, Darragh Residency, Pandit Karuppan Road,</p>	<p>Date of Appointment: August 2, 2024</p>	<p><u>Indian Companies:</u></p> <ul style="list-style-type: none"> <li>• Enter Technologies Private Limited;</li> <li>• Trivandrum Centre for Performing</li> </ul>

Name, Designation, DIN, Nationality, and Occupation	Age (in years)	Address	Director Since	Other directorships
DIN: 00430938 Nationality: Indian Occupation: Professional		Thevara, Ernakulam – 682013, Kerala, India		Arts; <ul style="list-style-type: none"> <li>Accelerated Freeze Drying Co. Limited;</li> <li>Edelweiss Life Insurance Company Limited;</li> <li>Logical Steps Interactive Solutions Private Limited;</li> <li>Kerala State Industrial Development Corp'n Ltd;</li> <li>Kerala Lifesciences Industries Parks Private Limited; and</li> <li>EAAA India Alternatives Limited.</li> </ul> <u>Foreign Companies:</u> Nil

#### **Brief profile of the Directors of the Issuer**

##### **Rashesh Chandrakant Shah**

Rashesh Chandrakant Shah is the Chairman & Managing Director of the Company. Rashesh has more than 35 years of experience in financial services. 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 A Ramaswamy**

Venkatchalam A Ramaswamy has more than 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 an independent financial services company.

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

##### **Vidya Rashesh Shah**

Vidya Rashesh Shah is the Chairperson of EdelGive Foundation, the philanthropy arm set up by Edelweiss. With over three decades of rich experience, she has established EdelGive as a platform for strategic philanthropy. 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**

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

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

#### **Dr. Ashima Goyal**

Dr. Ashima Goyal has over three decades of experience. She is Professor Emeritus 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 was also a member of India's Monetary Policy Committee. 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**

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 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**

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.

He completed his BA and MA from Loyola College, Madras University, and joined the IAS in 1977 and worked in Manipur and Kerala. He resigned from IAS in 1983 to start own his venture.

#### **Relationship between Directors**

Except Vidya Rashesh Shah and Rashesh Chandrakant Shah, who are spouses, none of the other Directors are related to each other.

#### **Remuneration of Directors**

The Nomination and Remuneration Committee determines and recommends to the Board the compensation/remuneration to Directors. The Board of Directors and the Shareholders, as the case may be, approve the compensation/remuneration to be paid to the Directors. The tables and details below sets forth the details of the remuneration pertaining to the current year and the preceding three financial years which has been paid or was payable to the Directors by the Issuer.

#### **Details of remuneration paid to the Executive Directors during the Fiscals 2025, 2024 and 2023 by the Issuer (on a standalone basis):**

*(₹ in million, unless otherwise stated)*

<b>Name of Director</b>	<b>Fiscal 2025</b>	<b>Fiscal 2024</b>	<b>Fiscal 2023</b>
Rashesh Chandrakant Shah	89.28	110.03	80.01
Venkatchalam A Ramaswamy	93.26	67.15	64.42
Himanshu Kaji*	-	23.85	32.50
Rujan Panjwani**	-	-	34.07

\*Retired by rotation with effect from September 26, 2023

\*\*Retired by rotation with effect from September 2, 2022

*Note: The above remuneration includes the bonus for the immediately preceding Fiscal and excludes the provision for gratuity*

**Our Directors do not receive any remuneration from our Subsidiaries and Associates except as mentioned below:**

*(₹ in million, unless otherwise stated)*

Name of Director	Name of Subsidiary/ Associate	Fiscal 2025	Fiscal 2024	Fiscal 2023
Vidya Rashesh Shah	Edelweiss Rural & Corporate Services Limited	-	19.80	36.31
	Edel Finance Company Limited	43.04	16.72	-
Venkatchalam A Ramaswamy	Edelweiss Global Wealth Management Limited	-	40.00	-
	EAAA India Alternatives Limited	25.84	-	-
Ashok Kini*	Edelweiss Life Insurance Company Limited	0.30	1.0	0.50
Shiva Kumar	EAAA Real Assets Managers Limited	0.60	0.63	0.48
	ECL Finance Limited	2.95	1.20	0.48
	Edelweiss Asset Reconstruction Company Limited	4.35	2.86	0.57
C. Balagopal**	Edelweiss Life Insurance Company Limited	0.60	-	-
Rujan Panjwani^	ECap Securities & Investments Limited	-	-	0.83
	Ecap Equities Limited	-	-	2.64
Kunnasagaran Chinniah*^	Nuvama Wealth Management Limited	-	-	2.64
	Edelweiss Life Insurance Company Limited	-	-	0.04
	ECL Finance Limited	-	-	0.77
	Edelweiss Rural and Corporate Services Limited	-	-	0.14
	Nuvama Wealth Finance Limited	-	-	1.80
Navtej S. Nandra*^	Edelweiss Life Insurance Company Limited	-	-	0.72
	Zuno General Insurance Company Limited	-	-	0.14
	Nuvama Wealth Management Limited	-	-	2.72
P.N Venkatchalam*^	Edelweiss Asset Reconstruction Company Limited	-	-	2.33
	Edelweiss Life Insurance Company Limited	-	-	0.16
	ECL Finance Limited	-	-	0.24
Biswamohan Mahapatra*#	ECL Finance Limited	-	0.90	0.81
	Nido Home Finance Limited	-	1.00	0.55

\*\* Appointed as an Independent Director with effect from August 2, 2024.

# Ceased as Director with effect from September 26, 2023

^Ceased as Director with effect from September 2, 2022

\*Sitting fees/ Commission paid to Independent Directors

\*# Ceased as Director with effect from August 09, 2024

**The terms of remuneration of the Managing Director is as below:**

Rashesh Chandrakant Shah

The following table sets forth terms of remuneration to Rashesh Chandrakant Shah, Chairman & Managing Director, re-appointed with effect from April 1, 2022, for a period of five years, as approved by the Shareholders of the Issuer at their Annual General Meeting held on September 3, 2021:

Particulars	Remuneration (₹ per annum)
Salary	Not exceeding ₹ 30 million



Bonus	Not exceeding ₹ 60 million
Perquisites	Not exceeding ₹ 30 million

### Remuneration of Non-Executive Independent Directors

The Non-Executive Independent Directors are paid remuneration by way of sitting fees, commission and other expenses (travelling, boarding and lodging incurred for attending the Board/Committee meetings). The Non-Executive Non-Independent Directors are not paid any sitting fees.

The Issuer pays ₹ 75,000 per meeting to the Independent Directors for attending the meetings of the Board and the Committees thereof.

Apart from above, the Non-Executive Directors are eligible for commission. The commission payable to the Non-Executive Directors of the Issuer is as decided by the Board of the Issuer from time to time.

**The following table sets forth all compensation accounted by the Issuer (on a standalone basis) to the Non-Executive Directors for the Fiscals 2025, 2024 and 2023:**

(₹ in million, unless otherwise stated)

Name of Director	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Commission \$	Sitting Fees	Commission \$	Sitting Fees	Commission \$	Sitting Fees
Ashok Kini	3.50	1.28	2.50	1.28	2.00	0.71
Ashima Goyal	3.50	0.75	2.50	0.83	2.00	0.48
Vidya Rashes Shah	3.50	-	2.50	-	2.00	-
Shiva Kumar <sup>^</sup>	3.50	1.65	2.50	1.35	-	0.57
C. Balagopal <sup>^^</sup>	-	0.23	-	-	-	-
Biswamohan Mahapatra <sup>*</sup>	1.75	-	2.50	0.53	2.00	0.65
P N Venkatachalam <sup>##</sup>	-	-	-	-	2.00	0.22
Navtej S. Nandra <sup>##</sup>	-	-	-	-	2.00	0.18
Kunnasagaran Chinniah <sup>##</sup>	-	-	-	-	2.00	0.20

<sup>\$</sup> Commission pertains to the immediately preceding Fiscal

<sup>\*</sup> Ceased as Director with effect from September 26, 2023

<sup>##</sup> Ceased as Director with effect from September 2, 2022

<sup>^</sup> Appointed as an Independent Director with effect from August 4, 2022.

<sup>^^</sup> Appointed as an Independent Director with effect from August 2, 2024.

### Other understandings and confirmations

None of the Director of the Issuer is a director or is otherwise associated in any manner with any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, wilful defaulter list maintained by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority.

None of our Directors is, or was, a director of any listed company, which has been or was delisted from any recognised stock exchange, during the term of his/her directorship in such company.

None of our Directors have committed any violation of securities laws in the past and no such proceedings are pending against any of our Directors.

None of our Directors have been categorised as a wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution.

Our Company is not in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six months.

**Borrowing Powers of the Board:**

Pursuant to resolution passed by the shareholders of the Issuer on September 10, 2014 through a postal ballot and in accordance with provisions of 180(1)(c) and all other applicable provisions of the Companies Act and the Articles of Association, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of the Issuer, which together with the monies already borrowed by the Issuer (apart from temporary loans obtained from the Issuer's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of the Issuer and its free reserves (that is to say, reserves, not set apart for any specific purposes) by a sum not exceeding ₹ 100,000 million.

**Interest of the Directors, Promoters, Key Managerial Personnel or Senior Management:**

Except Rashesh Chandrakant Shah, Venkatchalam A Ramaswamy, Vidya Rashesh Shah and Aparna T.C. (Aparna T.C. is not a Director of the Issuer), no other Directors, or any Promoter, Key Managerial Personnel or Senior Management of the Issuer are interested in the promotion of the Issuer.

All the Directors of the Issuer, including our Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee(s) thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them. All the non-executive Independent Directors of the Issuer are entitled to sitting fees for attending every meeting of the Board or a Committee(s) thereof and are also eligible for commission. The Managing Director and the other Key Managerial Personnel of the Issuer are interested to the extent of remuneration paid to them. The Chief Financial Officer and Company Secretary of the Issuer are also interested to the extent of ESOPs/SARs, granted to them.

All the Directors and Key Managerial Personnel of the Issuer, including Independent Directors, may also be deemed to be interested to the extent of Equity Shares, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All our Directors and Key Managerial Personnel may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the Issuer with any company in which they hold directorships or any partnership firm in which they are partners, as declared in their respective declarations. Except as otherwise stated in this Prospectus and statutory registers maintained by the Issuer in this regard, the Issuer has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made with them.

As of the date of this Prospectus, our Directors have not taken any loan from the Issuer. Except as disclosed in the section titled "*Related Party Transaction*" on page 182, none of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees.

None of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm or company in which he is interested, by any person, in cash or shares or otherwise, either to induce them to become, or to help them qualify as a director, or otherwise for services rendered by him or by such firm or company, in connection with the promotion or formation of the Issuer.

No contribution has been made by the Directors as part of the Issue or separately. None of our Directors' relatives have been appointed to an office or place of profit of the Issuer, its Subsidiary or associate company.

Further, Vidya Rashesh Shah, Non-Executive Non-Independent Director of the Issuer, who is the spouse of Rashesh Chandrakant Shah, has been appointed as an Executive Director in one of the Subsidiary of the Issuer.

Except as disclosed hereinabove and the section titled "*Risk Factors*" on page 19, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by the Issuer.

Except as stated in the sections titled "*Related Party Transactions*" on page 182 and to the extent of compensation and commission if any, and their shareholding in the Issuer, our Directors do not have any other interest in our business.

Our Directors have no interest in any immovable property acquired or proposed to be acquired by the Issuer in the preceding two years of filing the Prospectus with the RoC nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to the Issuer.

No benefit/interest will accrue to our Promoters/Directors out of the objects of the issue.

#### **Debenture holding of Directors:**

As on March 31, 2025, none of the Directors of the Issuer hold any debentures issued by the Issuer.

#### **Details of change in Directors of the Issuer during last three financial years and current financial year the date of this Prospectus:**

<b>Name of Director, Designation and DIN</b>	<b>Date of Appointment/Resignation</b>	<b>Director of the Issuer since (in case of resignation)</b>	<b>Remarks</b>
Shiva Kumar <i>Independent Director</i> DIN: 06590343	August 4, 2022	-	Appointment
P. N. Venkatachalam <i>Independent Director</i> DIN: 00499442	September 2, 2022	August 9, 2007	Ceased as Independent Director on conclusion of the second term.
Navtej S. Nandra <i>Independent Director</i> DIN: 02282617	September 2, 2022	May 15, 2013	Ceased as Independent Director on conclusion of the second term.
Kunnasagaran Chinniah <i>Independent Director</i> DIN: 01590108	September 2, 2022	June 5, 2007	Ceased as Independent Director on conclusion of the second term.
Rujan Panjwani <i>Executive Director</i> DIN: 00237366	September 2, 2022	June 24, 2013	Retirement by rotation.
Himanshu Kaji <i>Executive Director</i> DIN: 00009438	September 26, 2023	November 1, 2011	Retirement by rotation.
Biswamohan Mahapatra <i>Independent Director</i> DIN: 06990345	September 26, 2023	March 26, 2015	Ceased as Independent Director on conclusion of the second term.
C. Balagopal <i>Independent Director</i> DIN: 00430938	August 2, 2024	-	Appointment
Venkatchalam Ramaswamy <i>Executive Director</i> DIN: 00008509	May 14, 2025	February 20, 1996	Ceased as Executive Director
Venkatchalam Ramaswamy <i>Non-executive Director</i> DIN: 00008509	May 14, 2025	-	Appointed as Non-executive Director

#### **Shareholding of Directors, including details of qualification shares held by Directors as on the date of this Prospectus:**

As per the Articles, our Directors are not required to hold any qualification shares in the Issuer.

**Shareholding of our Directors in the Issuer is as follows:**

As on the date of this Prospectus, the shareholding of the Directors in the Issuer is as follows:

Sr. No.	Name of the Director, Designation and DIN	No. of Equity Shares of ₹ 1 each	Number of Stock Options/SAR's	% of total Equity Shares of our Company
1.	Rashesh Chandrakant Shah Chairman & Managing Director DIN: 00008322	145,601,730	-	15.39
2	Venkatchalam A Ramaswamy Vice Chairman & Non-executive Director DIN: 00008509	59,576,560	-	6.30
3	Vidya Rashesh Shah Non-Executive Non-Independent Director DIN: 00274831	35,297,357	-	3.73
4.	C. Balagopal Independent Director DIN: 00430938	80	-	-

**Note:** As per the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors of the Company have been granted Stock Options/SARs.

**Shareholding of Directors of the Issuer in the Issuer's Subsidiaries and Associates, including details of qualification shares held by Directors as on the date of this Prospectus:**

Except the shares held in our Subsidiaries, Associates and joint ventures as nominee of the Issuer, our Directors do not hold any equity shares in our Subsidiaries, Associates and joint ventures, as on the date of this Prospectus.

**Key Managerial Personnel of the Issuer:**

Provided below are the details of the Key Managerial Personnel of the Issuer, other than our Managing Director and Executive Director, as of the date of this Prospectus.

*Ananya Suneja - Chief Financial Officer*

Ananya Suneja is an accomplished professional with over 24 years of experience in Financial Strategy, Risk Management, Cost Efficiency, Finance Transformation, Financial Planning & Reporting across various segments like Banking, Financial Services and Manufacturing. In her previous stints, she has worked with various global firms like Deutsche Bank, GE and JP Morgan Chase. Ms. Suneja is associated with Edelweiss since 2018.

*Tarun Khurana – Company Secretary*

Tarun Khurana is the Company Secretary of the Issuer. Tarun Khurana is a Company Secretary and has been associated with the Edelweiss group for more than 15 years and worked at various levels in the Edelweiss group.

As on the date of this Prospectus, all of the Key Managerial Personnel of the Issuer are the permanent employees of the Issuer.

**Corporate Governance**

We are in compliance with the requirements in relation to the composition of the Board of Directors and constitution of Committees such as Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Committee as mandated under the Companies Act, 2013 and the SEBI Listing Regulations.

## Details of various committees of the Board:

### A. Audit Committee

The Audit Committee was last re-constituted vide a resolution passed by the Board on September 29, 2023. As on the date of this Prospectus, the Audit Committee comprises of:

Name	Designation	Nature of directorship
Shiva Kumar	Chairman	Independent Director
Ashima Goyal	Member	Independent Director
Ashok Kini	Member	Independent Director

The scope of the Audit Committee includes the references made under Regulation 18 read with part C of Schedule II of SEBI Listing Regulations as well as Section 177 and other applicable provisions of the Companies Act, 2013 besides the other terms that may be referred by the Board of Directors. The broad terms of reference of the Audit Committee are:

1. Oversight of the Issuer'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 Issuer;
3. Approval of payment to the statutory auditor for any other service rendered by the statutory auditor;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:
  - (a) matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub section 3 of 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; and
  - (g) qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, private placement, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue, private placement or rights issue, or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Issuer with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Evaluation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;

12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with internal auditors of any significant findings and follow up thereon;
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
15. Reviewing, with the management, performance of statutory auditor and internal auditors, adequacy of the internal control systems;
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. Discussion with internal auditors of any significant findings and follow up thereon;
18. Discussion with statutory auditor before the audit commences, about the nature and scope of audit as well as post- audit discussion to ascertain any area of concern;
19. To review the functioning of the whistle blower mechanism;
20. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
21. Reviewing the utilization of future and existing loans and/ or advances from/investment by the Issuer in the subsidiary exceeding rupees 1 billion or 10% of the asset size of the subsidiary, whichever is lower;
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
23. Reviewing the management discussion and analysis of financial condition and results of operations;
24. Review of management letters / letters of internal control weaknesses issued by the statutory auditors;
25. Review of internal audit reports relating to internal control weaknesses;
26. Review of the appointment, removal and terms of remuneration of the chief internal auditor.
27. Review of statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of SEBI Listing Regulations; and
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of SEBI Listing Regulations;
28. Ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Issuer;
29. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**B. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was last re-constituted vide a resolution passed by the Board on September 13, 2022. As on the date of this Prospectus, the Nomination and Remuneration Committee comprises of:

Name	Designation	Nature of directorship
Ashok Kini	Chairman	Independent Director
Shiva Kumar	Member	Independent Director
Vidya Rashesh Shah	Member	Non-executive Director

The scope of activities of the Nomination and Remuneration Committee is as set out in Regulation 19 of SEBI Listing Regulations and as amended read with Section 178 of the Companies Act, 2013. The terms of reference of the Nomination and Remuneration Committee are broadly as follows:

1. Identify the persons who can become Directors;
2. Formulating the criteria for determining the qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
3. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. For the purpose of identifying suitable candidates, the Committee may:
  - (a) use the services of an external agencies, if required;
  - (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - (c) consider the time commitments of the candidates;
4. Recommending to the Board, a policy relating to the remuneration for the Directors and Key Managerial Personnel, for the approval of the Board;
5. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management;
6. Devising a policy on diversity of Board of Directors;
7. Formulating criteria to determine whether to extend or continue the term of appointment of the Independent Director(s), on the basis of the report of performance evaluation;
8. Specify the manner for effective annual evaluation of performance of the Board, its committees and individual Directors.

*C. Stakeholders' Relationship Committee*

The Stakeholders' Relationship Committee was last re-constituted vide a resolution passed by the Board on May 14, 2025. As on the date of this Prospectus, the Stakeholders' Committee comprises of:

Name	Designation	Nature of Directorship
Shiva Kumar	Chairman	Independent Director
Ashok Kini	Member	Independent Director
Venkatchalam A Ramaswamy	Member	Non-executive Director

The broad terms of reference of committee are as under:

1. 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.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Issuer 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 Issuer for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Issuer.

#### D. Risk Committee

The Risk Committee was last re-constituted vide a resolution passed by the Board on September 29, 2023. As on the date of this Prospectus, the Risk Committee comprises of:

Name	Designation	Nature of Directorship
Ashok Kini	Chairman	Independent Director
Shiva Kumar	Member	Independent Director
Vidya Rashesh Shah	Member	Non-executive Director

The broad terms of reference of the Risk Committee are as under:

1. To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks;
  - (c) Business continuity plan;
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Issuer;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the chief risk officer (if any);
7. Design, develop and implement various measures for cyber security as may be required.

#### E. Corporate Social Responsibility Committee (“CSR Committee”)

The Corporate Social Responsibility Committee was re-constituted vide a resolution passed by the Board on May 14, 2025. As on the date of this Prospectus, the CSR Committee comprises of:

Name	Designation	Nature of directorship
Venkatchalam A Ramaswamy	Member	Non-executive Director
Vidya Rashesh Shah	Member	Non-Executive Director
Shiva Kumar	Member	Independent Director





The terms of reference of the CSR Committee are mentioned below:

1. Formulate and recommend to the Board, a CSR Policy (the Policy) which shall indicate the activities to be undertaken by the Issuer for CSR;
2. Recommend the amount of expenditure to be incurred on the CSR activities; and
3. Monitor the policy of the Issuer from time to time.



## OUR PROMOTERS

The Promoters of the Issuer are:

	<b>Rashesh Chandrakant Shah</b> Address: 223/B Kalpataru Horizon-B, S. K. Ahire Marg, Worli, Mumbai – 400 018, Maharashtra, India Date of Birth: September 30, 1963 Age: 61 years PAN: AAGPS5933G
	<b>Venkatchalam A Ramaswamy</b> Address: Flat No 2101/2201, Mangrish Apartments, Kashinath Dhuru Road, Near Kirti College, Dadar West, Mumbai – 400028, Maharashtra, India Date of Birth: August 12, 1966 Age: 58 years PAN: AADPR1740H
	<b>Vidya Rashesh Shah</b> Address: 223, Kalpataru Horizon B, S K Ahire Marg, Worli, Mumbai – 400 018, Maharashtra, India Date of Birth: June 18, 1966 Age: 59 years PAN: AMEPS3037M
	<b>Aparna T.C.</b> Address: Flat No 2101/2201, Mangrish Apartments, Kashinath Dhuru Road, Near Kirti College, Dadar West, Mumbai – 400028, Maharashtra, India Date of Birth: January 5, 1967 Age: 58 years PAN: AEUPC2507C

As on March 31, 2025, our Promoters collectively with the Promoter Group hold 309,369,490 Equity Shares equivalent to 32.71% (thirty two point seventy one per cent) of the Equity Share capital of the Issuer.

### Profile of our Promoters

#### 1. *Rashesh Chandrakant Shah*

For profile of Rashesh Chandrakant Shah, please see “*Our Management – Brief profile of the Directors of the Issuer*” on page 168.

#### 2. *Venkatchalam A Ramaswamy*

For profile of Venkatchalam A Ramaswamy, please see “*Our Management – Brief profile of the Directors of the Issuer*” on page 168.

#### 3. *Vidya Rashesh Shah*

For profile of Vidya Rashesh Shah, please see “*Our Management – Brief profile of the Directors of the Issuer*” on page 168.

#### 4. *Aparna T.C.*

Aparna T.C. holds a bachelor’s degree in engineering from the Gogte Institute of Technology and master’s degree in science in electronic engineering from Stony Brook University. She has more than 10 years of work experience and has worked previously with Yokogawa Electronics, ASPL, Tata Consultancy Services Limited & Citibank.

## **Other understanding and confirmations**

The Issuer confirms that the Permanent Account Number, Aadhar number, driving license number, bank account number(s) and passport number and personal address of the Promoters and Permanent Account Number of Directors have been submitted to the BSE at the time of filing the Draft Prospectus.

None of our Promoters have been identified as Wilful Defaulters by the RBI or any other governmental authority.

No violation of securities laws has been committed by our Promoters in the past or is currently pending against them except as disclosed in section titled “*Outstanding Litigations*” on page 239.

None of our Promoters, was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Our Promoters are not restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad. Further, our Promoter is not a promoter of another company which is debarred from accessing the securities market or dealing in securities under any order or directions passed for any reasons by SEBI.

## **Common pursuits of our Promoters**

None of our Promoters are engaged in businesses similar to ours.

## **Interest of our Promoters in the Issuer**

Except as disclosed under the “*Related Party Transactions*”, available at page 182, remuneration paid as Directors as disclosed in “*Our Management*” at page 166, and other than as our shareholders, our Promoter, to the extent of the dividend that may be declared by the Issuer, do not have any other interest in the Issuer.

Our Promoters do not propose to subscribe to the Issue and none of our Promoters have any interest in the promotion of the Issue.

## **Equity share allotted to our Promoters in last three fiscal years**

As on the date of this Prospectus, no equity shares have been allotted to the Promoters in the last three fiscal years.

## **Payment of benefit to our Promoter in last three fiscal years**

Other than as disclosed under the “*Related Party Transactions*”, available at page 182 and other than the dividend that may be declared and paid by the Issuer, the Issuer has not made payments of any benefits to the Promoter during the last three fiscals preceding the date of this Prospectus.

## **Details of shares pledged or encumbered by our Promoter**

No shares of the Company have been pledged or encumbered by our Promoter as of the date of this Prospectus.

**Shareholding pattern of our Promoter in the Issuer as on March 31, 2025:**

<b>Name of Promoter shareholder</b>	<b>Number of Equity Shares</b>	<b>Number of Equity Shares in demat form</b>	<b>Shareholding as % of total no of Equity Shares</b>	<b>Number of Equity Shares pledged</b>	<b>% of Equity Shares pledged with respect to Equity Shares owned</b>
Rashesh Chandrakant Shah	145,601,730	145,601,730	15.39	-	-
Venkatchalam A Ramaswamy	59,576,560	59,576,560	6.30	-	-
Vidya Rashesh Shah	35,266,200	3,52,66,200	3.73	-	-
Aparna T.C.	12,210,000	12,210,000	1.29	-	-

**Interest of our Promoters in property, land and construction**

Our Promoter does not have any interest in any property acquired by the Issuer within two years preceding the date of filing of this Prospectus or any property proposed to be acquired by the Issuer or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

## RELATED PARTY TRANSACTIONS

For details of the related party transactions for Fiscals 2025, 2024 and 2023 in accordance with the requirements under Ind AS 24 “Related Party Disclosures” notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see “Financial Information” on page 214 of this Prospectus. For Fiscal 2025, please refer to Note 51 of the 2025 Audited Consolidated Financial Statement and Note 35 of the 2025 Audited Standalone Financial Statement. For Fiscal 2024, please refer to Note 52 of the 2024 Audited Consolidated Financial Statement and Note 35 of the 2024 Audited Standalone Financial Statement. For Fiscal 2023, please refer to Note 53 of the 2023 Audited Consolidated Financial Statement and Note 34 of the 2023 Audited Standalone Financial Statement.

Further, please see below the details of loans made or, guarantees given or securities provided by the Company for the last three financial years ended March 31, 2025, March 31, 2024 and March 31, 2023. Related party transactions as per Ind AS 24 entered during Fiscal 2025, Fiscal 2024 and Fiscal 2023 with regard to loans made or, guarantees given or securities provided:

### 1. Standalone basis:

*(₹ in million, unless otherwise stated)*

Name of Related Party	Fiscal	ICD/Loan Given	Guarantees given (Issued amt)	Securities provided
Edelweiss Rural & Corporate Services Limited	2023	8,320.00	-	-
ECL Finance Limited	2023	1,300.00	-	-
Ecap Equities Limited	2023	12,076.22	3,800.00	-
Edel Finance Company Limited	2023	9,698.30	-	-
Edelweiss Securities and Investments Private Limited	2023	5,800.00	-	-
Edelweiss Investment Adviser Limited	2023	7,992.90	3,650.00	-
Edel Investments Limited	2023	1,100.00	-	-
EAAA India Alternatives Limited	2023	220.00	-	-
Edelweiss Asset Reconstruction Company Limited	2023	-	500.00	-
NIDO Home Finance Limited	2023	-	-	-
Edelweiss Rural & Corporate Services Limited	2024	2,325.00	1,100.00	-
Edelweiss Global Wealth Management Limited	2024	5,009.88	2,500.00	-
Ecap Equities Limited	2024	14,368.65	-	-
Edel Finance Company Limited	2024	21,937.88	3,000.00	-
Edelweiss Investment Adviser Limited	2024	1,594.20	-	-
EAAA India Alternatives Limited	2024	220.00	-	-
Mr. Tarun Khurana	2024	5.00	-	-
ECap Securities and Investments Limited	2024	-	2,200.00	-
Edelweiss Asset Reconstruction Company Limited	2024	-	12,790.00	-
NIDO Home Finance Limited	2024	-	500.00	-
ECL Finance Limited	2025	-	1,000.00	-
Ecap Equities Limited	2025	-	-	-

(₹ in million, unless otherwise stated)

Name of Related Party	Fiscal	ICD/Loan Given	Guarantees given (Issued amt)	Securities provided
Edelweiss Asset Reconstruction Company Limited	2025	-	700.00	-
Edelweiss Rural & Corporate Services Limited	2025	3,280.50	-	-
Edelweiss Global Wealth Management Limited	2025	-	-	-
Ecap Equities Limited	2025	3,030.00	-	-
Edel Finance Company Limited	2025	28,288.42	8,000.00	-
Edelweiss Investment Adviser Limited	2025	4.00	-	-
Edelcap Securities Limited	2025	450.00	-	-
EAAA India Alternatives Limited	2025	220.00	-	-
Mr. Tarun Khurana	2025	3.00	-	-
NIDO Home Finance Limited	2025	-	500.00	-
Edelweiss Rural & Corporate Services Limited	2025	-	1,900.00	-
Ecap Equities Limited	2025	-	10,000.00	-

2. **Consolidated basis:**

(₹ in million, unless otherwise stated)

Name of Related Party	Fiscal	Loan Given	Guarantees given (Issued amt)	Securities provided
Ms. Aparna T. C.	2023	21.40	-	-
Mabella Investment Advisor LLP	2023	12.81	-	-
Kenai Advisors LLP	2023	314.16	-	-
Mr. Tarun Khurana	2024	5.00	-	-
Mr. Tarun Khurana	2025	3.00	-	-

## REGULATIONS AND POLICIES

*The following description is a summary of certain sector-specific laws, rules, regulations, and policies as prescribed by the Government of India and other regulatory bodies, which are applicable to our Company and our Subsidiaries. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors. They are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions.*

*The regulations summarised below are not exhaustive and are only intended to provide general information to investors. They are neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, Central Sales Tax Act, 1956, GST laws (including central GST, state GST and integrated GST) and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below. For purposes of this section, references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification are to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended from time to time.*

### **SEBI Regulations**

***Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, modified and supplemented from time to time (“Merchant Banker Regulations”)***

Under the Merchant Banker Regulations, any person seeking to conduct business as a merchant banker must apply for and obtain a certificate of registration as a merchant banker from SEBI. Further, the Merchant Banker Regulations provide the eligibility criteria, capital adequacy requirements, conditions of registration, procedure for obtaining the certificate of registration to carry on business as a merchant banker and categories under which, a merchant banker may seek registration. Based on *inter alia* the satisfaction of the specified capital adequacy requirements (i.e. net worth of not less than ₹ 50 million), SEBI grants registration for merchant banking activities. According to the category identified, merchant bankers are permitted to carry out certain activities as prescribed in the Merchant Banker Regulations. Further, merchant bankers are required to adhere to a code of conduct prescribed under the Merchant Banker Regulations and the investor charter as specified by SEBI from time to time.

### **Laws applicable to NBFCs and Subsidiaries of NBFC**

***The Reserve Bank of India Act, 1934***

Section 45-I(c) of the RBI Act, as amended, modified and supplemented from time to time, defines “financial institution” to mean any non-banking institution which, among other things, carries on the business of, or part of its business of, financing, by way of making of loans or advances or otherwise, of any activity other than its own, the acquisition of shares, stock, bonds, debentures or securities issued by a Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale/purchase/construction of immovable property.

The RBI has clarified through a press release (Ref. No. 1998-99/ 1269) dated April 08, 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. The company will be treated as an NBFC if: (a) its financial assets are more than 50% (fifty per cent) of its total assets (netted off by intangible assets), and (b) income from financial assets should be more than 50% (fifty per cent) of the gross income. Both these tests are required to be satisfied as the determinant factor for the principal business of a company.

In accordance with Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, as amended, modified and supplemented from time to time, every NBFC is required to submit to the RBI, a certificate, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case, not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

With effect from 1997, NBFCs were not permitted to commence or carry on the business of a non-banking financial institution without obtaining a Certificate of Registration ("CoR"). Further, with a view to imparting greater financial soundness and achieving economies of scale in terms of efficiency of operations and higher managerial skills, the RBI has raised the requirement of minimum net owned fund ("NOF") from ₹ 2.5 million to ₹ 20 million for the NBFC which commences business on or after April 21, 1999. Also, it shall be mandatory for all NBFCs to attain a minimum NOF of ₹ 20 million by the end of April 1, 2017. The Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("**RBI SBR Framework Master Directions**"), (which supersedes the Master Directions – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and the Master Directions – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) prescribe a minimum NOF of ₹ 20 million for NBFCs, except a minimum NOF of ₹ 100 million for newly incorporated NBFC-ICC, NBFC-MFI and NBFC-Factor, except for NBFC-IFC, and IDF-NBFC, wherein the prescribed minimum NOF is ₹ 3,000 million. For existing NBFCs, the RBI prescribes the following transition path for achieving a minimum NOF of ₹ 100 million:

NBFCs	Current NOF	By March 31, 2025	By March 31, 2027
NBFC-ICC	₹ 20 million	₹ 50 million	₹ 100 million
NBFC-MFI	₹ 50 million (₹ 20 million in north eastern region)	₹ 70 million (₹ 50 million in north eastern region)	₹ 100 million
NBFC-Factor	₹ 50 million	₹ 70 million	₹ 100 million

NBFCs are primarily governed by the RBI Act and the RBI SBR Framework Master Directions. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines, and directions issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in a similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

- i) An NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits;
- ii) NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on themselves; and
- iii) The deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs.

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the RBI in order to be able to commence any of the aforementioned activities.

## Regulations governing NBFCs

NBFCs are primarily governed by the RBI Act, the RBI SBR Framework Master Directions, Peer to Peer Lending Platform (Reserve Bank) Directions, 2017, Master Direction – Non-Banking Financial Company – Account Aggregator (Reserve Bank) Directions, 2016, and the Master Direction - Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity up to one year) Directions, 2024, each as amended, modified and supplemented from time to time. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

The major regulations governing our Company are detailed below:

On October 22, 2021, RBI issued a Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs (“**SBR Framework**”), whereby NBFCs have been categorised into following four layers based on their size, activity, and perceived riskiness by the RBI:

- i) NBFC- Base Layer (“**NBFC-BL**”);
- ii) NBFC- Middle Layer (“**NBFC-ML**”);
- iii) NBFC- Upper layer (“**NBFC-UL**”); and
- iv) NBFC- Top Layer (“**NBFC-TL**”)

Pursuant to the SBR Framework, the criteria of asset size of non-deposit NBFCs for classification as non-systemically important has been increased from ₹ 5 billion to ₹ 10 billion (“**NBFC-ND**”).

The SBR Framework Master Directions came into effect on October 01, 2022, and was amended on November 10, 2023, pursuant to which references to NBFC-ND shall mean NBFC-BL and all references to NBFC-D and NBFC-ND-SI shall mean NBFC-ML or NBFC-UL, as the case may be. The RBI SBR Framework Master Directions subsumes the erstwhile Master Direction – Non-Banking Financial Company – Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, Master Direction – Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

The SBR Framework Master Directions were further updated on October 10, 2024, to align the directions with the recent clarifications issued by the RBI by way of circular dated March 27, 2024, regarding investments by NBFCs in schemes of alternative investment funds. Additionally, SBR Framework Master Directions were also updated to mandate compliance with instructions contained in the circular dated April 15, 2024 to promote transparency and reduce information asymmetry on financial products being offered by regulated entities (“**RBI KFS Circular**”). Further, the SBR Framework Master Directions now mandate NBFC-ML and NBFC-ULs to include the details of penalties levied and restrictions imposed by the regulators including the RBI in the notes to accounts of their annual financial statements. NBFCs are also now mandated to disclose any directions and adverse findings issued by the regulators.

On February 27, 2025, the RBI revised the SBR Framework Master Directions to align with the latest directions on reporting of credit information to credit information companies (“**CICs**”) under the Master Direction – Reserve Bank of India (Credit Information Reporting) Directions, 2025 (“**CIC Master Directions**”). The revised CIC Master Directions now mandate all credit institutions, including all NBFCs and housing finance companies (“**HFCs**”), to report borrowers' credit information, including historical data, to CICs. The CICs must collect and maintain this information on a fortnightly basis (i.e., as of the 15<sup>th</sup> and last day of each month). Additionally, in cases involving multiple borrowers, the details of all debtors, including guarantors, must be submitted to CICs.



Pursuant to amendments introduced by the RBI on May 05, 2025 to the SBR Framework Master Directions, NBFCs are not required to deduct a right-of-use asset (in accordance with the Accounting Standards) from their “owned fund”, provided that the underlying asset being taken on lease is a tangible asset.

### **Categorisation of NBFCs carrying out specific activity**

NBFC-P2P, NBFC-AA, NOFHC and NBFCs without public funds and customer interface will always remain in the base layer of the regulatory structure.

The remaining NBFCs, viz., Investment and Credit Companies (NBFC-ICC), Micro Finance Institutions (NBFC-MFI), NBFC-Factors and Mortgage Guarantee Companies (NBFC-MGC) could lie in any of the layers of the regulatory structure depending on the parameters of the scale based regulatory framework.

Government owned NBFCs shall be placed in the base layer or middle layer, as the case may be, and will not be categorized as upper layer unless notified by the Government.

- i) Further, an NBFC may be registered as an NBFC-D or as an NBFC-ND in the following categories of NBFCs: (i) investment and credit companies (which erstwhile consisted of asset finance companies, investment companies, and loan companies); (ii) infrastructure finance companies; (iii) infrastructure debt funds; (iv) NBFC – micro finance institutions; and (v) NBFC – factors.
- ii) NBFC- Base Layer (“**NBFC-BL**”);

The NBFC- BL comprise of (a) non-deposit-taking NBFCs below the asset size of ₹ 10,000 million and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (“**NBFC-P2P**”), (ii) NBFC-Account Aggregator (“**NBFC-AA**”), (iii) Non-Operative Financial Holding Company (“**NOFHC**”); and (iv) NBFCs not availing public funds and not having any customer interface.

### **Rating of NBFCs-BL**

Pursuant to RBI SBR Framework Master Directions, all NBFCs-BL with asset size of more than ₹ 1,000 million are required to furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them, within 15 (fifteen) days of such a change in rating to the regional office of the RBI under whose jurisdiction the NBFC’s registered office is functioning.

### **Prudential Norms**

The RBI SBR Framework Master Directions, amongst other requirements, prescribe guidelines on NBFCs-BL regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, the concentration of credit/investment and norms relating to infrastructure loans. The RBI SBR Framework Master Directions state that the credit/ investment norms shall not apply to NBFCs not accessing public funds in India, either directly or indirectly, and not issuing guarantees.

The RBI SBR Framework Master Directions prescribes a leverage ratio of up to 7 times for NBFCs-BL, where the leverage ratio is to be calculated by dividing the total outside liability by the owned fund of the NBFC. Further NBFCs which are engaged in lending against gold jewellery (such loans comprising 50% or more of their financial assets) are required to maintain a minimum Tier 1 capital of 12% of aggregate risk weighted assets of on-balance sheet and of the adjusted value of the risk adjusted value off-balance sheet items.

## ***Provisioning Norms***

Every NBFC-BL shall, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realisation of the security and the erosion over time in the value of security charged, make provision against sub-standard assets, doubtful assets and loss assets as provided in Regulation 15.1 of the RBI SBR Framework Master Directions. All NBFCs-BL have been prescribed under the RBI SBR Framework Master Directions to make provisions for standard assets at 0.25% (zero point twenty five per cent) of the principal outstanding, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as ‘Contingent Provisions against Standard Assets’ in the balance sheet of the NBFC.

Under the RBI SBR Framework Master Directions, all NBFCs with asset size of ₹ 1 billion and above (as per their last audited balance sheet), core investment companies (**“Investment Companies”**) and all deposit taking NBFCs (except Type I NBFC-ND, Non-Operating Financial Holding Company and Standalone Primary Dealer) are required to comply with the ‘Guidelines on Liquidity Risk Management Framework’ (**“LRM Framework”**). The LRM Framework provide that the NBFCs should ensure sound and robust liquidity risk management system, the board of directors of the NBFC shall frame a liquidity risk management framework which ensures that it maintains sufficient liquidity, including a cushion of unencumbered, high quality liquid assets to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The liquidity risk management policy should spell out the entity-level liquidity risk tolerance; funding strategies; prudential limits; system for measuring, assessing and reporting/ reviewing liquidity; framework for stress testing; liquidity planning under alternative scenarios/formal contingent funding plan; nature and frequency of management reporting; periodical review of assumptions used in liquidity projection; etc. The LRM Framework *inter alia*, deal with: (i) liquidity risk management policy, strategies and practices; (ii) management information system; (iii) internal controls; (iv) maturity profiling; (v) liquidity risk measurement – stock approach; (vi) currency risk; (vii) managing interest rate risk; and (viii) liquidity risk monitoring tools.

The NBFC (with asset size of ₹ 1,000 million or more) shall appoint risk management committee (**“RMC”**) at the board or executive level, who shall be responsible for evaluating the overall risks faced by the NBFC including liquidity risk and report to the board of the NBFC. Further, such NBFCs have to constitute asset liability management committee (**“ALCO”**) consisting of the NBFC’s top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the board of directors as well as implementing the liquidity risk management strategy of the NBFC. The chief executive officer/ managing director or the executive director should head the Committee. The role of the ALCO with respect to liquidity risk should include, *inter alia*, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of all branches. In addition to RMC and ALCO, NBFCs are required to constitute asset liability management support group (**“ALM Support Group”**). ALM Support Group consist of the operating staff responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO.

The maturity profile should be used for measuring the future cash flows of NBFCs in different time buckets. Within each time bucket, there could be mismatches depending on cash inflows and outflows. While the mismatches up to one year would be relevant since these provide early warning signals of impending liquidity problems, the main focus shall be on the short-term mismatches, viz., 1-30/ 31 days. The net cumulative negative mismatches in the statement of structural liquidity in the maturity buckets 1-7 days, 8-14 days, and 15-30 days shall not exceed 10% (ten per cent), 10% (ten per cent) and 20% (twenty per cent) of the cumulative cash outflows in the respective time buckets. NBFCs, however, are expected to monitor their cumulative mismatches (running total) across all other time buckets up to 1 year by establishing internal prudential limits with the approval of the board of directors. NBFCs shall also adopt the above cumulative mismatch limits for their structural liquidity

statement for consolidated operations. Other than liquidity risk the NBFC has to currency risk and interest rate risk under the terms of the LRM Framework.

### ***Concentration of credit/ investment***

The credit concentration limits prescribed for NBFCs which are held by an NOFHC shall not (i) have any exposure (credit and investments including investments in the equity/debt capital instruments) to the promoters/promoter group entities or individual associated with the promoter group or the NOFHC; (ii) make investment in the equity/debt capital instruments in any of the financial entities under the NOFHC; and (iii) invest in equity instruments of other NOFHCs.

### ***Governance Guidelines***

The RBI SBR Framework Master Directions prescribes certain governance norms required to be adhered to by NBFCs-BL. The RBI SBR Framework Master Directions, *inter alia*, the appointment of at least 1 (one) of director on the board of directors of such NBFCs, who has relevant experience of having worked in a bank/NBFC, constitution of a RMC, having board approved policy on grant of loans to directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding, including identifiable threshold beyond which loans to such persons shall be reported to the board of such NBFCs.

Disclosures - NBFCs shall, in addition to the existing regulatory disclosures, disclose the following in their annual financial statements, with effect from March 31, 2023, including disclosures in relation to exposure to real estate sector, related party disclosure, disclosure of complaints received from customers and the offices of ombudsman.

### ***Asset Classification***

The RBI SBR Framework Master Directions require that every NBFC-BL shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- (i) Standard assets;
- (ii) Sub-standard assets;
- (iii) Doubtful assets; and
- (iv) Loss assets.

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation.

The RBI SBR Framework Master Directions prescribes that the NPA classification to 90 (ninety) days for NBFCs-BL, which previously was prescribed as 180 (one hundred and eighty) days. In this regard the RBI has prescribed a transition path for compliance of the prescribed a period of 90 (ninety) days period for identification of NPAs:

<b>NPA Norms</b>	<b>Timeline</b>
>150 (one hundred and fifty) days over due	By March 31, 2024
>120 (one hundred and twenty) days overdue	By March 31, 2025
>90 (ninety) days	By March 31, 2026

### ***Reserve Fund***

Under Section 45-IC of the RBI Act, every NBFC must create a reserve fund and transfer thereto a sum not less than 20% (twenty per cent) of its net profit every year, as disclosed in the statement of profit and loss account and before any dividend is declared. Further, no appropriation can be made from the fund for any purpose by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 (twenty-one) days from the date of such appropriation.

### ***Adherence to KYC Direction***

Similarly, all NBFCs having customer interface are required to comply with Master Direction on Know Your Customer Direction, 2016 issued by the RBI and as amended from time to time, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

### ***Fair Practices Code***

In terms of the RBI SBR Framework, all NBFCs having customer interface are required to formulate with the approval of their boards a 'Fair Practices Code' (which shall preferably be in the vernacular language or a language as understood by the borrower) based on the directions outlined therein. NBFCs will have the freedom of drafting the Fair Practices Code, enhancing the scope of the directions but in no way sacrificing the spirit underlying the directions. The same shall be put up on their website, if any, for the information of various stakeholders.

In addition, the RBI vide the RBI SBR Framework has mandated that all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has included norms for regulation of excessive interest charged by NBFCs in the RBI SBR Framework Master Direction.

These prescribed directions stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFC's website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Pursuant to Chapter VII (*Fair Practice Code*) of the RBI SBR Framework, all entities regulated by RBI including NBFCs ("**Regulated Entities**") are required to adopt the following instructions relating to penal charges in loan accounts ("**Penal Charges Guidelines**"):

Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalisation of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account;

- (i) The Regulated Entities shall not introduce any additional component to the rate of interest and ensure compliance to these guidelines in both letter and spirit;
- (ii) The Regulated Entities shall formulate a board approved policy on penal charges or similar charges on loans, by whatever name called;

- (iii) The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of the loan contract without being discriminatory within a particular loan /product category;
- (iv) The penal charges in case of loans sanctioned to ‘individual borrowers, for purposes other than business’, shall not be higher than the penal charges applicable to non-individual borrowers for similar non-compliance of material terms and conditions;
- (v) The quantum and reason for penal charges shall be clearly disclosed by the Regulated Entities to the customers in the loan agreement and most important terms & conditions / Key Fact Statement (“**KFS**”) as applicable, in addition to being displayed on the Regulated Entities website under interest rates and service charges; and
- (vi) Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.

The Regulated Entities may carry out appropriate revisions in their policy framework and ensure implementation of the instructions in respect of all the fresh loans availed/ renewed from the effective date. In the case of existing loans, the switchover to new penal charges regime shall be ensured on next review or renewal date or six months from the effective date of this circular, whichever is earlier.

Pursuant to a circular dated December 29, 2023, issued by the RBI, the timeline for implementation of Penal Charges Guidelines has been extended from January 01, 2024, to April 01, 2024. Further, existing loans may switch over to the above Penal Charge Guidelines on or after April 01, 2024, but not later than June 30, 2024.

### ***Key Fact Statements***

Further, by way of the RBI KFS Circular has mandated all NBFCs to provide a KFS to all its customers before executing loan agreements. This requirement aims to enhance transparency and disclosure by Regulated Entities in the pricing of loans and other related charges. The KFS must include comprehensive information about the loan, including *inter alia* the all-in cost, fees, charges, contingent charges, and instalment details, among others.

Unlike the previous regime which prescribed scheduled commercial banks (providing loans to individual borrowers) and all Regulated Entities (in cases of digital lending and microfinance loans) to mandatorily furnish a KFS to their customers, the RBI KFS Circular now extends this requirement to all retail and MSME loans extended by Regulated Entities as well.

### ***Guidelines on Default Loss Guarantee in Digital Lending***

The RBI SBR Framework Master Directions prescribes that the NBFCs have to comply with the ‘Guidelines on Default Loss Guarantee (“**DLG**”)’ which are applicable to DLG arrangements in digital lending operations undertaken by the regulated entities including NBFCs.

On May 08, 2025, the RBI introduced the RBI (Digital Lending) Directions, 2025 (“**Revised Digital Lending Directions**”) to lay down transparent, fair, and borrower-centric framework for digital lending, ensuring stricter oversight of digital lending platforms. The Revised Digital Lending Directions also repeal the earlier guidelines on DLG arrangements.

In terms of the Revised Digital Lending Directions, the lending service providers are required to establish contractual agreements setting out extent of the cover, the form of the default loss guarantee and the disclosure requirements as mentioned therein.

Regulated entities are required to ensure that the total amount of default loss guarantee cover on any outstanding portfolio which is specified upfront shall not exceed five per cent of the total amount disbursed out of that loan portfolio at any given time. Further, DLG can only be offered on a fixed set of identifiable and measurable loan assets, which shall remain static throughout the tenure of the DLG arrangement.

Regulated entities are required to ensure that lending service providers disclose the number and value of DLG portfolios on their websites on a monthly basis, within seven working days of the end of each month. The Directions also mandate enhanced due diligence, adherence to applicable regulatory and ethical standards, and place full responsibility on REs for the actions of lending service providers, including monitoring of underlying portfolios to prevent misconduct.

Further, regulated entities are fully accountable for actions of the relevant lending service providers and are required to monitor loan portfolios to prevent misconduct.

### ***Other stipulations***

All NBFCs are required to frame a policy for demand and call loan that includes provisions on the cut-off date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance.

The RBI Master Directions also specifically prohibit NBFCs from lending against its own shares.

An NBFC is required to inform the RBI of any change in the address, telephone numbers, etc. of its Registered Office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-ND would need to ensure that its registration with the RBI remains current.

- i) NBFC-Middle Layer (“**NBFC-ML**”);
- ii) The NBFC- ML consist of (a) all deposit taking NBFCs (“**NBFC-Ds**”), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹ 10,000 million and above and (c) NBFCs undertaking the following activities:
- iii) Standalone Primary Dealers (SPDs); (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs); (iii) Investment Companies; (iv) HFCs; and (v) Infrastructure Finance Companies (NBFC-IFCs).

All the above mentioned regulatory instructions applicable to NBFCs-BL are applicable to NBFCs-ML. Additionally, NBFCs-MLs are required to comply with the prescribed instructions stated below.

### ***Capital Adequacy Norms***

Every NBFC-ML shall maintain a minimum capital ratio consisting of Tier 1 and Tier 2 capital which shall not be less than 15% (fifteen per cent) of its aggregate risk weighted assets on balance sheet and of balance sheet items. The Tier 1 capital in respect of NBFCs (other than NBFC-MFI and NBFCs primarily engaged in lending against gold jewellery), at any point of time, shall not be less than 10% (ten per cent).

### ***Internal Capital Adequacy Assessment Process (ICAAP)***

Under the SBR Framework, NBFCs-ML (and NBFC-UL) are required to make a thorough internal assessment of the need for capital, commensurate with the risks in their business. The internal assessment shall be on similar lines as ICAAP prescribed for commercial banks under Pillar 2 (Master Circular – Basel III Capital Regulations

dated April 1, 2025, as amended from time to time). While Pillar 2 capital will not be insisted upon, however, NBFCs are required to make a realistic assessment of risks. Internal capital assessment shall factor in credit risk, market risk, operational risk and all other residual risks as per methodology to be determined internally. The methodology for internal assessment of capital shall be proportionate to the scale and complexity of operations as per the NBFCs board approved policy. The objective of ICAAP is to ensure availability of adequate capital to support all risks in business as also to encourage NBFCs to develop and use better internal risk management techniques for monitoring and managing of the risks.

### ***Provisioning Norms***

All NBFCs-ML have been prescribed under the RBI SBR Framework Master Directions to make provisions for standard assets at 0.40% (zero point forty per cent) of the principal outstanding, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as ‘Contingent Provisions against Standard Assets’ in the balance sheet of the NBFC.

### ***Liquidity Coverage Ratio***

In addition to the LCR Framework, NBFCs-ML are required to adhere to guidelines on maintenance of Liquidity Coverage Ratio (“LCR”). Investment Companies, Type I NBFCs, NOFHC, SPDs are exempt from the applicability of the LCR norms. The liquidity coverage ratio shall be maintained on an ongoing basis to help monitor and control liquidity risk as per the prescribed timelines in progressive manner, as provided below:

From	December 1				
	2020	2021	2022	2023	2024
NBFCs with asset size of ₹ 10,00,000 lakh and above	50%	60%	70%	85%	100%
NBFCs with asset size of ₹ 5,00,000 lakh and below ₹ 10,00,000 lakh	30%	50%	60%	85%	100%

### ***Concentration of credit/ investment***

The RBI SBR Framework Master Directions prescribes that NBFCs-ML shall not have exposure (credit/investment taken together) exceeding: (a) 25% (twenty-five per cent) of its Tier 1 capital to a single party; and (b) 40% (forty per cent) of its Tier 1 capital to a single group of parties, however, such exposure norms may be exceeded by 5% (five per cent) for any single party and by 10% (ten per cent) for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment. NBFC-IFC are prescribed to have an exposure norms not exceeding (a) 30% (thirty per cent) of its Tier 1 capital to a single party; and (b) 50% (fifty per cent) of its Tier 1 capital to a single group of parties.

The above mentioned exposure norms are not applicable to NBFCs not accessing public funds in India either directly or indirectly and not issuing guarantees.

### ***Governance Guidelines***

The RBI SBR Framework Master Directions prescribes certain corporate governance norms required to be adhered to by NBFCs. The RBI SBR Framework Master Directions, *inter alia*, provide for the constitution of an audit committee, a nomination and remuneration committee, an asset liability management committee and a RMC and certain other norms in connection with disclosure and transparency. Further, NBFCs-ML with asset size of more than ₹ 50 billion in categories – investment and credit companies, infrastructure finance companies, micro finance institutions, factors and infrastructure debt funds are required to appoint a chief risk officer (“CRO”) with clearly specified role and responsibilities. The CRO is required to function independently so as to ensure highest standards of risk management. In this regard, NBFCs are required to strictly adhere to the instructions laid down

in Chapter XI (*Governance Guidelines*) (applicable to NBFCs-ML) of the RBI SBR Framework Master Directions. Under the terms of the SBR Framework following additional corporate governance compliances have been stipulated for NBFC-ML (and NBFC-UL):

**Key Managerial Personnel** - Except for directorship in a subsidiary, Key managerial personnel (as defined under Section 2(51) of the Companies Act, 2013) shall not hold any office (including directorships) in any other NBFC-ML or NBFC-UL. A timeline of two years is provided with effect from October 01, 2022 to ensure compliance with these norms. However, they can assume directorship in NBFC-BLs.

- (i) **Independent Director** - Within the permissible limits in terms of the Companies Act, 2013, an independent director shall not be on the board of more than three NBFCs (NBFC-ML or NBFC-UL) at the same time. Further, the Board of the NBFC shall ensure that there is no conflict arising out of their independent directors being on the board of another NBFC at the same time. A timeline of two years is provided with effect from October 01, 2022, to ensure compliance with these norms. There shall be no restriction to directorship on the boards of NBFC-BLs, subject to applicable provisions of the Companies Act, 2013.
- (ii) **Compensation guidelines** - In order to address issues arising out of excessive risk taking caused by misaligned compensation packages, NBFCs shall put in place a board approved compensation policy for KMPs and senior management of NBFCs-MLs. The guidelines shall at the minimum include, a) the constitution of a remuneration committee, b) principles for fixed/ variable pay structures, and c) malus/ claw back provisions. The nomination and remuneration committee shall ensure that there is no conflict of interest.

**Other Governance matters - NBFCs shall comply with the following:**

- i. The board shall delineate the role of various committees (audit committee, nomination and remuneration committee, RMC or any other committee) and lay down a calendar of reviews.
- ii. NBFCs shall formulate a whistle blower mechanism for directors and employees to report genuine concerns.
- iii. The board shall ensure good corporate governance practices in the subsidiaries of the NBFC.
- iv. NBFC- Upper layer (“**NBFC-UL**”)

The NBFC-UL comprise of those NBFCs which are specifically identified by RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in appendix to SBR Framework. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

All the above-mentioned regulatory instructions applicable to NBFCs-BL and NBFCs-ML are applicable to NBFCs-UL. Additionally, NBFCs-UL are required to comply with the prescribed instructions stated below.

***Prudential Regulations***

NBFCs-UL are required to maintain common equity tier 1 (“**CET1**”) capital of at least 9% (nine per cent) of the risk weighted assets, where CET1 ratio would be the sum of CET1 capital divided by the total risk weighted assets.

***Asset provisioning***

NBFCs-UL are required to maintain provisions of standard assets at the following rates for the funded amount outstanding:



Category of Assets	Rate of provision
Individual housing loans and loan to SMEs	0.25%
Housing loans extended at teaser rates	2.00% which will decrease to 0.40% after 1 year from the date on which the rates are reset at higher rates (if the accounts remain 'standard')
Advances to commercial real estate- residential housing ("CRE-RH") sector	0.75%
Advances to commercial real estate sector (other than CRE-RH)	1.00%
Restructuring advances	As stipulated in the applicable prudential norms for restructuring of advances
All other loans and advances not included above, including loans to medium enterprises	0.40%

### **Regulatory Restrictions and Limits**

NBFCs-UL are required to adhere to the 'Large Exposure Framework' ("**LEF Guidelines**") prescribed in the RBI SBR Master Directions under Chapter XIV (*Regulatory Restrictions and Limits*). The LEF Guidelines are applicable to NBFCs, both at the solo level and at the consolidated (group) level.

#### *Large Exposure Limits*

In case of a single counterparty, the sum of all exposure values of an NBFC to a single counterparty must not be higher than 20% (twenty per cent) of the NBFC's available eligible capital base at all times, subject to an additional 5% exposure with the approval of the board of the NBFC.

The RBI SBR Framework Master Directions defines a "Group of connected counterparties" as:

*"Group of connected counterparties" means two or more (natural or legal) persons who satisfy at least one of the following conditions:*

- (i) Control relationship: one person directly or indirectly, has control over the other(s), or such persons are under the common control of a third party (irrespective of whether the NBFC has exposure to the third party or not). Control relationship criteria is automatically satisfied if one entity owns more than 50 percent of the voting rights of the other entity;*
- (ii) Economic interdependence: In establishing connectedness based on economic interdependence, NBFCs must consider, at a minimum, the following criteria:*
  - (a) Where 50% or more of one counterparty's gross receipts or gross expenditure (on an annual basis) is derived from transactions with the other counterparty;*
  - (b) Where one counterparty has fully or partly guaranteed the exposure of the other counterparty, or is liable by other means, and the exposure is so significant that the guarantor is likely to default if a claim occurs;*
  - (c) Where a significant part of one counterparty's production/output is sold to another counterparty, which cannot easily be replaced by other customers;*
  - (d) When the expected source of funds to repay the loans of both counterparties is the same and neither counterparty has another independent source of income from which the loan may be serviced and fully repaid;*

- (e) *Where it is likely that the financial problems of one counterparty would cause difficulties for the other counterparties in terms of full and timely repayment of liabilities;*
- (f) *Where the insolvency or default of one counterparty is likely to be associated with the insolvency or default of the other(s);*
- (g) *When two or more counterparties rely on the same source for the majority of their funding and, in the event of the common provider's default, an alternative provider cannot be found - in this case, the funding problems of one counterparty are likely to spread to another due to a one-way or two-way dependence on the same main funding source.*

In order to avoid cases where a thorough investigation of economic interdependencies will not be proportionate to the size of the exposures, NBFCs are expected to identify possible connected counterparties on the basis of economic interdependence in all cases where the sum of all exposures to one individual counterparty exceeds 5% of the eligible capital base, and not in other cases.

In case of a groups of connected counterparties, the sum of all exposure values of an NBFC to a group of connected counterparties must not be higher than 25% (twenty five per cent) of the NBFC's available eligible capital base at all times, subject to an additional 10% (ten per cent) exposure of its Tier 1 capital for exposure to a group of connected counterparties.

### ***Governance Guidelines***

#### ***Qualification of board members***

The RBI SBR Framework Master Directions prescribe that the board members of the NBFC-UL shall be competent to manage the affairs of the NBFC. The composition of board should ensure a mix of educational qualification and experience within the board.

#### ***Listing and disclosures***

- i) NBFCs-UL are mandatorily required to be listed within 3 (three) years of identification NBFC-UL.

Disclosure requirements shall be put in place on the same lines as applicable to a listed company even before the actual listing as per board approved policy of the NBFC.

- ii) NBFC- Top Layer ("NBFC-TL")

The NBFC-TL will ideally remain empty. This layer can get populated if RBI is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFC-UL. Such NBFCs shall move to the NBFC-TL.

NBFCs falling in the 'Top Layer' of the regulatory structure shall, *inter alia*, be subject to higher capital charge. Such higher requirements shall be specifically communicated to the NBFC at the time of its classification in the 'Top Layer'. There will be enhanced and intensive supervisory engagement by the RBI with such NBFCs.

### ***Reserve Bank of India (Know Your Customer (KYC)) Master Directions, 2016 dated February 25, 2016, as amended ("RBI KYC Directions")***

The RBI KYC Directions are applicable to every entity regulated by the RBI (including Housing Finance Companies), specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous

non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated there under is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. It is advised that all NBFCs adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The RBI KYC Directions provide for a simplified procedure for opening accounts by NBFCs. It also provides for an enhanced and simplified due diligence procedure. It has further prescribed detailed instructions in relation to, *inter alia*, the due diligence of customers, record management, and reporting requirements to Financial Intelligence Unit – India. The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by Banks and NBFCs. The Regulated Entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards. The RBI KYC Directions also require the Regulated Entities to ensure compliance with the requirements/obligations under international agreements. The Regulated Entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies, and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies. The RBI KYC Directions were updated on April 20, 2018 and thereafter to enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002 and in accordance with the Prevention of Money-Laundering Rules vide Gazette Notification GSR 538 (E) dated June 1, 2017 and the final judgment of the Supreme Court in the case of Justice K.S. Puttaswamy (Retd.) & Another v. Union of India (Writ Petition (Civil) 494/2012). The Directions were updated to accommodate authentication as per the AADHAR (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and use of an Indian resident's Aadhar number as a document for the purposes of fulfilling KYC requirement. The RBI KYC Directions were further updated on January 9, 2020 with a view to leveraging the digital channels for customer identification process by Regulated Entities, whereby the RBI has decided to permit video based customer identification process as a consent based alternate method of establishing the customer's identity, for customer onboarding. The RBI KYC Directions were further updated on November 06, 2024 to specify that Regulated Entities are required to retrieve records online from the central registry without requiring resubmission of the same documents for establishing or updating an account-based relationship or verifying a customer's identity. However, Regulated Entities may request additional documents if, *inter alia*, the existing records are outdated, incomplete or non-compliant with prevalent norms.

### ***Financing of NBFCs by banks***

#### ***RBI Master Circular RBI/2024-25/24/DOR.CRE.REC.No.17/21.04.172/2024-25 on Financing of NBFCs by bank***

The RBI has issued guidelines vide a master circular bearing number RBI/2024-25/24/DOR.CRE.REC.No.17/21.04.172/2024-25 dated April 24, 2024 relating to the financial regulation of systemically important NBFC-NDs and the relationship of banks with such institutions. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) all types of loans and advances by NBFCs to their subsidiaries, group companies, entities; (v) further lending to individuals for the purpose of subscribing to an initial public offer.

In addition to the above the RBI has vide the same master circular relating to bank financing of NBFCs predominantly engaged in lending against gold has directed banks to (i) reduce their regulatory exposure ceiling on a single NBFC, having gold loans to the extent of 50% (fifty per cent) or more of its total financial assets 7.5%

(seven point five per cent) of banks' capital funds. However, the exposure ceiling may go up by 5% (five per cent), i.e., up to 12.5% (twelve point five per cent) of banks' capital funds if the additional exposure is on account of funds on-lent by NBFCs to the infrastructure sector and (ii) to have an internal sub-limit on their aggregate exposures to all such NBFCs, having gold loans to the extent of 50% (fifty per cent) or more of their total financial assets, taken together. The sub-limits should be within the internal limit fixed by the banks for their aggregate exposure to all NBFCs put together.

Further, the RBI, pursuant to its circular on "Exposures of Scheduled Commercial Banks (SCBs) to Non-Banking Financial Companies (NBFCs) – Review of Risk Weights" bearing reference number DOR.STR.REC.61/21.06.001/2024-25 dated February 25, 2025, has revised the applicable risk weights on exposures of scheduled commercial banks to NBFCs (excluding core investment companies). Accordingly, the applicable risk weights shall be determined in accordance with the Master Circular on Basel III Capital Regulations dated April 1, 2025, which specifies that risk weights on exposures to NBFCs shall be based on their external rating, ranging from 20% (for AA-rated NBFCs) to 100% (for unrated NBFCs).

***Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) dated July 15, 2024.***

On July 15, 2024, the RBI issued the revised Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) ("**Fraud Directions**") superseding the erstwhile Master Directions on Monitoring of Frauds in NBFCs (Reserve Bank), Directions, 2016. Under the Fraud Directions, NBFCs classified as NBFC-BL, NBFC-ML and NBFC-UL shall put in place a board approved policy on fraud risk management delineating roles and responsibilities of board and senior Management of the NBFCs. NBFCs are required to report all instances of fraud to the RBI or the National Housing Bank through fraud monitoring returns portal within 14 (fourteen) days of classifying an incident or account as fraudulent. Furthermore, all attempted and successful instances of theft, burglary, dacoity, and robbery must be reported to the fraud monitoring group of the RBI within 7 (seven) days of occurrence.

NBFCs must also report all incidents of fraud immediately to appropriate law enforcement agencies through a nodal point or designated officer of such NBFC.

***Accounting Standards & Accounting policies***

The Ministry of Corporate Affairs has amended the existing Indian Accounting Standards vide Companies (Indian Accounting Standards) Rules, 2021 and the same is applicable to the Company from April 1, 2021. RBI vide notification number RBI/2019-20/170DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 framed regulatory guidance on Ind AS which will be applicable on Ind AS implementing NBFCs and Asset Reconstruction Companies ("**ARCs**") for preparation of their financial statements from Fiscal 2020 onwards. These guidelines focus on the need to ensure consistency in the application of the accounting standards in specific areas, including asset classification and provisioning, and provide clarifications on regulatory capital in the light of Ind AS implementation. The guidelines cover aspects on governance framework, prudential floor and computation of regulatory capital and regulatory ratios.

***Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016***

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC- ND-SI, the auditor shall make a separate report to the Board of Directors of the company on, *inter alia*, examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on March 31 of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether

the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank, whether the company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period, and whether the non-banking financial company has been correctly classified as NBFC -MFI.

#### ***Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016***

All NBFCs are required to put in place a reporting system for filing various returns with the RBI. An NBFC-ND-SI is required to file on a *quarterly* basis a return on important financial parameters, including components of assets and liabilities, profit and loss account, exposure to sensitive sectors etc., NBS-7 on prudential norms on a quarterly basis, multiple returns on asset-liability management to address concerns regarding, *inter alia*, asset liability mismatches and interest rate risk, quarterly report on branch information, and Central Repository of Information on Large Credits (“CRILC”) on a quarterly basis as well as all Special Mention Account (“SMA-2”) status on a weekly basis to facilitate early recognition of financial distress, prompt steps for resolution and fair recovery for lenders.

#### ***Master Direction on Information Technology Framework for the NBFC Sector, 2017 (“IT Directions”)***

All systemically important NBFCs must implement the security enhancement requirements under the Master Direction with respect to enhancing security of its Information Technology/Information security Framework (“IT”) business continuity planning, disaster recovery and management. NBFCs must constitute an IT Strategy Committee and IT Steering Committee and formulate an IT and Information security policy in furtherance of the same. Further, a Cyber Crisis Management Plan must be formulated to address cyber intrusions and attacks. It has to be implemented by applicable NBFCs by June 2018.

On November 7, 2023, the RBI issued the Reserve Bank of India (Information Technology Governance, Risk, Controls, and Assurance Practices) Directions, 2023 (“**2023 IT Directions**”), effective from April 1, 2024. These Directions apply to NBFC-MLs and NBFC-ULs, while the erstwhile IT Directions will continue to govern NBFC-BLs.

The 2023 IT Directions require that policies concerning information technology, information systems, business continuity, information security, and cyber security must be approved by the board and reviewed at least annually. Additionally, the enterprise-wide risk management or operational risk management policies must incorporate IT-related risks. NBFCs must also implement systems for regular monitoring of audit trails and system logs to identify unauthorized activities.

Consequently, the previous IT Directions stand repealed for NBFC-MLs and NBFC-ULs with effect from April 1, 2024.

#### ***Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017***

*With* a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs (“**Risk Management Directions**”). The Risk Management Directions specify that core management functions like internal auditing, compliance functions, decision making functions such as compliance with KYC norms shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers. Further the RBI has released the draft Master Direction on Managing Risks and Code of Conduct in Outsourcing of Financial Services, 2023 (“**Draft Outsourcing Master**

**Directions**”) which were introduced by the RBI on October 26, 2023, which *inter alia* proposes to restrict NBFCs from outsourcing their core management functions such as decision making functions like loan approvals to an external outsourcing agency. It is to be noted that Draft Outsourcing Master Directions have not been notified yet and the final directions in this regard are awaited from the RBI.

***Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025 (“PSL Master Directions”)***

The RBI on March 24, 2025, notified the PSL Master Directions thereby revising the framework for priority sector lending. The PSL Master Directions specify, *inter alia*, that credit facilities extended by banks to registered NBFC-MFIs qualify as priority sector advances under agriculture, micro-small and medium enterprises, social infrastructure, and other categories, provided such NBFC-MFIs comply with the RBI’s SBR Framework Master Directions. Eligible facilities include loans extended by banks (other than small finance banks (“SFB”)) to registered NBFC-MFIs that are members of an RBI-recognized self-regulatory organization (“SRO”) for the relevant sector, for on-lending to individuals as well as to members of self-help groups (“SHGs”) and joint liability groups (“JLGs”). Additionally, SFBs are permitted to extend loans to registered NBFC-MFIs and other MFIs that are members of an SRO and have a gross loan portfolio (“GLP”) of up to ₹5000 Million as of March 31 of the previous year, for the purpose of on-lending to individuals. If the GLP of such NBFC-MFIs exceeds the prescribed limit at a later date, all priority sector loans sanctioned before the breach will continue to be classified as PSL by SFBs until repayment or maturity, whichever is earlier.

Furthermore, bank credit to registered NBFCs (other than NBFC-MFIs) for on-lending shall also be eligible for classification as priority sector advancements under the respective categories, subject to the following conditions (i) Agriculture: Up to ₹ 1 Million per borrower for the ‘term lending’ component under Agriculture; and (ii) Micro & Small Enterprises: Up to ₹2 Million per borrower.

***The Recovery of Debts and Bankruptcy Act, 1993***

The Recovery of Debts and Bankruptcy Act, 1993 (the “DRT Act”) provides for establishment of the Debts Recovery Tribunals (the “DRTs”) for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

***RBI Master Directions on Wilful Defaulters dated July 30, 2024***

Further, the RBI has notified the Master Directions on Wilful Defaulters dated July 30, 2024, which shall be in effective from October 28, 2024 (“Wilful Defaulter Directions”). Pursuant to the Wilful Defaulter Directions, the RBI has proposed to revamp the wilful defaulter regime in India by, *inter alia*, prescribing a fixed timeline of concluding the identification process of a wilful defaulter within 6 (six) months from the date of an account being classified as an NPA as well as providing a prospective wilful defaulter 2 (two) opportunities of presenting their defence before the (identification and review) committees, instead of the currently prescribed single opportunity to be present their defence before the identification committee. In the Wilful Defaulter Directions, the term ‘*wilful default*’ has been redefined, which would be deemed to have occurred if the borrower defaults in meeting payment/

repayment obligations to the lender and any one or more of the following features are noticed: (a) borrower has the capacity to honour the said obligations; (b) the borrower has diverted the funds availed under the credit facility from lender; (c) the borrower has siphoned off the funds availed under the credit facility from lender; (d) borrower has disposed of immovable or movable assets provided for the purpose of securing the credit facility without the approval of the lender; or (e) borrower or the promoter has failed in its commitment to the lender to infuse equity despite having the ability to infuse the equity, although the lender has provided loans or certain concessions to the borrower based on this commitment and other covenants and conditions. Further, special emphasis has been added on the capacity of the borrower to honour its obligations and diversion of funds. Diversion and siphoning of funds include the following situations: (i) utilization of short-term working capital funds for long-term purposes in contravention of the terms of sanction; (ii) utilization of borrowed funds for creation of assets other than those for which loan was sanctioned; (iii) Transferring of funds to subsidiaries or group companies or other corporates; (iv) routing of funds through any bank other than the lender bank or consortium without prior permission of the lender; (v) investment in other companies by acquiring equities/debt instrument without the approval of lenders; (vi) shortfall in deployment of funds vis-à-vis the amounts disbursed / drawn without the difference being accounted for. After identification of Wilful Defaulters, the guidelines mandatorily direct the lenders to adopt certain penal measures, which include the following:

- a) No additional facilities will be granted by banks and financial institutions;
- b) The bar on additional credit facility to a wilful defaulter or any entity with which a wilful defaulter is associated shall be effective for a period of 1 (one) after the name of wilful defaulter has been removed from the List of Wilful Defaulters (LWD) by the lender;
- c) No credit facility shall be granted by any lender for floating of new ventures to a wilful defaulter or any entity with which a wilful defaulter is associated for a period of 5 (five) years after the name of wilful defaulter has been removed from the LWD by the lender;
- d) Wilful defaulters or any entity with which a wilful defaulter is associated shall not be eligible for restructuring of credit facility. Subsequent to removal of the name of wilful defaulter from the LWD, the wilful defaulter or any entity with which a wilful defaulter is associated shall be eligible for restructuring, subject to the paragraph (b) above.
- e) Further, the Wilful Defaulter Directions permit NBFCs to enter into compromise settlements and technical write-offs with respect to accounts categorised as wilful defaulters without prejudice to any criminal proceedings underway against such debtors.

Further, pursuant to the RBI's 'Framework for Compromise Settlements and Technical Write-offs' dated June 8, 2023, NBFCs have been permitted to enter into compromise settlements and technical write-offs with respect to accounts categorised as wilful defaulters or fraud without prejudice to any criminal proceedings underway against such debtors.

#### ***Draft Reserve Bank of India (Non-Fund Based Credit Facilities) Directions, 2025***

The RBI on April 9, 2025, issued draft guidelines on non-fund-based credit facilities ("**Draft PCE Framework**"), proposing a revised regulatory framework governing non-fund-based credit exposures of regulated entities, including revised guidelines on the issuance of partial credit enhancements ("**PCE**"). The proposed PCE framework overhauls the existing PCE framework and introduces measures to increase market participation in infrastructure financing. Under the proposed PCE framework, the bonds issued by NBFCs and HFCs with an asset size of INR 1,000 crore and above are eligible to be credit enhanced as more particularly described in the Draft PCE Framework. Further, the coverage of PCEs is proposed to be increased from the exposure limit of 20% of the issue size by a single Regulated Entity to 50% of the issue size of the bond under the proposed PCE

Framework. PCEs are required to be provided at the time of bond issuance and must be irrevocable in nature. Under the proposed framework, PCE proceeds may only be used for servicing the enhanced bonds and not for asset acquisition, project expenses, corporate purposes, or for servicing any other lenders, regardless of creditor seniority or facility end-use. Regulated Entities are not permitted to invest in corporate bonds that have been credit enhanced by other Regulated Entities.

### ***RBI Circular on Investment in Alternative Investment Funds dated December 19, 2023***

The RBI vide its circular bearing number RBI/2023-24/90 DOR.STR.REC.58/21.04.048/2023-24 dated December 19, 2023, has prohibited (“**AIF Circular**”) the Regulated Entities from making any investments in any scheme of alternate investment funds (“**AIFs**”) which downstream investments, either directly or indirectly in a debtor company of the Regulated Entity. The RBI has further directed Regulated Entities with existing investments in such schemes of AIFs to liquidate their investments with a period of 30 (thirty) days from the date of issue of this circular. In case of failure to liquidate their investments in such schemes of AIFs, Regulated Entities would be required make 100% provision on such investments. Further investment by Regulated Entities in the subordinated units of any AIF scheme with a ‘priority distribution model’ are subject to full deduction from Regulated Entity’s capital funds.

Further, RBI by way of circular dated March 27, 2024, has clarified that the downstream investments (*as mentioned in the AIF Circular*) shall exclude investments in equity shares of the debtor company of the Regulated Entity.

The RBI has further clarified that provisioning requirements in the AIF Circular, shall be restricted to investments by the Regulated Entities in the AIF, further invested by such AIF in the debtor company. Furthermore, RBI clarified that the paragraph 3 of the AIF Circular prescribing deductions from the Regulated Entity’s capital funds, shall be only applicable in case where such AIFs does not have any downstream investments. Further, the capital deductions as prescribed under the AIF Circular shall be deducted equally from Tier-1 and Tier-2 capital of the Regulated Entity.

In case of AIFs having downstream investments, the conditions prescribed under Paragraph 2 of the AIF Circular<sup>1</sup> shall be applicable. The RBI has also clarified that investment of subordinated units of AIF scheme includes all forms of subordinated exposures including the investments in the sponsor units of an AIF.

Notably, the RBI has clarified that the investment by the Regulated Entities in the AIF through intermediaries such as funds of funds or mutual funds will be outside the scope of the AIF Circular.

The RBI issued the draft Reserve Bank of India (Investment in AIF) Directions, 2025 (“**Draft Directions**”) on May 19, 2025 governing the terms and conditions on investment by the Regulated Entities in schemes issued by AIFs. The Draft Directions set down definite investment limits for Regulated Entities as follows:

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<sup>1</sup> Paragraph 2, AIF Circular specifies the following:

*“In order to address concerns relating to possible evergreening through this route, it is advised as under:*

*(i) REs shall not make investments in any scheme of AIFs which has downstream investments either directly or indirectly in a debtor company of the RE.*

*Explanation: The debtor company of the RE, for this purpose, shall mean any company to which the RE currently has or previously had a loan or investment exposure anytime during the preceding 12 months.*

*(ii) If an AIF scheme, in which RE is already an investor, makes a downstream investment in any such debtor company, then the RE shall liquidate its investment in the scheme within 30 days from the date of such downstream investment by the AIF. If REs have already invested into such schemes having downstream investment in their debtor companies as on date, the 30-day period for liquidation shall be counted from date of issuance of this circular. REs shall forthwith arrange to advise the AIFs suitably in the matter.*

*(iii) In case REs are not able to liquidate their investments within the above-prescribed time limit, they shall make 100 percent provision on such investments.”*



- (a) Individual Limit: a single Regulated Entity's contribution to any AIF scheme will be capped at 10% (ten per cent) of its corpus;
- (b) Collective Limit: A ceiling of 15% (fifteen per cent) will apply for investment by all Regulated Entities together in an AIF scheme; and
- (c) Free Limit: A regulated entity can invest up to 5% (five per cent) of the corpus of an AIF scheme without any restriction.

In terms of the Draft Directions, if the investment by any RE exceeds 5% of the corpus of the scheme, and if the scheme has downstream debt investment in a debtor company of the RE (excluding equity shares, compulsorily convertible preference shares and compulsorily convertible debentures), then the RE will be required to make 100% provision to the extent of its proportionate exposure through the AIF scheme.

***Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("SEBI AIF Regulations")***

Under the SEBI AIF Regulations, a 'manager' is a person or an entity who has been appointed by an alternative investment fund ("AIF") to manage its investments. The manager of an AIF can also be the sponsor of an AIF. For Category I and II AIFs, the manager or the sponsor of an AIF is required to maintain a continuing interest in an AIF. The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. A certificate of registration is mandatory for an entity or a person to act as an AIF and such certificate shall be granted, subject to compliance with the requisite conditions under the SEBI AIF Regulations. The registration of an AIF is, amongst other things, also dependent on the ability of the manager to effectively discharge its activities by having the necessary infrastructure and man power. All AIFs are required to state their investment strategy, investment purpose and their investment methodology in the placement memorandum to the investors. The manager is required to be a 'fit and proper person', based on the criteria specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008. The obligations of the manager include maintenance of records, addressing the complaints of the investors, taking steps to address conflicts of interest, ensuring transparency and providing all information sought by SEBI. The manager or sponsor of an AIF is required to appoint a custodian who is registered with SEBI for safekeeping of the securities of such AIF. The manager is also required to establish and implement written policies and procedures to identify, monitor and appropriately mitigate conflict of interest throughout the scope of business. Funds of Category I AIFs are allowed to invest in units of Category I AIFs of the same sub-category. Funds of Category II AIFs and Category III AIFs are allowed to invest in units of Category I or Category II AIFs.

***Securities and Exchange Board of India Master Circular for Alternative Investment Funds dated May 07, 2024 ("SEBI Master Circular on AIFs")***

The SEBI Master Circular on AIFs is a compilation of all the existing/applicable circulars issued by SEBI to AIFs from time to time. The Master Circular on AIFs includes the procedure to be followed for filing private placement memorandum which is the primary document in which all the necessary information about an AIF is disclosed to prospective investors. It also comprises the investment method in AIFs by which the AIFs may raise funds from any investor whether Indian, foreign or non-resident Indians, by way of issue of units. The obligations of a manager, sponsor and trustee of an AIFs along with the code of conduct that all managers are required to follow is also provided under the SEBI Master Circular on AIFs. The guidelines for AIFs to report their investment activities under Regulation 28 of the SEBI AIF Regulations with respect to the activities carried out by an AIF are also provided in the SEBI Master Circular on AIFs. The SEBI has prepared an investor charter with a view to provide relevant information to investors about the various activities pertaining to AIFs which is required to be adhered to by the AIFs.

***Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 dated December 29, 2023***

The Reserve Bank of India (RBI), through its circular No. RBI/CEPD/2023-24/108 CEPD.PRD.No.S1228/13.01.019/2023-24 dated December 29, 2023, has issued the Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 (“**Internal Ombudsman Directions**”). The Internal Ombudsman Directions mandates all scheduled commercial banks, NBFCs, non-bank system participants and credit information companies to comply with the updated guidelines on the internal ombudsman mechanism.

The Internal Ombudsman Directions consolidates and updates the framework applicable to the mechanism governing the appointment of an internal ombudsman and aims to strengthen the internal grievance redress system within Regulated Entities (including NBFCs), thereby ensuring an independent, apex-level authority for consumer grievance redressal. The Internal Ombudsman Directions are applicable to deposit-taking NBFCs with 10 or more branches and non-deposit taking NBFCs with an asset size of ₹ 50 billion and above. The internal ombudsman is required to be appointed based on specific eligibility criteria, including a minimum of 7 (seven) years of experience in relevant fields and not being a former or current employee of the Regulated Entity or its related parties. The Internal Ombudsman Directions also outline the procedural guidelines for complaint redressal by the internal ombudsman, including the formulation of a standard operating procedure (SOP) and the establishment of a fully automated complaints management software for auto-escalation of rejected complaints.

***Master Direction - Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity up to one year) Directions, 2024 dated January 03, 2024***

The Reserve Bank of India, through its notification no. RBI/FMRD/2023-24/109 FMRD.DIRD.09/14.02.001/2023-24 dated January 03, 2024, has issued the Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity up to one year) Directions, 2024 (“**Commercial Paper Master Directions**”). This directive is applicable to all market participants dealing in commercial papers (CPs) and/or non-convertible debentures of original or initial maturity up to 1 (one) year and shall be effective from April 01, 2024. The Commercial Paper Master Directions consolidates and updates the regulatory framework governing the issuance and conduct of commercial papers and the aforementioned non-convertible debentures following a comprehensive review based on market feedback. The commercial papers and non-convertible debentures shall now be compulsorily required to be issued in dematerialized form in minimum denomination of ₹ 0.5 million and in multiples of ₹ 0.5 million thereafter. Funds raised through commercial papers and non-convertible debentures must be ordinarily used to finance current assets and operating expenses and be disclosed in the offer letter for these instruments.

The Commercial Paper Master Directions have *inter alia* stipulated the eligibility criteria for issuers and investors and other issuance and investment conditions as well as reporting requirements for such issuances. RBI has highlighted the need for issuers to adhere to specified standards including credit rating minimums, disclosure norms and end-use restrictions, to enhance transparency and investor protection in these markets. Additionally, the Commercial Paper Master Directions also outlines the roles and responsibilities of intermediaries including issuing and paying agents, debenture trustees, and credit rating agencies to ensure compliance and maintain market integrity.

**Laws applicable to insurance subsidiaries**

***The Insurance Act, 1938 (“Insurance Act”) and the IRDAI Act, 1999 (“IRDAI Act”)***

The Insurance Act along with the various regulations, guidelines and circulars issued by IRDAI, govern, amongst other matters, registration of the insurers, opening of new places of business, accounts and balance sheet, audit of

financial statements, actuarial report and abstract, insurance intermediaries and agents, investment of funds, valuation of assets and liabilities, solvency margins to be maintained by the insurer, restriction on dividends, limits on expenses of management, commission and/or remuneration and/ or rewards payable to insurance agents and intermediaries, requirement to be Indian owned and controlled and obligation of insurers in respect of motor third party insurance business. The IRDAI came into existence by virtue of promulgation of the IRDAI Act to regulate, promote and ensure orderly growth of the insurance sector in India and to protect the interests of policyholders.

Under the Insurance Act, insurers are required to be registered with the IRDAI for carrying out any class of insurance business, including general insurance in India. The Insurance Act stipulates, among other things, certain requirements with respect to the capital structure for insurers including minimum paid-up equity capital and equal voting rights. Insurers are required to maintain records of policies, including the details of policyholders, nominations of claims, details of discharge or rejection of claims, register of insurance agents, etc. Under the Insurance Act, an Indian insurance company is obligated to be “Indian Owned and controlled”. Additionally, in terms of the Indian Insurance Companies (Foreign Investment) Rules 2015, as amended (the “**Foreign Investment Rules**”), the term “Indian Control of an Indian Insurance Company” has been defined to mean control of such Indian insurance company by resident Indian citizens or Indian companies, which are owned and controlled by resident Indian citizens. The term “control” has been defined in the Insurance Act to include the right to appoint a majority of the directors or to control management or policy decisions including by virtue of shareholding management rights shareholders agreements or voting agreements. Further, a general insurance company is required to have capital consisting of equity shares each having a simple face value and such other form of capital as may be specified by regulations. The voting rights of the shareholders are required to be restricted to such equity shares and to be proportionate to the paid-up equity share capital held by them. With respect to investments of assets, the Insurance Act mandates insurers to keep invested assets in a prescribed manner in Government securities and such other approved investments. Further, the Government securities and other approved securities where assets are to be invested are required to be held by the insurers free of any encumbrance, charge, hypothecation or lien. Certain restrictions on investments of assets and controlled fund have also been prescribed, including investment in shares or debentures of a private limited company.

Further, any appointment, re-appointment or termination of appointment or amendment of the terms of remuneration, of a managing or whole-time director, executive directors, manager or chief executive officer of an insurance company requires the prior approval of the IRDAI.

IRDAI has specified norms for issuance of capital which require insurers to obtain prior approval of the IRDAI for issuance of capital by way of public issue or any subsequent issue of equity shares.

### ***The Insurance Laws (Amendment) Act, 2015 (“Amendment”)***

The Amendment introduced several changes in the scheme of the Insurance Act, amongst other things, in relation to ownership and control, capital, enhancement of administrative and enforcement powers and responsibilities of IRDAI. Additionally, the Amendment also encourages electronic form of policy records and claims. The Amendment provides that every insurer shall, in respect of all business transacted by him, endeavour to issue policies above a specified threshold in terms of sum assured and premium in electronic form, in the manner and form to be specified by the regulations made under this Act.

As regards foreign investors, the cap on aggregate holding of equity shares by foreign investors, including portfolio investors, was raised to 74% of paid-up capital from the erstwhile 49% pursuant to the Indian Insurance Companies (Foreign Investment) Amendment Rules, 2021. Further, the Amendment permitted insurers to raise capital through instruments other than equity. In this regard, IRDAI had issued regulations, titled ‘Insurance Regulatory and Development Authority of India (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) Regulations, 2024, which permit insurers to raise capital by way of preference shares

and subordinated debt instruments without obtaining prior approval from the IRDAI. The Amendment empowers the insurance companies to appoint agents subject to fulfilment of the criteria stipulated by IRDAI. The Amendment further accorded powers to IRDAI to regulate the commission payable to the agents and intermediaries through appropriate regulations.

The Amendment has extended the powers of the IRDAI for regulating various day to day operations and activities of insurance companies by issuing regulations with respect to the same. In furtherance to the Amendment, the IRDAI has issued regulations and guidelines on registration and licensing of insurance companies, investments, pricing of put or call options in joint venture agreements where one of the joint venture parties is a foreign entity, assets liability and solvency margin requirements, insurance agents and intermediaries, corporate governance requirements, transfer of shares, opening, closure and relocation of branches, expenses of management, advertising, accounting procedure and reporting formats, granting of loans and advances, maintenance of records, obligation of insurer in respect of motor third party insurance business, reinsurance and outsourcing of activities.

***Insurance Regulatory and Development Authority of India (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) Regulations, 2024 (“Registration Regulations”)***

On March 20, 2024, the IRDAI notified the Insurance Regulatory and Development Authority (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) Regulations, 2024 which overhauled substantial provisions of the prior registration regulations. The Registration Regulations, as amended from time to time prescribe the manner and procedure for obtaining registration for undertaking insurance business in India. The Registration Regulations also lays down the provisions relating to renewal, suspension, and cancellation of registrations. Further, the insurer is required to pay an annual fee to the IRDAI in accordance with the regulations. As regards transfer of equity shares, insurers are required to obtain prior approval of the IRDAI in the event (i) the total paid up capital held by the transferee is likely to exceed 5% of the paid up capital after the transfer, or (ii) the nominal value of equity shares intended to be transferred by any individual, firm, group, constituents of a group or body corporate under the same management, jointly or severally, exceeds 1% of the paid up capital of the insurance company. In case there is investment by a single investor, it cannot be more than 25%, and investment by all investors cannot exceed 50% of the paid up equity share capital of such insurance company. The IRDAI has prescribed relevant regulations in this regard. Additionally, the IRDAI has issued the “Master Circular on Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers, 2024 dated May 15, 2024”, which are applicable to all insurance companies whose equity shares are listed on the stock exchanges and to the allotment process pursuant to a public issue. Accordingly, the transfer of equity shares in insurance companies shall be in the manner as prescribed under the aforementioned guidelines.

***The Insurance Ombudsman Rules, 2017 (“Ombudsman Rules”)***

The Ministry of Finance, Department of Financial Service (Financial Division) vide a notification dated April 25, 2017 made the Insurance Ombudsman Rules to resolve all complaints of all personal lines of insurance, group insurance policies, policies issued to sole proprietorships and micro enterprises in a cost effective and impartial manner. The Ombudsman Rules are applicable to all the insurers and their agents and intermediaries and prescribe for constitution and composition of executive council of insurer which shall issue guidelines relating to administration, secretariat, infrastructure and other aspects of the functioning of insurance ombudsman system. The Insurance Ombudsman Rules lay down the procedure for selection, term of office, remuneration and territorial jurisdiction of ombudsman and also prescribe the duties and functions of insurance ombudsman and the manner in which the complaint is to be made, the procedure for redressal of grievance, nature of complaints to be entertained and the manner of passing award in case the complaint is not settled by way of mediation.

***Insurance Regulatory and Development Authority of India (Protection of Policyholder's Interests, operations and allied matters of insurers) Regulations, 2024 (“Protection of Policyholders’ Interests Regulations”)***

The Protection of Policyholders’ Interests Regulations provide comprehensive guidelines aimed at ensuring fair treatment of policyholders during the solicitation and sale of insurance policies, and throughout their engagement with insurers.

The Protection of Policyholders’ Interests Regulations mandate that all insurers have a board-approved policy to protect policyholders' interests, covering aspects such as insurance awareness, expeditious resolution of complaints, and measures to prevent mis-selling and unfair business practices. Insurers are required to issue policies in electronic form where applicable, and ensure that all material information—including policy terms and conditions, premium details, free look period, claims procedures, coverage, exclusions, and grievance redress mechanisms—is disclosed clearly in policy documents.

Moreover, the Protection of Policyholders’ Interests Regulations emphasize the need for a robust framework for grievance redressal, including the establishment of a fully automated complaints management system to handle and escalate complaints effectively. The insurers are also tasked with implementing technology solutions to enhance service efficiency and ensuring inclusivity and accessibility of insurance cover to persons with disabilities.

The Protection of Policyholders’ Interests Regulations also simplify operational processes for insurers by removing the need for prior approvals for opening new business places and eliminating the requirement to file advertisements with the authority. These measures are intended to reduce administrative burdens and facilitate smoother business operations.

***Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024 (the “Actuarial Regulations”)***

The IRDAI on March 20, 2024, notified the Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024, thereby superseding the erstwhile Insurance Regulatory and Development Authority (Appointed Actuary) Regulations, 2022.

The Actuarial Regulations state that an insurer shall not carry on business of insurance without an appointed actuary for a period exceeding one year and require that the insurers appoint a person fulfilling the eligibility requirements, to act as an appointed actuary, after seeking the approval of the IRDAI in the prescribed format in this regard. The appointed actuary needs to keep available all the records of the company to conduct actuarial valuation of the liabilities and assets of the insurer, express opinions on the underwriting policy, reinsurance arrangements and effective implementation of risk management systems and pay due regards to generally accepted actuarial principles while carrying out any task. The appointed actuary of a general insurance company is also required to *inter alia*, ensure that the premium rates of insurance products are fair and the actuarial principles have been creed in determination of incurred but not reported claims and other reserves (including reserves for incurred but not enough reported claims and other premium deficiency reserve).

**Laws applicable to housing finance company subsidiary**

***The National Housing Bank Act 1987 (“NHB Act”)***

The NHB Act was enacted to establish the NHB to operate as the principal agency for the promotion of HFCs, both at the local and regional levels, and to provide financial and other support to such institutions for matters connected therewith or incidental thereto. The role of NHB includes, among others:

- promoting, establishing, supporting or aiding in the promotion, establishment and support of HFCs;
- making loans and advances or other forms of financial assistance for housing activities of HFCs, scheduled banks, state co-operative agricultural and rural development banks or any other institution or class of institutions as may be notified by the central government;
- guaranteeing the financial obligations of HFCs and underwriting the issue of stocks, shares, debentures and other securities of HFCs;
- formulating one or more schemes for the purpose of mobilisation of resources and extension of credit for housing;
- providing guidelines to HFCs to ensure their growth on sound lines; and providing technical and administrative assistance to HFCs and exercising all powers and functions in the performance of duties entrusted to the NHB under the NHB Act or under any other law for the time being in force; and
- imposing penalties on HFCs in cases of for non-compliance, including failure to furnish documents, violation of its directions, or breach of provisions of the NHB Act.

Pursuant to the Finance Act 2019, the NHB Act, as amended, has come into force on August 9, 2019 (“**NHB Act Amendments**”). As a result of the NHB Act Amendments, amongst others, (i) application for registration as a HFC is required to be made to the RBI under the NHB Act, in place of NHB; (ii) HFCs are required to create reserve fund as per the provisions under the RBI Act and (iii) the RBI has the power to determine policy and issue directions in relation to housing finance institutions.

Further, the RBI vide the notification dated November 11, 2019, has amended the ‘Master Directions- Exemptions from the RBI Act, 1934’ by withdrawing the existing exemptions available to HFCs under the RBI Act.

***Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (“NHB Directions”)***

The objective of the NHB Directions is to consolidate and issue directions in relation to the prudential norms for income recognition, accounting standards, asset classification, provision for doubtful asset, loss asset and non-performing asset (“**NPA**s”), capital adequacy and concentration of credit/investments to be observed by HFCs and the matters to be included in the auditors’ report by the auditors of HFCs.

The NHB Directions were amended on October 10, 2024, to align with the RBI KFS Circular and harmonize the instructions regarding the 'Most Important Terms and Conditions' (“**MITC**s”). Previously, the NHB Directions required HFCs to provide borrowers with a document outlining the important terms and conditions of the facility in a prescribed format termed as the MITC. Subsequently, the RBI KFS Circular mandated NBFCs, including HFCs, to furnish customers with a Key Fact Statement (“**KFS**”) containing details of the loan, including pricing and related charges. This resulted in an overlap between the information provided through the MITC and KFS, creating dual compliance requirements for HFCs. To address this, the NHB Directions now clarify that the MITC and KFS formats have been harmonized. HFCs are required to issue an additional document covering the remaining important terms and conditions not included in the KFS.

On February 27, 2025, the RBI further amended the NHB Directions to align the reporting requirements for credit information with its instructions on data submission to CICs. As a result, all NBFCs and HFCs must now comply with the reporting requirements under the CIC Master Directions, which mandate HFCs to report borrowers' credit information, including historical data, to CICs. The CICs are required to collect and maintain this information on

a fortnightly basis (i.e., as of the 15th and last day of each month). In cases involving multiple borrowers, the details of all debtors, including guarantors, must also be submitted to CICs.

#### *Income recognition*

The NHB Directions require that the income recognition of HFCs should be based on recognised accounting principles. Income including interest, discount, hire charges, lease rentals or any other charges on NPAs shall be recognized only when it is actually realised. Any such income recognised before the asset became non-performing and remaining unrealized shall be reversed. Further, income from dividend on shares of corporate bodies and units of mutual funds shall be taken into account on cash basis. However, the income from dividend on shares of corporate bodies may be taken into account on an accrual basis when such dividend has been declared by the corporate body in its annual general meeting and the right to receive payment is established. Income from bonds and debentures of corporate bodies and from government securities or bonds may be taken into account on an accrual basis provided that the interest rate on these instruments is pre-determined and interest is serviced regularly and is not in arrears. Income on securities of corporate bodies or public sector undertakings, the payment of interest and repayment of principal of which have been guaranteed by Central Government or a State Government, may be taken into account on accrual basis.

#### *Provisioning requirement*

Every HFC, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realisation of the security and the erosion over time in the value of the security charged, is required to make provision against sub-standard assets, doubtful assets and loss assets as provided under the NHB Directions.

#### *Capital Adequacy Ratio*

The NHB Directions require HFCs to maintain a minimum capital adequacy ratio, consisting of Tier I Capital and Tier II Capital not lower than 15% of its aggregate risk weighted assets and risk adjusted value of off-balance sheet items.

#### ***Corporate Governance***

The NHB Directions prescribe corporate governance covering constitution of committees of the board of an HFC, appointment of chief risk officer (for HFCs with asset size more than ₹ 50 billion), fit and proper criteria for the appointment of directors, disclosure and transparency in annual reporting, rotation of partners of statutory auditors and framing of internal guidelines on corporate governance.

Further, the NHB Directions prescribe that the provisions of (a) RBI KYC Directions, (b) Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies 2024 dated July 15, 2014 and (c) RBI's 'Master Directions – Information Technology Framework for the NBFC Sector' dated June 8, 2017, and (d) Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023 are applicable to all HFCs.

Additionally, the RBI by way of a notification dated January 29, 2025, partially repealed Chapter XI (*Guidelines on Private Placement of Non-Convertible Debentures (NCDs)*) of the NHB Directions. Accordingly, all private placement of non-convertible debentures by HFCs shall be governed by instructions contained in paragraph 58 (*Raising Money through Private Placement by NBFCs*) of the RBI SBR Framework Master Directions.

## **Miscellaneous**

### ***The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI Act”)***

The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to ARCs. These guidelines provide that a bank or a financial institution or a notified NBFC may sell financial assets to an ARC provided the asset is an NPA. While taking recourse to the sale of secured assets in terms of Section 13(4) of the SARFAESI Act, a securitisation company may itself acquire the secured assets, either for its own use or for resale, only if the sale is conducted through a public auction.

As per the SARFAESI (Amendment) Act of 2004, the constitutional validity of which was upheld in a recent Supreme Court ruling, non-performing assets have been defined as an asset or account of a borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset in accordance with directions or guidelines issued by the RBI. In case the bank or financial institution is regulated by a statutory body/authority, NPAs must be classified by such bank in accordance with guidelines issues by such regulatory authority. The RBI has issued guidelines on classification of assets as NPAs. Further, these assets are to be sold on a “without recourse” basis only.

The SARFAESI Act provides for the acquisition of financial assets by securitization company or reconstruction company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitization company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties. Various provisions of the SARFAESI Act have been amended by the Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 as also the Insolvency and Bankruptcy Code, 2016. As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall by order declare moratorium for prohibiting, *inter alia*, any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act.

Further, in accordance with Ministry of Finance notification no. S.O. 856(E) dated February 24, 2020 read with notification no. S.O. 652(E). dated February 12, 2021, the eligibility limit for enforcement of security interest for non-banking financial companies with respect to secured debt recovery under the provisions contained in the SARFAESI Act, by NBFCs (having assets worth ₹ 1 billion and above) has been reduced from ₹ 5 million to ₹ 2 million.

SEBI, by way of notification dated February 28, 2025, has notified that all NBFCs, including HFCs, are now categorised as “qualified buyers” under Section 2(1)(u) of the SARFAESI Act. Such NBFCs and HFCs may participate as qualified buyers provided that defaulting promoters or their related parties do not, directly or indirectly, gain access to secured assets through such security receipts, and they comply with any additional conditions specified by the Reserve Bank of India from time to time.



***Master Direction – Reserve Bank of India (Asset Reconstruction Companies) Directions, 2024 (“ARC Master Directions”)***

The RBI has issued the ARC Master Directions to ensure the prudent and efficient functioning of ARCs and to safeguard investors' interests. The ARC Master Directions, among other requirements, prescribes guidelines on registration criteria (including net owned fund requirements), asset reconstruction and securitisation norms, prudential regulations and asset classification.

***Registration Requirements***

The ARC Master Direction mandates a minimum net owned fund (“**NOF**”) of ₹ 3 Billion to commence the business of asset reconstruction or securitisation. Existing ARCs must ensure compliance with this minimum NOF requirement by March 31, 2026. The phased implementation schedule is as follows:

<b>Minimum required NOF on October 11, 2022</b>	<b>By March 31, 2024</b>	<b>By March 31, 2026</b>
₹ 1 Billion	₹ 2 Billion	₹ 3 Billion

***Permissible Activities***

The ARC Master Direction specifies that ARCs may undertake activities prescribed under Section 10 of the SARFAESI Act. Additionally, ARCs are permitted to act as resolution applicants under the Insolvency and Bankruptcy Code, 2016, subject to meeting certain conditions including an NOF requirement of ₹ 10 Billion. Further, ARCs are restricted from purchasing real estate or constructing structures, except to the extent of 10% (ten percent) of their own funds, which may be invested for internal purposes.

***Policy regarding change in or takeover of management***

ARCs must have a board-approved policy on the change in or takeover of a borrower's management, which must be communicated to the borrowers. Before initiating any change, ARCs must conduct due diligence to document the reasons for default and assess the necessity of such action. The proposal must be reviewed by an independent advisory committee (“**IAC**”), which evaluates the borrower's financial position and recovery prospects.

***Acquisition of financial assets***

ARCs must adopt a board-approved financial asset acquisition policy within 90 (ninety) days of receiving their certificate of registration. Additionally, securitisation must be carried out in accordance with Section 7 of the SARFAESI Act through one or more trusts established exclusively for this purpose. Each scheme floated by an ARC trust for issuing security receipts must be governed by a board-approved policy. Security receipts may only be issued to and transferred between qualified buyers. ARCs are also required to invest a minimum of: (i) 15% (fifteen percent) of the transferor's investments; or (ii) 2.5% (two point five percent) of the security receipts issued.

***Prudential Guidelines***

The ARC Master Direction prescribes prudential regulations, including maintaining a capital adequacy ratio of at least 15% (fifteen percent) of total risk-weighted assets. The risk-weighted assets shall be calculated as the weighted aggregate of both on-balance sheet and off-balance sheet items.

An ARC classifies the assets held it as standard assets or NPAs. Further, NPAs are classified into the following categories:

<b>Sub-standard asset</b>	<b>Doubtful asset</b>	<b>Loss asset</b>
12 months from the date of being classified as an NPA	12 months from being classified as sub-standard asset	36 months from the date of being classified as an NPA

### *Governance*

Further, the ARC Master Directions mandate the formation of board committees, including the audit committee and the nomination and remuneration committee. ARCs must also formulate a board-approved fair practices code to ensure transparency and fairness in dealings with stakeholders.

### ***Insolvency and Bankruptcy Code, 2016***

The Insolvency and Bankruptcy Code, 2016 (“**Code**”) was notified on August 5, 2016. The Code offers a uniform and comprehensive insolvency legislation encompassing all companies (including financial service providers), partnership firms, Limited Liability Partnerships, proprietorship firms, and individuals. It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

RBI vide its circular dated June 7, 2019, laid down the Prudential Framework for Resolution of Stressed Assets whereby prescribing the regulatory approach for resolution of stressed assets *inter alia* by: (i) early recognition and reporting of default by banks, financial institutions and NBFCs in respect of large borrowers; (ii) affording complete discretion to lenders with regard to design and implementation of resolution plans, in supersession of earlier resolution schemes (S4A, SDR, 5/25 etc.), subject to the specified timeline and independent credit evaluation; (iii) laying down a system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings; (iv) withdrawal of asset classification dispensations on restructuring and future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a time period starting from date of implementation of resolution professional till the date at least 10% outstanding debt is repaid; and (v) requiring the mandatory signing of an inter-creditor agreement (ICA) by all lenders, which will provide for a majority decision making criteria.

MCA vide notification dated November 15, 2019, issued the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 (“**FSP Rules**”) *inter alia* governing the corporate insolvency resolution process and liquidation process of financial service providers (“**FSPs**”) under the Bankruptcy Code. The issuance of the FSP Rules has made viable and unified resolution process accessible for the FSPs and their creditors with some procedural differences.

### ***Shops and Establishments legislations in various states***

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter-alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

### ***Labour Laws***

India has stringent labour related legislations. The Company is required to comply with certain labour laws, which include the Employees’ Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972 and the

Payment of Wages Act, 1936, amongst others. We will have to comply with the Code of Wages, 2019, Industrial Relations Code, 2020, Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 once such enactments are implemented.

### ***Intellectual Property***

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

## SECTION V – FINANCIAL STATEMENTS

### FINANCIAL INFORMATION

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4	2025 Audited Standalone Financial Statement	F409 – F492
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6	2023 Audited Standalone Financial Statement	F569 – F644

**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 its trusts (the Holding Company, its subsidiaries and its trusts together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows 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 Indian accounting standards ("Ind AS") prescribed under Section 133 of the Companies Act 2013 ("the Act") as amended and other accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group as at March 31, 2025, its Consolidated Profit (financial performance including Other Comprehensive Income), its 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") 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us 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, 2025. 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

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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.

Key audit matters	How our audit addressed the key audit matter
<b>Impairment of receivables from financing and other business</b> (as described in note 5.6, 12, 12.1, 13, 13.2 & 55.7 of the Consolidated Financial Statements)	
<p>The Group's impairment provision for receivables from financing business is based on the expected credit loss approach laid down under Ind AS 109.</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> <ul style="list-style-type: none"> <li>a) Staging of financial assets (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories);</li> <li>b) Grouping of the loan portfolio under homogenous pools in order to determine probability of default on a collective basis;</li> <li>c) Assigning internal rating grades to customers for which external rating is not available;</li> <li>d) Calibrating external ratings-linked probability of default to align with past default rates;</li> <li>e) Applying assumptions regarding the probability of various scenarios and discounting rates for different loan products;</li> <li>f) Estimation of management overlay for macro-economic factors bearing a correlation with the credit quality of the loans.</li> </ul> <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> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>c) Performed procedures to test the inputs used in the ECL computation, on a sample basis.</li> <li>d) Tested assumptions used by the management in determining the overlay for macro- economic factors.</li> <li>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.</li> <li>f) Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.</li> <li>g) Read the report on ECL model reviewed by external consultant during the year.</li> </ul>

<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> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>c) Tested the periodic review of access rights. Also tested requests of changes to systems for approval and authorization.</li> <li>d) In addition to the above, tested the design and operating effectiveness of certain automated controls that were considered as key internal controls.</li> <li>e) We have relied on SOC-2 type II report provided by vendor for oracle fusion to ensure compliance with audit trail.</li> <li>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.</li> </ul>
<p><b>Valuation of Investments in Security Receipts (SR) for Edelweiss Assets Reconstruction Company Limited</b> (as described in note 5.11, 13 &amp; 54 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</p>	<p>The audit procedures those reported in the auditor's report of a subsidiary company, comprised the following:</p> <ul style="list-style-type: none"> <li>a) Assessment of internal controls over measurement of fair value and evaluating the methodologies, inputs, judgments made and assumptions used by management in determining fair values.</li> <li>b) Evaluated rationale of the models and accounting treatment applied. Compared observable inputs against independent sources and externally available market data for sample cases.</li> </ul>

<p>material misstatement in the Consolidated Financial Statements.</p> <p>Accordingly, it is considered as a key audit matter.</p>	<p>c) Performed testing on a sample basis of key inputs as mentioned above to validate the reasonableness of the input values.</p> <p>d) Assessed disclosures included in the Financial Statements with respect to such fair valuation.</p>
<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> <p>a) 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.</p> <p>b) 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.</p> <p>c) 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 AS 110.</p> <p>d) We have verified the consolidation of these trusts done by the Company.</p> <p>e) 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.</p>

<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 Rs. 27,357.68 millions as disclosed in the Consolidated Financial Statements as at March 31, 2025.</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</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> <p>a) 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.</p>



<p>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>b) Tested the operating effectiveness of the controls for collating the information for future recovery estimates and past collections records.</p> <p>c) Verified on a sample basis the calculation of the credit adjusted effective interest rate used for the purpose of discounting these assets.</p> <p>d) Verified the arithmetical accuracy of the valuation of the POCl assets using the expected cash flow and discount rate performed by the Company using spreadsheets.</p>
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### 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 during the course of our audit or otherwise appears to be materially misstated.

### Management's and Board of Director's Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and the Board of Directors are 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 consolidated other comprehensive income, consolidated statement of 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 Management and the 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and the Board of Directors of the entities 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.

The respective Management and Board of Directors of the entities included in the Group are responsible for overseeing the financial reporting process of the Group.

#### **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 financial 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 and the Board of Directors.
- Conclude on the appropriateness of Management's and the Board of Directors' 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 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, 2025 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:

- 22 subsidiaries, whose financial statements include total assets of Rs. 347,791.82 million as at March 31, 2025 and total revenues of Rs. 51,303.72 million and net cash inflow of Rs. 16,494.54 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, those 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 Life Insurance Company Limited (ELIFE) (formerly known as Edelweiss Tokio Life Insurance Company Limited) for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2025 is the responsibility of ELIFE'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, 2025 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 ELIFE.
- c) The actuarial valuation of liabilities Zuno General Insurance Limited for Incurred but Not Reported and Incurred but Not Enough Reported claims of ZGIL as at March 31, 2025 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 opinion 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.

Our opinion is not modified in respect of these matters.

**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(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, 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;
  - (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, 2025 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, 2025 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 50.1 (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 78 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, 2025.
- 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 65(A) to the Consolidated Financial Statements, during the year 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, as disclosed in the note 65(B) to the Consolidated Financial Statements, during the year 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 72 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 and the audit trail has been preserved by the Holding Company and subsidiaries as per the statutory requirement for record retention.

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.

**For Nangia & Co. LLP**  
**Chartered Accountants**  
**FRN: 002391C/N500069**

**Jaspreet Singh Bedi**  
Partner  
Membership No.: 601788  
UDIN: 25601788BMKSCW4352

Place: Mumbai  
Date: May 14, 2025

**Annexure 1 Referred to in Paragraph 1 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(xxi) There are no qualifications or adverse remarks by the respective auditors in their report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated financial statements except for following where the respective auditor have reported unfavorable or adverse remarks in their audit report to the principal auditor.

S. No.	Name	CIN	Holding / 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	U65922MH2008PLC182906	Subsidiary	iii (c) and iii (d)
3.	Ecap Securities & Investments Limited	U67190TG2008PLC057122	Subsidiary	xvii
4.	Edelcap Securities Limited	U67120MH2008PLC422229	Subsidiary	xvii
5.	Ecap Equities Limited	U74900MH2008PLC287466	Subsidiary	iii (c), iii (d) and xvii
6.	Edelweiss Global Wealth Management Limited	U67100MH2007PLC353035	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	U65990MH2009PTC344641	Subsidiary	iii (c), iii (d), ix (d) and xvii
11.	Edelweiss Rural & Corporate Services Limited	U45201TG2006PLC078157	Subsidiary	iii (c), iii (d) 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
15.	Edelweiss Financial Services Limited	L99999MH1995PLC094641	Holding	xvii

**For Nangia & Co. LLP**  
Chartered Accountants  
**FRN: 002391C/N500069**

**Jaspreet Singh Bedi**  
Partner  
Membership No.: 601788  
UDIN: 25601788BMKSCW4352

Place: Mumbai  
Date: May 14, 2025



**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, 2025, we have audited the internal financial controls with reference to the 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 and the Board of Director’s Responsibility for Internal Financial Controls**

The respective Management and 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 Act.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls 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 the Consolidated Financial Statement and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the 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 the Consolidated Financial Statements.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

A company's internal financial control with reference to the 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 the Consolidated Financial Statements and such internal financial controls with reference to the Consolidated Financial Statements were operating effectively as at March 31, 2025, 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 ICAI.

#### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the Consolidated Financial Statements of the Holding Company, in so far as it relates to these 21 subsidiaries, 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: 002391C/N500069

**Jaspreet Singh Bedi**  
Partner  
Membership No.: 601788  
UDIN: 25601788BMKSCW4352

Place: Mumbai  
Date: May 14, 2025

**Edelweiss Financial Services Limited**  
**Consolidated balance sheet as at 31 March 2025**  
CIN-L99999MH1995PLC094641  
(Currency: Indian rupees in millions)

Particulars	Note No.	As at 31 March 2025	As at 31 March 2024
<b>ASSETS</b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	8	47,228.22	23,732.18
(b) Bank balances other than cash and cash equivalents	9	5,178.61	9,575.76
(c) Derivative financial instruments	10	787.05	1,192.41
(d) Trade receivables	11	3,936.52	3,575.37
(e) Loans	12	1,22,213.04	1,48,040.32
(f) Investments	13	1,75,741.32	1,84,914.75
(g) Other financial assets	14	10,318.17	10,962.94
<b>Total financial assets</b>		<b>3,65,402.93</b>	<b>3,81,993.73</b>
<b>Non-financial assets</b>			
(a) Reinsurance assets		3,911.81	3,273.99
(b) Current tax assets (net)		6,799.62	7,761.32
(c) Deferred tax assets (net)	15	17,795.39	15,464.78
(d) Investment property	16	1,266.23	1,550.67
(e) Property, plant and equipment	17	8,757.66	9,154.93
(f) Capital work in progress	18	4.39	36.55
(g) Intangible assets under development	19	180.50	324.65
(h) Goodwill	20	-	236.60
(i) Other intangible assets	17	1,884.49	1,424.17
(j) Right to use (ROU) assets	17	800.63	530.62
(k) Other non-financial assets	21	9,421.39	7,443.70
<b>Total non-financial assets</b>		<b>50,822.11</b>	<b>47,201.98</b>
<b>TOTAL ASSETS</b>		<b>4,16,225.04</b>	<b>4,29,195.71</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
(a) Derivative financial instruments	10	1,427.30	1,155.83
(b) Trade payables	22		
i. total outstanding dues of micro enterprises and small enterprises		40.67	38.21
ii. total outstanding dues of creditors other than micro enterprises and small enterprises		12,555.92	16,701.66
(c) Insurance claims payable		520.57	373.82
(d) Debt securities	23	1,23,604.41	1,43,980.51
(e) Borrowings (other than debt securities)	24	43,893.39	47,425.55
(f) Subordinated liabilities	25	11,247.34	11,078.12
(g) Lease liabilities	50	1,298.30	1,094.83
(h) Other financial liabilities	26	53,364.12	52,195.96
<b>Total financial liabilities</b>		<b>2,47,952.02</b>	<b>2,74,044.49</b>
<b>Non-financial liabilities</b>			
(a) Current tax liabilities (net)		915.58	364.14
(b) Provisions	27	662.34	619.25
(c) Policyholders' liabilities		96,518.10	83,042.84
(d) Deferred tax liabilities (net)	15	3,400.79	2,050.94
(e) Other non-financial liabilities	28	7,594.50	8,581.20
<b>Total non-financial liabilities</b>		<b>1,09,091.31</b>	<b>94,658.37</b>
<b>TOTAL LIABILITIES</b>		<b>3,57,043.33</b>	<b>3,68,702.86</b>
<b>EQUITY</b>			
(a) Equity Share capital	29	921.40	898.89
(b) Other equity	30	43,325.91	46,724.72
Equity attributable to owners of the parent		<b>44,247.31</b>	<b>47,623.61</b>
Equity attributable to non-controlling interests		14,934.40	12,869.24
<b>TOTAL EQUITY</b>		<b>59,181.71</b>	<b>60,492.85</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,16,225.04</b>	<b>4,29,195.71</b>

The accompanying notes are an integral part of the Consolidated Financial Statements.

1 to 79

As per our report of even date attached

**For Nangia & Co. LLP**  
Chartered Accountants  
ICAI Firms 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

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

**Ananya Suneja**  
Chief Financial Officer

**Tarun Khurana**  
Company Secretary  
Membership No: 12344

Mumbai, 14 May 2025

Mumbai, 14 May 2025

**Edelweiss Financial Services Limited**
**Consolidated statement of profit and loss for the year ended 31 March 2025**
**CIN-L99999MH1995PLC094641**
**(Currency: Indian rupees in millions)**

Particulars	Note No.	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Revenue from operations</b>			
Interest income	31	26,900.30	28,323.73
Dividend Income		893.95	309.67
Fee and commission income	32	11,619.08	12,269.70
Net gain on fair value changes	33	24,979.62	29,266.07
Premium from insurance business (net)		26,202.82	22,783.09
Other operating revenue	34	215.84	188.24
<b>Total revenue from operations</b>		<b>90,811.61</b>	<b>93,140.50</b>
Other income	35	4,375.53	2,875.25
<b>Total income</b>		<b>95,187.14</b>	<b>96,015.75</b>
<b>Expenses</b>			
Finance costs	36	25,370.44	27,865.03
Impairment on financial instruments	37	(1,749.21)	148.55
Change in valuation of credit impaired loans		6,819.09	7,328.20
Employee benefits expense	38	13,181.86	12,431.85
Depreciation, amortisation and impairment	16 & 17	1,471.39	1,261.26
Change in insurance policy liability - actuarial		12,837.32	16,647.10
Policy benefits paid		12,785.74	9,652.70
Other expenses	39	16,454.31	16,307.06
<b>Total expenses</b>		<b>87,170.94</b>	<b>91,641.75</b>
<b>Profit before tax</b>		<b>8,016.20</b>	<b>4,374.00</b>
<b>Tax expense:</b>	40 & 41		
Current tax		3,411.76	2,151.08
Deferred tax		(753.76)	(3,057.55)
<b>Profit for the year</b>		<b>5,358.20</b>	<b>5,280.47</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		29.92	(18.15)
Fair value changes on equity/debt Instruments through other comprehensive income / (loss)		(10,179.07)	(15.02)
(ii) Tax relating to items that will not be reclassified to profit or loss		488.16	142.97
<b>Subtotal (A)</b>		<b>(9,660.99)</b>	<b>109.80</b>
(B) (i) Items that will be reclassified to profit or loss			
Fair value changes on equity/debt Instruments through other comprehensive income / (loss)		1,893.74	1,411.61
Exchange differences on translating the financial statements of foreign operations		35.86	(62.46)
(ii) Tax relating to items that will be reclassified to profit or loss		-	-
<b>Subtotal (B)</b>		<b>1,929.60</b>	<b>1,349.15</b>
<b>Other comprehensive income / (loss) (A+B)</b>		<b>(7,731.39)</b>	<b>1,458.95</b>
<b>Total comprehensive income / (loss)</b>		<b>(2,373.19)</b>	<b>6,739.42</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company		3,988.30	4,207.00
Non-controlling interests		1,369.90	1,073.47
<b>Total</b>		<b>5,358.20</b>	<b>5,280.47</b>
<b>Other comprehensive income / (loss) for the year attributable to:</b>			
Owners of the Company		(8,159.53)	1,097.43
Non-controlling interests		428.14	361.52
<b>Total</b>		<b>(7,731.39)</b>	<b>1,458.95</b>
<b>Total comprehensive income / (loss) for the year attributable to:</b>			
Owners of the Company		(4,171.23)	5,304.43
Non-controlling interests		1,798.04	1,434.99
<b>Total</b>		<b>(2,373.19)</b>	<b>6,739.42</b>
<b>Earnings per share (₹) (Face value ₹ 1 each)</b>	42		
- Basic (₹)		5.89	4.68
- Diluted (₹)		5.81	4.68

The accompanying notes are an integral part of the Consolidated Financial Statements

1 to 79

As per our report of even date attached

**For Nangia & Co. LLP**

Chartered Accountants

ICAI Firms 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 &amp; Managing Director

DIN: 00008322

**Vidya Shah**

Non-Executive Director

DIN : 00274831

**Ananya Suneja**

Chief Financial Officer

**Tarun Khurana**

Company Secretary

Membership No: 12344

Mumbai, 14 May 2025

Mumbai, 14 May 2025

**Edelweiss Financial Services Limited**
**Consolidated statement of cash flows for the year ended 31 March 2025**
**CIN-L99999MH1995PLC094641**

(Currency: Indian rupees in millions)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>A Cash flow from operating activities</b>		
Profit / (Loss) before tax	8,016.20	4,374.00
<b>Adjustments for:</b>		
Depreciation, amortisation and impairment	1,471.39	1,261.26
Expense on employee stock option plans and stock appreciation rights	60.97	13.89
Impairment of Goodwill	236.60	-
Impairment on financial instruments	(1,749.21)	148.55
Change in valuation of credit impaired loans	6,819.09	7,328.20
Interest on income tax refund	(288.00)	(234.52)
Dividend Income	(893.95)	(309.67)
(Profit) / loss on sale of property, plant and equipment	27.00	4.42
Fair value (gain) / loss on financial instruments	(27,480.74)	(30,906.97)
Provision for policyholders liability	12,837.32	16,647.10
Finance costs	11,360.50	11,344.91
<b>Operating cash flow before working capital changes</b>	<b>10,417.17</b>	<b>9,671.17</b>
<b>Adjustments for working capital changes:</b>		
Decrease / (increase) in trade receivables	(280.64)	310.80
Decrease / (increase) in other financial/non financial assets	(2,025.66)	(2,361.70)
Decrease / (increase) in derivative financial instruments	676.83	(33.30)
Decrease / (increase) in loans	15,742.62	18,185.40
Increase / (decrease) in trade payables	(4,143.28)	2,617.70
Increase / (decrease) in insurance claim payable	146.84	(136.00)
Increase / (decrease) in other financial liabilities	1,822.06	(227.40)
Increase / (decrease) in provisions	73.01	(23.00)
Increase / (decrease) in provision for policyholders' liabilities	637.95	260.60
Increase / (decrease) in other non-financial liabilities	(986.86)	2,075.40
<b>Cash generated from / (used in) operations</b>	<b>22,080.04</b>	<b>30,339.67</b>
Income taxes paid (net of refund)	(1,562.50)	(1,403.90)
<b>Net cash generated from / (used in) operating activities - A</b>	<b>20,517.54</b>	<b>28,935.77</b>
<b>B Cash flow from investing activities</b>		
(Purchase) / sale of property, plant and equipment and intangibles <sup>1</sup>	(1,655.23)	(875.80)
(Purchase) / sale of investment property <sup>1</sup>	284.54	271.40
(Purchase) / sale of investments <sup>1</sup>	33,338.87	(4,477.38)
Dividend on investments	893.95	309.67
(Investment) / maturity of bank deposits <sup>1</sup>	4,397.22	(43.70)
<b>Net cash generated from / (used in) investing activities - B</b>	<b>37,259.35</b>	<b>(4,815.81)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from exercise of stock options (including premium and share application money)	50.94	2.76
Proceeds from sale of shares held by Employee Welfare Trust	2,439.90	-
Proceeds / (repayment) from debt securities <sup>1</sup>	(20,376.10)	(10,049.83)
Proceeds / (repayment) from borrowings (other than debt securities) <sup>1</sup>	(3,532.16)	(2,537.72)
Proceeds / (repayment) from subordinated liabilities <sup>1</sup>	169.22	(2,288.75)
Dividend paid	(1,375.40)	(1,403.59)
Lease payment	(37.76)	(41.59)
Effect of change in group interests	(245.95)	-
Finance cost paid	(11,322.74)	(11,303.26)
Proceeds/(repayment) on ESOP/SAR charge/(reversal)	(50.80)	(224.40)
<b>Net cash generated from / (used in) financing activities - C</b>	<b>(34,280.85)</b>	<b>(27,846.38)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>23,496.04</b>	<b>(3,726.42)</b>
Cash and cash equivalents as at the beginning of the year	23,732.18	27,458.60
Cash and cash equivalents as at the end of the year	47,228.22	23,732.18

<sup>1</sup> Net figures have been reported on account of volume of transactions.

**Edelweiss Financial Services Limited****Consolidated statement of cash flows for the year ended 31 March 2025 (Continued)****CIN-L99999MH1995PLC094641**

(Currency: Indian rupees in millions)

**Notes:**

1. Cash receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS 7 Statement of Cash Flows.
2. Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.
3. Net cash generated from/(used in) operating activities includes interest received ₹ 26,900.30 million (Previous year ₹ 28,323.73 million) and interest paid ₹ 14,009.94 million (Previous year ₹ 16,520.12 million).
4. Refer note 49 for changes in liabilities arising from financing activities.
5. Components of cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Cash in hand	32.32	37.85
Cheques in hand	394.71	353.94
Balances with banks:		
-in Current accounts	29,512.92	16,849.10
-in fixed deposits with original maturity less than 3 months	17,288.27	6,491.29
<b>Total</b>	<b>47,228.22</b>	<b>23,732.18</b>

The accompanying notes are an integral part of the Consolidated Financial Statements.

1 to 79

As per our report of even date attached

**For Nangia & Co. LLP**

Chartered Accountants

ICAI Firms 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 &amp; Managing Director

DIN: 00008322

**Vidya Shah**

Non-Executive Director

DIN : 00274831

**Ananya Suneja**

Chief Financial Officer

Mumbai, 14 May 2025

**Tarun Khurana**

Company Secretary

Membership No: 12344

Mumbai, 14 May 2025

**A Equity share capital**

Particulars	As at	As at
	31 March 2025	31 March 2024
<b>Balance at the beginning of the year</b>	<b>898.89</b>	<b>898.38</b>
Changes in Equity Share Capital due to prior period errors	-	-
<b>Restated balance at the beginning of the current year</b>	<b>898.89</b>	<b>898.38</b>
Changes in equity share capital during the year on account of allotment of shares	22.51	0.51
<b>Balance at the end of the year</b>	<b>921.40</b>	<b>898.89</b>

Refer note 29 for detailed quantitative information including investors holding more than 5% of equity share capital.

**B Other equity**

Particulars	Share application money pending allotment	Reserves and Surplus										Other Comprehensive Income				Total attributable to owners of the parent	Non-Controlling Interest	Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee Stock Options Plan (ESOP) reserve/Stock appreciation rights (SAR)	Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	Reserve under section 29C of the National Housing Bank Act, 1987	General reserve	Debenture 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/debt Instruments through Other Comprehensive Income				
Balance as at 01 April 2023	-	8,026.45	287.87	29,582.57	698.72	7,463.98	607.55	717.15	3,074.01	2,342.26	11,628.26	120.52	3,625.19	(1,631.79)	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	-	-	-	-	-	-	-	-	-	-	(16.17)	(62.47)	-	1,176.07	1,097.43	361.52	1,458.95	
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	4,190.83	(62.47)	-	1,176.07	5,304.43	1,434.99	6,739.42	
Dividends to equity shareholders	-	-	-	-	-	-	-	-	-	-	(1,110.47)	-	-	-	(1,110.47)	-	(1,110.47)	
Transfers to securities premium on exercise of ESOP & SAR	-	-	-	24.65	(24.65)	-	-	-	-	-	-	-	-	-	-	-	-	
Issue of equity instruments on ESOP & SAR	(17.14)	-	-	16.63	-	-	-	-	-	-	-	-	-	-	(0.51)	-	(0.51)	
Share application money received	19.39	-	-	-	-	-	-	-	-	-	-	-	-	-	19.39	-	19.39	
ESOP charge	-	-	-	-	9.60	-	-	-	-	-	-	-	-	-	9.60	-	9.60	
SAR charge	-	-	-	-	36.42	-	-	-	-	-	-	-	-	-	36.42	-	36.42	
Reversal on account of lapses of ESOP & SAR	-	-	-	-	(348.03)	-	-	-	-	-	-	-	-	-	(348.03)	-	(348.03)	
ESOP & SAR charges transferred to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer Under 45-IC of the Reserve Bank of India Act, 1934	-	-	-	-	-	482.62	-	-	-	-	(482.62)	-	-	-	-	-	-	
Transfer Under 29C of the National Housing Bank Act, 1987	-	-	-	-	-	-	38.60	-	-	-	(38.60)	-	-	-	-	-	-	
Transfer under Impairment reserve	-	-	-	-	-	-	-	-	-	(125.41)	125.41	-	-	-	-	-	-	
Transfer under Debenture Redemption Reserve	-	-	-	-	-	-	-	-	(386.00)	-	386.00	-	-	-	-	-	-	
Transfer under Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	257.02	-	(257.02)	-	-	-	-	
Transfer under Capital Redemption Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
On account of Demerger	-	-	-	-	-	-	-	-	-	-	(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	
Balance as at 31 March 2024	2.25	8,026.45	287.87	29,623.85	372.06	7,946.60	646.15	717.15	2,688.01	2,216.85	(8,746.83)	31.86	3,368.17	(455.72)	46,724.72	12,869.24	59,593.96	
Profit or loss	-	-	-	-	-	-	-	-	-	-	3,988.30	-	-	-	3,988.30	1,369.90	5,358.20	
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	25.46	35.86	-	(8,220.85)	(8,159.53)	428.14	(7,731.39)	
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	4,013.76	35.86	-	(8,220.85)	(4,171.23)	1,798.04	(2,373.19)	
Dividends to equity shareholders	-	-	-	-	-	-	-	-	-	-	(1,375.40)	-	-	-	(1,375.40)	-	(1,375.40)	
Transfers to securities premium on exercise of ESOP & SAR	-	-	-	105.15	(105.15)	-	-	-	-	-	-	-	-	-	-	-	-	
Issue of equity instruments on ESOP & SAR	(52.84)	-	-	50.80	-	-	-	-	-	-	-	-	-	-	(2.04)	-	(2.04)	
Share application money received	50.94	-	-	-	-	-	-	-	-	-	-	-	-	-	50.94	-	50.94	
ESOP charge	-	-	-	-	1.80	-	-	-	-	-	-	-	-	-	1.80	-	1.80	
SAR charge	-	-	-	-	55.65	-	-	-	-	-	-	-	-	-	55.65	-	55.65	
Reversal on account of lapses of ESOP & SAR	-	-	-	-	(62.07)	-	-	-	-	-	-	-	-	-	(62.07)	-	(62.07)	
ESOP & SAR charges transferred to reserves	-	-	-	-	(38.01)	-	-	-	-	-	-	-	-	-	(38.01)	-	(38.01)	
On account of Grant	-	-	-	-	26.79	-	-	-	-	-	-	-	-	-	26.79	-	26.79	
Transfer Under 45-IC of the Reserve Bank of India Act, 1934	-	-	-	-	-	(52.70)	-	-	-	-	52.70	-	-	-	-	-	-	
Transfer Under 29C of the National Housing Bank Act, 1987	-	-	-	-	-	-	38.77	-	-	-	(38.77)	-	-	-	-	-	-	
Transfer under Impairment reserve	-	-	-	-	-	-	-	-	-	378.26	(378.26)	-	-	-	-	-	-	
Transfer under Debenture Redemption Reserve	-	-	-	-	-	-	-	-	88.99	-	(88.99)	-	-	-	-	-	-	
Transfer under Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	263.50	-	(263.50)	-	-	-	-	
Transfer under Capital Redemption Reserve	-	-	26.39	-	-	-	-	-	-	-	(26.39)	-	-	-	-	-	-	
On account of sale of shares held by Employee Welfare Trust	-	-	-	773.41	-	-	-	-	-	-	1,644.91	-	-	-	2,418.32	-	2,418.32	
Effect of changes in group's interest	-	26.27	-	-	-	-	-	-	-	-	(343.90)	(0.62)	-	14.69	(303.56)	267.12	(36.44)	
Balance as at 31 March 2025	0.35	8,052.72	314.26	30,553.21	251.07	7,893.90	684.92	717.15	2,777.00	2,595.11	(5,023.67)	67.10	3,104.67	(8,661.88)	43,325.91	14,934.40	58,260.31	

Refer note 30 for information on nature of reserves maintained at Group level.

Edelweiss Financial Services Limited

Consolidated Statement of changes in equity (Continued)

CIN-L99999MH1995PLC094641

(Currency : Indian rupees in millions)

Notes:

- 1 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 2,44,30,780 (Previous year 44,896,780) number of equity shares amounting to ₹ 24.43 million (Previous year ₹ 44.90 million). These are deducted from total outstanding equity shares.
- 2 The above two Employee Welfare Trust(s) hold an aggregate 2,44,30,780 (Previous year 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.

The accompanying notes are an integral part of the Consolidated Financial Statements. 1 to 79

As per our report of even date attached.

For Nangia & Co. LLP  
Chartered Accountants  
ICAI Firms 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

Vidya Shah  
Non-Executive Director  
DIN : 00274831

Mumbai, 14 May 2025

Ananya Suneja  
Chief Financial Officer

Tarun Khurana  
Company Secretary  
Membership No: 12344

Mumbai, 14 May 2025



## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements**

#### **1. Background**

Edelweiss Financial Services Limited (the Holding Company), Public Limited company domiciled in India, and incorporated on 21st 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.

#### **Material accounting policies**

#### **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) Alternatives (b) Capital business which includes lending business and investment activities, (c) Insurance business which includes Life insurance and General insurance business (d) Asset reconstruction business (e) Mutual Fund and (e) Other business which includes custodian and CSR activities.

The consolidated financial statements of the been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 ('the Act'), other relevant provisions of the Act and other accounting principles generally accepted in India. These consolidated financial statements have been approved for issue by the Board of Directors of the Holding Company on 14 May 2025.

These consolidated financial statements have been prepared on a historical cost basis, except for entities under liquidation/ dissolution 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.

These consolidated financial statements are prepared on a going concern basis in accordance with the Ind AS 1. The management is in view that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption.

#### **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.

#### **4. Basis of consolidation:**

The Consolidated Financial Statements are prepared in accordance with Ind AS 110 – Consolidated Financial Statements Ind AS -110 notified under Section 133 of the Act . The consolidated financial statements incorporate the financial statements of the Holding Company and all its subsidiaries as at 31 March2025 including any controlled structured entities, being the entities that it controls. Control is met 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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Basis of consolidation (Continued)**

**To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:**

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

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:**

- a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Basis of consolidation (Continued)**

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.

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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies (Continued)**

##### **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.

### **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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies (Continued)**

#### **5.3 Classification of financial instruments**

##### **5.3.1 Financial assets:**

The Group classifies all its financial assets based on the business model for managing the assets and the asset's contractual Terms. 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
- 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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies (Continued)**

##### **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.

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 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, 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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies (Continued)**

##### **5.3.2.3 Financial guarantee:**

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

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

##### **5.3.2.4 Loan commitment**

Undrawn loan commitments are commitments under which, the Group is required to provide a loan with pre-specified terms to the customer during the duration of commitment.

##### **5.3.3 Financial liabilities and equity instruments**

Financial instruments issued by the group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

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

##### **Derivatives**

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies (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.

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 rate



## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies (Continued)**

- 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.

#### **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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies (Continued)**

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.

#### **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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies (Continued)**

##### **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. 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 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.

##### **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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies (Continued)**

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.

#### **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.
  - 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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies (Continued)**

- 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.

##### **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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies (Continued)**

##### **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.

#### **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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies (Continued)**

##### **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.

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

Remeasurements are not reclassified to profit or loss in subsequent periods.

##### **Compensated Absences**

The eligible employees of the Group are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Group recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

#### **5.17 Share-based payment arrangements**

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date. These include Stock Appreciation Rights (SARs) which grants employees right to receive the difference between the SAR price and the market price of equity shares on the date of vesting. Settlement of the difference can be made, either in cash or by issuance of equity shares of the Company, is at the discretion of the 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 & SAR 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.

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements (Continued)

#### Material accounting policies (Continued)

#### 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.

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.



## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies (Continued)**

Subsequent measurement of land and building under revaluation model

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

Right-of-use assets are 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 been 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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies (Continued)**

##### **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.

##### **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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies (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 utilized

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.

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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies (Continued)**

##### **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.

#### **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 exists. 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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies (Continued)**

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 Life Insurance Company Limited ("ELIFE")):**

###### **a. Product classification**

###### **Insurance contract**

Insurance contracts are those contracts when ELIFE has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

As a general guideline, ELIFE 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**

###### **o 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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies of insurance business (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.

#### **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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies of insurance business (Continued)**

##### **d. Reinsurance ceded**

ELIFE 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.

##### **e. Liability adequacy test**

ELIFE 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.

**Edelweiss Financial Services Limited**  
**Notes to the consolidated financial statements (Continued)**

**Material accounting policies of insurance business (Continued)**

- 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.
- 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")**

**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.

- **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.



## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements (Continued)

#### Material accounting policies of insurance business (Continued)

- Reserve for Unexpired Risk

Reserve for unexpired risk represent that part of net written premium which is attributable to and allocated to the succeeding accounting periods. Reserve for unexpired risk is calculated on net written premium on all unexpired policies at the balance sheet date based on 1/365th method for all segments, other than Health insurance policies with Health 241 Add ON cover. In Marine Hull business it is subject to a minimum of 100%. In 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 1/365th 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:

- a. 1/730 basis where there is no claim reported in the 1<sup>st</sup> year of policy
- b. 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.

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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Material accounting policies of insurance business (Continued)**

- Premium efficiency

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.

##### **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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Critical accounting judgements and key sources of estimation uncertainty (Continued)**

##### **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.

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.

## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

#### **Critical accounting judgements and key sources of estimation uncertainty (Continued)**

For Investments made into Security receipts (SRs), Group uses discounted cash flow model, given that the SRs are less liquid instruments. Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, nature and value of collaterals, manner of resolution and other economic drivers. For any valuation which are based on models, Judgements and estimates are applied, which include considerations of liquidity, credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

#### **b. Impairment of financial assets**

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

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

- a. PD calculation includes historical data, assumptions and expectations of future conditions.
- b. 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.
- c. The segmentation of financial assets when their ECL is assessed on a collective basis.
- d. Development of ECL models, including the various formulas and the choice of inputs.
- e. Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD
- f. Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

#### **c. Effective interest rate method**

The Group's EIR methodology, as explained in Note 5.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

#### **d. Accounting for deferred taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has recognised deferred tax assets on carried forward tax losses with respect to certain subsidiaries where the Group believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried forward to the years in which the Group expects that there will be sufficient taxable profits to offset these losses.

**Edelweiss Financial Services Limited**  
**Notes to the consolidated financial statements (Continued)**

**Critical accounting judgements and key sources of estimation uncertainty (Continued)**

**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.

**Edelweiss Financial Services Limited****Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

**8. Cash and cash equivalents**

Particulars	As at 31 March 2025	As at 31 March 2024
Cash on hand	32.32	37.85
Cheques on hand	394.71	353.94
Balances with banks: (refer note 1 below)		
-in Current accounts	29,512.92	16,849.10
-in fixed deposits with original maturity less than three months	17,288.27	6,491.29
<b>Total</b>	<b>47,228.22</b>	<b>23,732.18</b>

**Note 1:**

Pledged bank balance/fixed deposits aggregating to ₹ 1,260.66 million ( previous year ₹ 1,792.95 million) against debt securities issued.

**9. Bank Balance other than cash and cash equivalents**

Particulars	As at 31 March 2025	As at 31 March 2024
Fixed deposits with original maturity more than three months at amortised cost (refer Note 1 below)	5,169.21	9,565.99
Earmarked balance with banks (Unpaid dividend accounts)	9.40	9.77
<b>Total</b>	<b>5,178.61</b>	<b>9,575.76</b>

**Note 1:**

- Pledged fixed deposit aggregating to ₹ 3,435.73 million (previous year ₹ 3,121.07 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 and with various regulators like VAT,CST and excise authorities.

# Edelweiss Financial Services Limited

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 10. Derivative financial instruments

As at 31 March 2025	Notional amount (Units in millions)	Fair value of asset (₹ in millions)	Notional amount (Units in millions)	Fair value of liability (₹ in millions)
<b>(i) Currency derivatives</b>				
Currency Forwards	32.83	736.36	-	-
Options purchased	12.00	3.28	-	-
Options sold	0.00	-	10.50	2.72
Less: Amount offset (refer note 10.1)	(32.83)	(736.36)	(10.50)	(2.72)
<b>Subtotal (i)</b>		3.28		-
<b>(ii) Interest rate derivatives</b>				
Forwards and Interest Rate Swaps	22,179.87	863.50	15,43,424.01	64.90
Futures	0.00	-	59.54	19.31
Less: Amount offset (refer note 10.1)	(20,641.37)	(794.53)	(15,43,483.55)	(41.06)
<b>Subtotal (ii)</b>		68.97		43.15
<b>(iii) Equity linked derivatives</b>				
Stock Futures	4.19	34.99	5.79	58.03
Options purchased	0.30	3.73	-	-
Options sold (written)	0.00	-	0.10	0.77
Less: Amount offset (refer note 10.1)	(4.19)	(34.99)	(5.79)	(58.03)
<b>Subtotal (iii)</b>		3.73		0.77
<b>(iv) Index linked derivatives</b>				
Index Futures	140.84	28.48	0.05	4.99
Options purchased	19.83	74.39	-	-
Options sold (written)	0.00	-	0.55	123.81
Less: Amount offset (refer note 10.1)	(140.84)	(28.48)	(0.07)	(10.53)
<b>Subtotal (iv)</b>		74.39		118.27
<b>(v) Embedded derivatives</b>				
In market linked debentures	0.00	636.68	-	1,265.11
<b>Subtotal (v)</b>		636.68		1,265.11
<b>(vi) Commodity derivatives</b>				
Commodity Futures	0.00	0.20	-	-
Less: Amount offset (refer note 10.1)	(0.00)	(0.20)	-	-
<b>Subtotal (vi)</b>		-		-
<b>Total</b>		<b>787.05</b>		<b>1,427.30</b>

# Edelweiss Financial Services Limited

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 10. Derivative financial instruments (Continued)

As at 31 March 2024	Notional amount (Units in millions)	Fair value of asset (₹ in millions)	Notional amount (Units in millions)	Fair value of liability (₹ in millions)
(i) Currency derivatives				
Currency Futures	1.84	174.44	-	-
Options purchased	100.00	53.05	-	-
Options sold	-	-	93.50	42.98
Less: Amount offset (refer note 10.1)	(1.84)	(174.44)	(93.50)	(42.98)
Sub total (i)		53.05		-
(ii) Interest rate derivatives				
Forwards and Interest Rate Swaps	37,036.15	875.53	10,978.19	26.82
Futures	-	-	25.06	4.71
Less: Amount offset (refer note 10.1)	(16,720.62)	(679.92)	(3,203.25)	(9.56)
Subtotal (ii)		195.61		21.97
(iii) Equity linked derivatives				
Stock Futures	12.58	139.06	6.27	34.29
Options purchased	9.33	327.85	-	-
Options sold (written)	-	-	9.33	231.16
Less: Amount offset (refer note 10.1)	(12.58)	(139.06)	(6.27)	(34.29)
Subtotal (iii)		327.85		231.16
(iv) Index linked derivatives				
Index Futures	0.18	15.93	0.08	3.54
Options purchased	9.09	316.26	0.11	5.02
Options sold (written)	-	-	0.75	248.89
Less: Amount offset (refer note 10.1)	(0.18)	(15.93)	(0.10)	(7.66)
Subtotal (iv)		316.26		249.79
(v) Embedded derivatives				
In market linked debentures	0.00	299.64	0.00	652.91
Subtotal (v)		299.64		652.91
(vi) Commodity derivatives				
Commodity Futures	0.03	2.32	-	-
Less: Amount offset (refer note 10.1)	(0.03)	(2.32)	-	-
Subtotal (vi)		-		-
Total		1,192.41		1,155.83

0.00 million indicates amount less than ₹ 0.01 million

### Notes

- Notional amounts in the above tables refer to number of underlying equity shares in case of stock futures and options, number of underlying index units in case of index-linked derivatives, number of underlying currency units in case of currency derivatives, number of underlying government securities / bonds in case of interest rate futures, amount of notional currency in case of interest rate swaps.
- Group has designed a risk based strategy to cover exposure on issued Benchmarked Linked Debentures, by entering into a derivative contracts either to minimise the loss or to earn a minimum committed income by entering into a combination of derivative contracts (say for example purchased call and put options) with a wide range of strike prices. Above strategy has been approved by the risk committee of respective subsidiary Companies in the Group and ensures that risk is fully or partially covered, which supports to reduce the risk exposure.



**Edelweiss Financial Services Limited**  
**Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

**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 2025:

Financial assets subject to offsetting	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised in the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial assets	2,381.61	1,594.56	787.05	43.20	138.40	882.25	-	787.05	882.25
Margin placed with broker	49.50	3.50	46.00	-	-	46.00	-	46.00	46.00

Financial liabilities subject to offsetting	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total liabilities	Maximum Exposure to Risk
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets	Collateral paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial liabilities	1,539.64	112.34	1,427.30	43.15	-	1,384.15	-	1,427.30	1,384.15
Margin Payable	7.08	-	7.08	-	-	7.08	-	7.08	7.08

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*	Net asset recognised in balance sheet	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised in the balance sheet	Recognised in the balance sheet	After consideration of netting potential
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
Margin placed with broker	788.64	(46.03)	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	Amount offset*	Net liability recognised in balance sheet	Financial assets	Collateral paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial liabilities	1,250.32	94.49	1,155.83	21.98	-	1,133.85	-	1,155.83	1,133.85

\*As at the reporting date the amount of cash margin received that has been offset against gross derivative assets ₹ 1,594.56 million (Previous year ₹ 1,011.67 million). As at the reporting date the amount of cash margin paid that has been offset against gross derivative liability ₹ 112.35 million (Previous year ₹ 94.49 million).

**Edelweiss Financial Services Limited**
**Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

**11. Trade Receivables**

Particulars	As at 31 March 2025	As at 31 March 2024
Receivables considered good - unsecured	4,139.68	3,794.87
Receivables which have significant increase in credit risk	13.41	154.04
Receivables - credit impaired	615.55	1,142.22
<b>Gross receivables</b>	<b>4,768.64</b>	<b>5,091.13</b>
Less : Allowance for expected credit losses - Provision for impairment - unsecured	(303.11)	(667.43)
Less : Allowance for expected credit losses - Receivables which have significant increase in credit risk	(11.45)	(71.49)
Less : Allowance for expected credit losses - Provision for impairment - credit impaired	(517.56)	(776.84)
<b>Total allowance for expected credit losses (ECL)</b>	<b>(832.12)</b>	<b>(1,515.76)</b>
<b>Total receivables net of provision</b>	<b>3,936.52</b>	<b>3,575.37</b>

**11.1 Trade receivables ageing schedule**

As at 31 March 2025	Outstanding for following periods from due date of payment					
Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3,713.92	114.20	180.75	130.81	-	4,139.68
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	2.62	1.95	2.32	6.52	13.41
(iii) Undisputed Trade Receivables – credit impaired	16.24	5.75	37.66	62.96	492.94	615.55
(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>3,730.16</b>	<b>122.57</b>	<b>220.36</b>	<b>196.09</b>	<b>499.46</b>	<b>4,768.64</b>
(i) Undisputed Trade receivables – considered good	(294.51)	(1.32)	(7.07)	(0.21)	-	(303.11)
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	(0.66)	(1.95)	(2.32)	(6.52)	(11.45)
(iii) Undisputed Trade Receivables – credit impaired	(1.24)	(0.75)	(12.66)	(17.46)	(485.45)	(517.56)
(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>(295.75)</b>	<b>(2.73)</b>	<b>(21.68)</b>	<b>(19.99)</b>	<b>(491.97)</b>	<b>(832.12)</b>
<b>Total receivables net of provision = (A)-(B)</b>	<b>3,434.41</b>	<b>119.84</b>	<b>198.68</b>	<b>176.10</b>	<b>7.49</b>	<b>3,936.52</b>

As at 31 March 2024	Outstanding for following periods from due date of payment					
Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	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>

The unbilled amount is ₹ Nil (previous year ₹ 15.00 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 01 April 2023</b>	<b>1,155.25</b>
Net increase/(decrease) during the year	360.51
<b>Impairment allowance as on 31 March 2024</b>	<b>1,515.76</b>
Net increase/(decrease) during the year	(683.64)
<b>Impairment allowance as on 31 March 2025</b>	<b>832.12</b>

**Edelweiss Financial Services Limited**
**Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

**12. Loans**

Particulars	As at 31 March 2025				As at 31 March 2024			
	at amortised cost	at FVTPL	at FVOCI	Total	at amortised cost	at FVTPL	at FVOCI	Total
<b>Term Loans</b>								
Corporate and Retail Credit	95,024.43	1,693.60	29,570.41	1,26,288.44	1,08,341.47	2,641.83	34,797.54	1,45,780.84
Distressed Credit	9,549.75	-	17,807.93	27,357.68	14,283.19	-	22,010.76	36,293.95
Other Credit	743.80	-	-	743.80	522.44	-	-	522.44
<b>Total Gross (A)</b>	<b>1,05,317.98</b>	<b>1,693.60</b>	<b>47,378.34</b>	<b>1,54,389.92</b>	<b>1,23,147.10</b>	<b>2,641.83</b>	<b>56,808.30</b>	<b>1,82,597.23</b>
Less: Impairment loss allowance	18,807.14	-	13,369.74	32,176.88	22,206.19	-	12,350.72	34,556.91
<b>Total (Net) (A)</b>	<b>86,510.84</b>	<b>1,693.60</b>	<b>34,008.60</b>	<b>1,22,213.04</b>	<b>1,00,940.91</b>	<b>2,641.83</b>	<b>44,457.58</b>	<b>1,48,040.32</b>
Secured by tangible assets (Property including land, building, project receivables and others)	93,786.09	1,693.60	46,958.84	1,42,438.53	1,11,140.09	2,641.83	55,880.56	1,69,662.48
Secured by intangible assets (fixed deposits, marketable securities and others)	1,502.07	-	419.50	1,921.57	1,284.79	-	870.25	2,155.04
Unsecured	10,029.82	-	-	10,029.82	10,722.22	-	57.49	10,779.71
<b>Total Gross (B)</b>	<b>1,05,317.98</b>	<b>1,693.60</b>	<b>47,378.34</b>	<b>1,54,389.92</b>	<b>1,23,147.10</b>	<b>2,641.83</b>	<b>56,808.30</b>	<b>1,82,597.23</b>
Less: Impairment loss allowance	18,807.14	-	13,369.74	32,176.88	22,206.19	-	12,350.72	34,556.91
<b>Total (Net) (B)</b>	<b>86,510.84</b>	<b>1,693.60</b>	<b>34,008.60</b>	<b>1,22,213.04</b>	<b>1,00,940.91</b>	<b>2,641.83</b>	<b>44,457.58</b>	<b>1,48,040.32</b>
<b>Loans in India</b>								
Public sector	-	-	-	-	-	-	-	-
Others	1,05,317.98	1,693.60	47,378.34	1,54,389.92	1,23,147.10	2,641.83	56,808.30	1,82,597.23
<b>Total Gross (C)</b>	<b>1,05,317.98</b>	<b>1,693.60</b>	<b>47,378.34</b>	<b>1,54,389.92</b>	<b>1,23,147.10</b>	<b>2,641.83</b>	<b>56,808.30</b>	<b>1,82,597.23</b>
Less: Impairment loss allowance	18,807.14	-	13,369.74	32,176.88	22,206.19	-	12,350.72	34,556.91
<b>Total (Net) (C) (I)</b>	<b>86,510.84</b>	<b>1,693.60</b>	<b>34,008.60</b>	<b>1,22,213.04</b>	<b>1,00,940.91</b>	<b>2,641.83</b>	<b>44,457.58</b>	<b>1,48,040.32</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>86,510.84</b>	<b>1,693.60</b>	<b>34,008.60</b>	<b>1,22,213.04</b>	<b>1,00,940.91</b>	<b>2,641.83</b>	<b>44,457.58</b>	<b>1,48,040.32</b>

Note: Loans including Installment and Interest outstanding due from the directors amounts to ₹ Nil million (Previous year ₹ Nil million).

**Edelweiss Financial Services Limited**
**Notes to the consolidated financial statements (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 55.7.

**Loans at amortised cost & FVOCI**

Particulars	As at 31 March 2025					As at 31 March 2024				
	Stage I	Stage II	Stage III <sup>1</sup>	POCI	Total	Stage I	Stage II	Stage III <sup>1</sup>	POCI	Total
<b>Performing</b>										
High grade	44,619.04	-	-	-	<b>44,619.04</b>	42,771.90	-	-	-	42,771.90
Standard grade	-	3,786.20	-	-	<b>3,786.20</b>	-	4,849.17	-	-	4,849.17
<b>Non-performing</b>										
Impaired	-	-	76,933.40	27,357.68	<b>1,04,291.08</b>	-	-	96,040.38	36,293.95	1,32,334.33
<b>Total</b>	<b>44,619.04</b>	<b>3,786.20</b>	<b>76,933.40</b>	<b>27,357.68</b>	<b>1,52,696.32</b>	<b>42,771.90</b>	<b>4,849.17</b>	<b>96,040.38</b>	<b>36,293.95</b>	<b>1,79,955.40</b>

**Gross carrying amount and corresponding ECL reconciliation – Loans**

Particulars	Non-credit impaired				Credit impaired		POCI	Total	
	Stage I		Stage II		Stage III		POCI		
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL <sup>2</sup>	Carrying amount (Net of Allowance for ECL)	Gross carrying amount	Allowance for ECL
<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>1,31,547.15</b>	<b>48,413.91</b>	<b>17,966.05</b>	<b>2,22,122.99</b>	<b>51,231.80</b>
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	(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>1,79,955.40</b>	<b>34,556.91</b>
Transfers:									
Transfers to 12 Month ECL (Stage 1)	577.45	73.39	(512.40)	(62.30)	(65.05)	(11.09)	-	-	-
Transfers to lifetime ECL (Stage 2)	(1,069.74)	(20.24)	1,014.20	26.02	55.54	(5.78)	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(625.80)	(22.42)	(339.50)	(41.98)	965.30	64.40	-	-	-
Net re-measurement of ECL arising from transfer of stage	-	(21.36)	-	30.54	-	5,109.62	-	-	5,118.80
Net new and further lending/(repayments) (including write-off) and sale to ARC	2,965.23	80.96	(1,225.27)	(132.91)	(20,062.77)	(7,446.88)	(8,936.27)	(27,259.08)	(7,498.83)
<b>Balance at 31 March 2025</b>	<b>44,619.04</b>	<b>364.79</b>	<b>3,786.20</b>	<b>336.83</b>	<b>76,933.40</b>	<b>31,475.26</b>	<b>27,357.68</b>	<b>1,52,696.32</b>	<b>32,176.88</b>

<sup>1</sup>This also includes stage III assets 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.

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

#### 13. Investments

As at 31 March 2025	Amortised cost	FVOCI	FVTPL	Total
Security Receipts	-	6,548.65	10,863.43	17,412.08
Government Securities	-	29,849.04	45,933.13	75,782.17
Equity Shares	-	-	23,415.93	23,415.93
Debt securities	5,210.83	13,944.63	9,324.15	28,479.61
AIF Fund	-	-	16,345.53	16,345.53
Mutual Fund	-	-	7,651.86	7,651.86
Preference Shares	-	-	1,283.90	1,283.90
Others	1,502.45	1,646.39	2,660.49	5,809.33
<b>Total</b>	<b>6,713.28</b>	<b>51,988.71</b>	<b>1,17,478.42</b>	<b>1,76,180.41</b>
Investments in India	6,308.37	51,988.71	1,11,687.16	1,69,984.24
Investments outside India	404.91	-	5,791.26	6,196.17
<b>Total</b>	<b>6,713.28</b>	<b>51,988.71</b>	<b>1,17,478.42</b>	<b>1,76,180.41</b>
Less - Impairment Loss allowance	439.09	-	-	439.09
<b>Total</b>	<b>6,274.19</b>	<b>51,988.71</b>	<b>1,17,478.42</b>	<b>1,75,741.32</b>

As at 31 March 2024	Amortised cost	FVOCI	FVTPL	Total
Security Receipts	-	10,783.80	15,255.45	26,039.25
Government Securities	-	23,895.11	44,205.64	68,100.75
Equity Shares	-	-	42,153.71	42,153.71
Debt securities	10,393.47	4,957.30	9,197.88	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	-	3,193.73	3,912.86
<b>Total</b>	<b>11,112.60</b>	<b>39,636.21</b>	<b>1,34,329.48</b>	<b>1,85,078.29</b>
Investments in India	11,112.60	39,636.21	1,28,512.56	1,79,261.37
Investments outside India	-	-	5,816.92	5,816.92
<b>Total</b>	<b>11,112.60</b>	<b>39,636.21</b>	<b>1,34,329.48</b>	<b>1,85,078.29</b>
Less - Impairment Loss allowance	163.54	-	-	163.54
<b>Total</b>	<b>10,949.06</b>	<b>39,636.21</b>	<b>1,34,329.48</b>	<b>1,84,914.75</b>

Note: Investments pledged with bank, exchange, brokers and against debts securities issued is amounting to ₹ 13,864.44 million (previous year ₹ 41,365.92 million)

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements (*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 55.7

As at 31 March 2025				
Particulars	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 2)	Gross carrying amount (Stage 3)	Gross carrying amount Total
High grade	51,988.71	-	-	51,988.71
Standard grade	-	-	-	-
Individually impaired	-	-	-	-
<b>Total</b>	<b>51,988.71</b>	<b>-</b>	<b>-</b>	<b>51,988.71</b>

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	39,636.21	-	-	39,636.21
Standard grade	-	-	-	-
Individually impaired	-	-	-	-
<b>Total</b>	<b>39,636.21</b>	<b>-</b>	<b>-</b>	<b>39,636.21</b>

###### Reconciliation of gross carrying amount and corresponding ECL for investments measured at FVOCI

As at 31 March 2025				
Particulars	Gross Carrying Amount (Stage 1)	12 months ECL allowance (Stage 1)	Gross Carrying Amount (Stage 3)	12 months ECL allowance (Stage 3)
Gross carrying amount - opening balance	39,636.21	-	-	-
Assets originated or purchased and derecognised or matured (excluding write offs) (including gains / losses thereon) net	9,670.51	-	-	-
Interest income during the year	2,681.99	-	-	-
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>51,988.71</b>	<b>-</b>	<b>-</b>	<b>-</b>

###### Reconciliation of gross carrying amount and corresponding ECL for investments measured at FVOCI

As at 31 March 2024				
Particulars	Gross Carrying Amount (Stage 1)	12 months ECL allowance (Stage 1)	Gross Carrying Amount (Stage 3)	12 months ECL allowance (Stage 3)
Gross carrying amount - opening balance	24,727.26	-	-	-
Assets originated or purchased and derecognised or matured (excluding write offs) (including gains / losses thereon) net	12,751.42	-	-	-
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>

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

#### 13. Investments (Continued)

##### 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 55.7

#### As at 31 March 2025

Particulars	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 2)	Gross carrying amount (Stage 3)	Gross carrying amount Total
High grade	6,713.28	-	-	6,713.28
Standard grade	-	-	-	-
Individually impaired	-	-	-	-
<b>Total</b>	<b>6,713.28</b>	<b>-</b>	<b>-</b>	<b>6,713.28</b>

#### 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>

#### Reconciliation of gross carrying amount for investments measured at amortised cost

As at 31 March 2025				
Particulars	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>11,112.60</b>	<b>163.54</b>	<b>-</b>	<b>-</b>
Assets originated or purchased and derecognised or matured (excluding write offs) (including gains / losses thereon) net	(4,496.93)	275.55	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	97.61	-	-	-
Amounts written off	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
<b>Gross carrying amount - closing balance</b>	<b>6,713.28</b>	<b>439.09</b>	<b>-</b>	<b>-</b>

As at 31 March 2024				
Particulars	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>
Assets originated or purchased and derecognised or matured (excluding write offs) (including gains / losses thereon) net	8,899.60	163.54	(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>

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

#### 14. Other financial assets

Particulars	As at	As at
	31 March 2025	31 March 2024
Receivable from Trust	1,184.64	1,128.20
Receivable from exchange / clearing house (net)	690.30	179.70
Deposits placed with exchange/ depositories	205.78	236.59
Margin placed with broker	2,932.16	5,720.17
Rental deposits	141.27	146.59
Deposits- others	53.98	40.33
Reinsurance receivables	4,332.53	2,850.08
Unclaimed amount of policyholders	3.82	10.66
Others	773.69	650.62
<b>Total</b>	<b>10,318.17</b>	<b>10,962.94</b>

#### 15. Deferred tax assets and liabilities

##### Deferred tax assets (net)

Particulars	As at	As at
	31 March 2025	31 March 2024
Provision for expected credit losses	1,490.74	1,459.09
Unused tax losses / credits	16,218.32	16,734.38
Employee benefits obligations	118.75	92.19
Fair valuation of Financial Assets	1,070.71	(1,562.75)
Fair valuation of Derivatives	(54.71)	(18.62)
Property, Plant and Equipment and Intangible assets	(731.32)	(921.46)
Effective interest rate on Borrowings	(320.91)	(315.58)
Others	3.81	(2.47)
<b>Total</b>	<b>17,795.39</b>	<b>15,464.78</b>

##### Deferred tax liabilities (net)

Particulars	As at	As at
	31 March 2025	31 March 2024
Provision for expected credit losses	6.74	286.23
Unused tax losses / credits	(481.12)	(292.77)
Employee benefits obligations	(27.90)	(19.05)
Fair valuation of Financial Assets	1,572.59	40.55
Property, Plant and Equipment and Intangible assets	1,336.43	1,119.27
Effective interest rate on Borrowings	15.13	8.83
Special Reserve u/s 36(1)(viii)	112.50	112.50
Others	866.42	795.38
<b>Total</b>	<b>3,400.79</b>	<b>2,050.94</b>



**Edelweiss Financial Services Limited**

**Notes to the consolidated financial statements (*Continued*)**

(Currency : Indian rupees in millions)

**16. Investment property**

Particulars	Gross Block				Depreciation and impairment				Net Block	
	As at 01 April 2024	Additions during the year	Deductions/ adjustments during the year	As at 31 March 2025	As at 01 April 2024	Impairment charge / (reversals) for the year	Charge for the year	Deductions/ adjustments during the year	As at 31 March 2025	As at 31 March 2025
<b>Investment Property</b>										
Land	191.42	-	-	191.42	-	-	-	-	-	191.42
Real Estate	1,857.17	110.30	121.72	1,845.75	497.92	28.18	15.82	(229.02)	770.94	1,074.81
<b>Total</b>	<b>2,048.59</b>	<b>110.30</b>	<b>121.72</b>	<b>2,037.17</b>	<b>497.92</b>	<b>28.18</b>	<b>15.82</b>	<b>(229.02)</b>	<b>770.94</b>	<b>1,266.23</b>

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	Impairment charge / (reversals) for the year	Charge for the year	Deductions/ adjustments during the year	As at 31 March 2024	As at 31 March 2024
<b>Investment Property</b>										
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	4.20	497.92	1,359.25
<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>4.20</b>	<b>497.92</b>	<b>1,550.67</b>

**Fair value of investment property**

Particulars	As at 31 March 2025	As at 31 March 2024
Land	1,216.01	1,215.99
Real estate	1,801.39	2,835.98
<b>Total</b>	<b>3,017.40</b>	<b>4,051.97</b>

The fair valuation are based on valuations performed by an independent valuer.

**Edelweiss Financial Services Limited**
**Notes to the consolidated financial statements (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 2024	Additions/adjustments during the year	Deductions/adjustments during the year	As at 31 March 2025	As at 01 April 2024	Charge for the year	Deductions/adjustments during the year	As at 31 March 2025	As at 31 March 2025
<b>a) Property, Plant and Equipments</b>									
Land*	236.79	-	-	236.79	-	-	-	-	236.79
Flat and Building*	11,227.99	7.92	301.45	10,934.46	2,722.68	179.76	-	2,902.44	8,032.02
Leasehold Premises	71.54	8.83	7.32	73.05	47.73	10.09	6.88	50.94	22.11
Plant and Equipment	297.29	36.41	56.39	277.31	215.37	42.11	56.25	201.23	76.08
Furniture and Fixtures	311.87	27.22	16.74	322.35	209.43	29.11	15.38	223.16	99.19
Vehicles	12.67	-	0.11	12.56	8.53	1.31	0.08	9.76	2.80
Office equipment	218.63	44.07	49.36	213.34	182.49	18.82	48.79	152.52	60.82
Vessel (Boat)	4.84	-	-	4.84	1.01	0.28	-	1.29	3.55
Computers	488.45	182.68	99.27	571.86	342.73	100.96	78.30	365.39	206.47
Solar Power Equipment	60.08	5.87	-	65.95	45.25	2.87	-	48.12	17.83
<b>Total (A)</b>	<b>12,930.15</b>	<b>313.00</b>	<b>530.64</b>	<b>12,712.51</b>	<b>3,775.22</b>	<b>385.31</b>	<b>205.68</b>	<b>3,954.85</b>	<b>8,757.66</b>
<b>b) Intangibles</b>									
Software	2,266.21	677.40	168.42	2,775.19	1,491.09	487.10	168.45	1,809.74	965.45
Trademark/ Design and Copyright/ Asset Management Rights	709.05	241.85	-	950.90	60.00	31.86	60.00	31.86	919.04
<b>Total (B)</b>	<b>2,975.26</b>	<b>919.25</b>	<b>168.42</b>	<b>3,726.09</b>	<b>1,551.09</b>	<b>518.96</b>	<b>228.45</b>	<b>1,841.60</b>	<b>1,884.49</b>
<b>c) Right to use (ROU) assets</b>	<b>1,745.71</b>	<b>575.97</b>	<b>171.29</b>	<b>2,150.39</b>	<b>1,215.09</b>	<b>350.91</b>	<b>216.24</b>	<b>1,349.76</b>	<b>800.63</b>
<b>Total (A+B+C)</b>	<b>17,651.12</b>	<b>1,808.22</b>	<b>870.35</b>	<b>18,588.99</b>	<b>6,541.40</b>	<b>1,255.18</b>	<b>650.37</b>	<b>7,146.21</b>	<b>11,442.78</b>

**Edelweiss Financial Services Limited**
**Notes to the consolidated financial statements (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 2023	Additions/adjustments during the year	Deductions/adjustments during the year	As at 31 March 2024	As at 01 April 2023	Charge for the year	Deductions/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	8,505.31
Leasehold Premises	59.29	15.15	2.90	71.54	38.80	11.85	2.92	47.73	23.81
Plant and Equipment	304.99	63.64	71.34	297.29	242.64	35.89	63.16	215.37	81.92
Furniture and Fixtures	313.71	2.40	4.24	311.87	179.12	33.75	3.44	209.43	102.44
Vehicles	14.65	-	1.98	12.67	9.20	2.00	2.67	8.53	4.14
Office equipment	208.03	16.03	5.43	218.63	178.91	14.42	10.84	182.49	36.14
Vessel (Boat)	4.84	-	-	4.84	0.66	0.35	-	1.01	3.83
Computers	409.04	143.52	64.11	488.45	290.21	97.83	45.31	342.73	145.72
Solar Power Equipment	62.03	-	1.95	60.08	43.32	3.38	1.45	45.25	14.83
Total (A)	12,932.18	442.45	444.48	12,930.15	3,052.31	701.13	(21.78)	3,775.22	9,154.93
b) Intangibles									
Software	2,516.37	469.16	719.32	2,266.21	1,880.36	330.05	719.32	1,491.09	775.12
Trademark/ Design and Copyright/ Asset Management Rights	709.05	-	-	709.05	60.00	-	-	60.00	649.05
Total (B)	3,225.42	469.16	719.32	2,975.26	1,940.36	330.05	719.32	1,551.09	1,424.17
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	530.62
Total (A+B+C)	17,691.73	1,621.93	1,662.54	17,651.12	6,078.67	1,246.23	783.50	6,541.40	11,109.72

\*pledged against debt securities and borrowings of the respective subsidiary companies.

\*\* During the year ended 31 March 2024, Flat and building is reclassified from Property, Plant and Equipments to Investment property.

**Notes**

- 1 The Group management approved revaluation of 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.

**Edelweiss Financial Services Limited**  
**Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

**18. Capital Work in Progress (CWIP)**

Particulars	CWIP			
	As at 01 April 2024	Additions	Capitalisation	As at 31 March 2025
CWIP	36.55	37.45	69.61	4.39
<b>Total</b>	<b>36.55</b>	<b>37.45</b>	<b>69.61</b>	<b>4.39</b>

Particulars	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>

**(a) CWIP ageing schedule**

**As at 31 March 2025**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4.39	-	-	-	4.39
<b>Total</b>	<b>4.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.39</b>

**As at 31 March 2024**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	36.55	-	-	-	36.55
<b>Total</b>	<b>36.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36.55</b>

**(b)** There are no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

**19. Intangible assets under development**

Particulars	Intangible assets under development			
	As at 01 April 2024	Additions	Capitalisation	As at 31 March 2025
Intangible assets under development	324.65	327.66	471.81	180.50
<b>Total</b>	<b>324.65</b>	<b>327.66</b>	<b>471.81</b>	<b>180.50</b>

Particulars	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	324.65
<b>Total</b>	<b>240.60</b>	<b>516.60</b>	<b>432.55</b>	<b>324.65</b>

**(a) Intangible assets under development ageing schedule**

**As at 31 March 2025**

Particulars	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	178.80	1.70	-	-	180.50
<b>Total</b>	<b>178.80</b>	<b>1.70</b>	<b>-</b>	<b>-</b>	<b>180.50</b>

**As at 31 March 2024**

Particulars	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
<b>Total</b>	<b>241.19</b>	<b>82.60</b>	<b>0.86</b>	<b>-</b>	<b>324.65</b>

**(b)** There are no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

Edelweiss Financial Services Limited

Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

20. Goodwill

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	236.60	236.60
Add:- Goodwill arising on acquisitions	-	-
Less:- Goodwill derecognised / impaired	(236.60)	-
Balance at the end of year	-	236.60

**Edelweiss Financial Services Limited**
**Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

**21. Other non-financial assets**

Particulars	As at 31 March 2025	As at 31 March 2024
Input tax credit	2,862.25	2,337.14
Prepaid expenses	5,256.14	4,303.01
Vendor Advances	305.97	221.47
Capital Advances	339.08	-
Advances to employees	6.93	9.25
Deposits	18.71	18.71
Others	632.31	554.12
<b>Total</b>	<b>9,421.39</b>	<b>7,443.70</b>

**22. Trade Payables**

Particulars	As at 31 March 2025	As at 31 March 2024
Total outstanding dues of micro enterprises and small enterprises (MSME)	40.67	38.21
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,555.92	16,701.66
<b>Total</b>	<b>12,596.59</b>	<b>16,739.87</b>

**22.1 Trade payables ageing schedule**

As at 31 March 2025	Outstanding for following periods from due date of payment						
Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	13.99	-	26.68	-	-	-	40.67
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,523.42	2,786.53	8,160.43	5.82	16.35	63.37	12,555.92
(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>1,537.41</b>	<b>2,786.53</b>	<b>8,187.11</b>	<b>5.82</b>	<b>16.35</b>	<b>63.37</b>	<b>12,596.59</b>

As at 31 March 2024	Outstanding for following periods from due date of payment						
Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(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>

**22.2** Trade Payables includes ₹ 40.67 million (Previous Year ₹ 38.21 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 ₹ 0.22 million (Previous year: ₹ 0.33 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.

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

#### 23. Debt securities

Particulars	As at 31 March 2025	As at 31 March 2024
Non-Convertible Debentures (at amortised cost)	1,17,213.01	1,24,577.01
Compulsory Convertible Debentures (at amortised cost)	-	2,601.51
Non-Convertible Debentures (designated at fair value through profit or loss)	4,712.65	5,006.41
Commercial paper (at amortised cost)	1,678.75	11,795.58
<b>Total (refer Note 1 below)</b>	<b>1,23,604.41</b>	<b>1,43,980.51</b>
(i) Debt securities issued in India	1,23,604.41	1,43,980.51
(ii) Debt securities issued outside India	-	-
<b>Total</b>	<b>1,23,604.41</b>	<b>1,43,980.51</b>

#### Note:

- Out of the above, ₹ 3,794.21 million as at 31 March 2025 (Previous Year ₹ 20,536.08 million) are unsecured. For secured debt, the Group has provided collateral in the nature of Exclusive or Pari Passu charge of immovable property, receivable from financing business, securities held for trading, investments, property (excluding intangible assets) and other assets.

#### Terms of repayment of Debt Securities - as at 31 March 2025

Maturities	<1 years	1-3 years	> 3 years	Total
<b>Rate of Interest</b>				
8.00 - 8.99%	1,619.24	2,816.23	-	4,435.47
9.00 - 9.99%	8,966.33	22,668.57	6,802.49	38,437.39
10.00 - 10.99%	1,599.79	9,050.28	13,411.72	24,061.79
11.00 - 11.99%	-	32.18	434.30	466.48
12.00 - 12.99%	-	-	26.11	26.11
Various (benchmark linked)	5,908.71	39,192.44	6,509.39	51,610.54
Accrued Interest and EIR	-	-	-	4,566.63
<b>Total</b>	<b>18,094.07</b>	<b>73,759.70</b>	<b>27,184.01</b>	<b>1,23,604.41</b>

#### Terms of repayment of Debt Securities - as at 31 March 2024

Maturities	<1 years	1-3 years	> 3 years	Total
<b>Rate of Interest</b>				
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
20.00 - 22.99%	500.13	2,060.10	-	2,560.23
Zero Coupon Debentures	240.77	-	-	240.77
Various (benchmark linked)	6,081.58	32,930.79	14,844.73	53,857.10
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>1,41,379.00</b>

\* Compulsory Convertible Debentures amounting to ₹ 2,601.51 million not considered for maturity pattern.

# Edelweiss Financial Services Limited

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 24. Borrowings (other than debt securities) at amortised cost

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Secured</b>		
<b>Term loans</b>		
(Secured by investments, charge on receivables of financing business, cash and cash equivalents and other assets)		
from banks	13,458.70	15,139.57
from other parties	3,560.51	4,879.45
Bank overdraft/Cash credit lines	914.49	2,589.46
(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)	24,480.16	19,799.71
Working capital demand loan (secured by charge on receivables from financing business, cash and cash equivalents and property, plant and equipments)	1,460.00	5,000.00
<b>Unsecured</b>		
Loans repayable on demand - from other parties	19.53	17.36
<b>Total</b>	<b>43,893.39</b>	<b>47,425.55</b>
Borrowings in India	43,893.39	47,425.55
Borrowings outside India	-	-
<b>Total</b>	<b>43,893.39</b>	<b>47,425.55</b>

Following is the repayment terms of term loans:

#### Term loans from Banks - Secured as at 31 March 2025

Maturities	<1 years	1-3 years	> 3 years	Total
<b>Rate of Interest</b>				
9.00 - 9.99%	2,178.22	4,200.67	1,686.53	8,065.42
10.00 - 10.99%	946.00	1,462.50	251.00	2,659.50
11.00 - 11.99%	1,358.58	963.00	224.00	2,545.58
12.00 - 12.99%	286.55	133.33	-	419.88
Accrued Interest and EIR	-	-	-	(231.68)
<b>Total</b>	<b>4,769.35</b>	<b>6,759.50</b>	<b>2,161.53</b>	<b>13,458.70</b>

#### Term loans from Banks - Secured as at 31 March 2024

Maturities	<1 years	1-3 years	> 3 years	Total
<b>Rate of Interest</b>				
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 Others - Secured as at 31 March 2025

Maturities	<1 years	1-3 years	> 3 years	Total
<b>Rate of Interest</b>				
6.00 - 6.99%	46.01	49.90	70.10	166.01
8.00 - 8.99%	7.00	-	748.00	755.00
10.00 - 10.99%	135.00	-	-	135.00
11.00 - 11.99%	2,504.09	-	-	2,504.09
Accrued Interest and EIR	-	-	-	0.41
<b>Total</b>	<b>2,692.10</b>	<b>49.90</b>	<b>818.10</b>	<b>3,560.51</b>

#### Term loans from Others - Secured as at 31 March 2024

Maturities	<1 years	1-3 years	> 3 years	Total
<b>Rate of Interest</b>				
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>



## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

#### 25. Subordinated liabilities (at amortised cost)

Unsecured	As at 31 March 2025	As at 31 March 2024
Non-convertible subordinated debt	10,059.90	10,098.15
Perpetual debt	1,187.44	979.97
<b>Total</b>	<b>11,247.34</b>	<b>11,078.12</b>
Subordinated liabilities issued in India	11,247.34	11,078.12
Subordinated liabilities issued outside India	-	-
<b>Total</b>	<b>11,247.34</b>	<b>11,078.12</b>

Terms and condition related to subordinate liabilities:

#### Terms of repayment of Subordinated Liabilities – 31 March 2025

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
9.00 - 9.99%	50.00	3,110.00	200.00	3,360.00
10.00 - 10.99%	200.00	3,100.00	189.76	3,489.76
11.00 - 11.99%	3,525.63	-	-	3,525.63
Accrued Interest and EIR	-	-	-	871.95
<b>Total</b>	<b>3,775.63</b>	<b>6,210.00</b>	<b>389.76</b>	<b>11,247.34</b>

#### Terms of repayment of 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>

# Edelweiss Financial Services Limited

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 26. Other financial liabilities (at amortised cost unless otherwise specified)

Particulars	As at 31 March 2025	As at 31 March 2024
Payable to exchange / clearing house (net)	4,535.79	974.28
Book overdraft	7.03	3.97
Accrued salaries and benefits	3,794.40	3,352.15
Provision for short sale at fair value	-	246.59
Reinsurance payable	5,975.15	3,950.78
Rental deposits	69.52	230.52
Retention money payable	10.57	13.16
Unclaimed dividends	9.40	9.77
Security receipts held by external investors	11,476.31	14,855.16
Derivative liability	1,806.84	2,257.37
Payable on account of securitisation and assignment	13,216.47	9,015.97
Financial liability associated to financial assets that are not derecognised	9,434.02	12,196.15
Other liabilities	3,028.62	5,090.09
<b>Total</b>	<b>53,364.12</b>	<b>52,195.96</b>

### 27. Provisions

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Provision for employee benefits and related costs</b>		
Gratuity	292.44	228.92
Compensated absences	132.93	114.94
<b>Others</b>	<b>236.97</b>	<b>275.39</b>
<b>Total</b>	<b>662.34</b>	<b>619.25</b>

### 28. Other non-financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Income received in advance	5,054.77	4,960.85
Statutory dues	1,321.05	1,958.76
Advances from customers	3.34	0.74
Proposal deposit from insurance business	219.07	343.95
Others	996.27	1,316.90
<b>Total</b>	<b>7,594.50</b>	<b>8,581.20</b>

**Edelweiss Financial Services Limited**  
**Notes to the consolidated financial statements (Continued)**  
**(Currency : Indian rupees in millions)**

**29. Equity share capital**

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of shares	Amount	No of shares	Amount
<b>Authorised :</b>				
Equity Shares of ₹ 1 each	1,23,00,00,000	1,230.00	1,23,00,00,000	1,230.00
Preference shares of ₹ 5 each	40,00,000	20.00	40,00,000	20.00
<b>Total</b>	<b>1,23,40,00,000</b>	<b>1,250.00</b>	<b>1,23,40,00,000</b>	<b>1,250.00</b>
<b>Issued, Subscribed and Fully paid up:</b>				
Equity Shares of ₹ 1 each	94,58,31,726	945.83	94,37,85,026	943.79
Less: Shares held by Edelweiss Employees Incentives and Welfare Trust (Refer note 1)	(73,01,510)	(7.30)	(73,01,510)	(7.30)
Less: Shares held by Edelweiss Employees Welfare Trust (Refer note 1)	(1,71,29,270)	(17.13)	(3,75,95,270)	(37.60)
<b>Total</b>	<b>92,14,00,946</b>	<b>921.40</b>	<b>89,88,88,246</b>	<b>898.89</b>

**A. Reconciliation of number of shares**  
*(Before deducting treasury shares)*

	As at 31 March 2025		As at 31 March 2024	
	No of shares	Amount	No of shares	Amount
<b>Outstanding at the beginning of the year</b>	<b>94,37,85,026</b>	<b>943.79</b>	<b>94,32,75,276</b>	<b>943.28</b>
Shares issued during the year:				
- Employee Stock Options Plans (ESOPs)	20,46,700	2.04	5,09,750	0.51
<b>Outstanding at the end of the year</b>	<b>94,58,31,726</b>	<b>945.83</b>	<b>94,37,85,026</b>	<b>943.79</b>

**Note :**

1. 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 2,44,30,780 (Previous year 44,896,780) number of equity shares amounting to ₹ 24.43 million (Previous year ₹ 44.90 million). These are deducted from total outstanding equity shares.

2. The above two Employee Welfare Trust(s) hold an aggregate 2,44,30,780 (Previous year 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.

**C. Details of shares held by promoters in the Company**

**As at 31 March 2025**

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	14,56,01,730	-	14,56,01,730	15.39%	(0.04)%
Venkatchalam Ramaswamy	5,95,76,560	-	5,95,76,560	6.30%	(0.01)%
Vidya Rashesh Shah	3,10,66,200	42,00,000	3,52,66,200	3.73%	0.44%
Aparna T Chandrashekar	1,22,10,000	-	1,22,10,000	1.29%	0.00%
Kaavya Venkat Arakoni	1,17,90,000	-	1,17,90,000	1.25%	0.00%
Sneha Sripad Desai	10,25,000	-	10,25,000	0.11%	0.00%
Shilpa Urvish Mody	9,50,000	-	9,50,000	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)	3,87,50,000	-	3,87,50,000	4.10%	(0.01)%
Spire Investment Advisors LLP	32,00,000	-	32,00,000	0.34%	0.00%
Sejal Premal Parekh	9,50,000	-	9,50,000	0.10%	0.00%
Neel Rashesh Shah	20,00,000	(20,00,000)	-	0.00%	(0.21)%
Avanti Rashesh Shah	20,00,000	(20,00,000)	-	0.00%	(0.21)%
<b>Total</b>	<b>30,91,69,490</b>	<b>2,00,000</b>	<b>30,93,69,490</b>	<b>32.72%</b>	<b>(0.04)%</b>

**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	14,56,01,730	-	14,56,01,730	15.43%	(0.01)%
Venkatchalam Ramaswamy	5,81,26,560	14,50,000	5,95,76,560	6.31%	0.15%
Vidya Rashesh Shah	3,10,31,200	35,000	3,10,66,200	3.29%	0.00%
Aparna T Chandrashekar	1,22,10,000	-	1,22,10,000	1.29%	0.00%
Kaavya Venkat Arakoni	1,17,90,000	-	1,17,90,000	1.25%	0.00%
Sneha Sripad Desai	10,25,000	-	10,25,000	0.11%	0.00%
Shilpa Urvish Mody	9,50,000	-	9,50,000	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)	3,87,50,000	-	3,87,50,000	4.11%	0.00%
Spire Investment Advisors LLP	32,00,000	-	32,00,000	0.34%	0.00%
Sejal Premal Parekh	9,50,000	-	9,50,000	0.10%	0.00%
Neel Rashesh Shah	20,00,000	-	20,00,000	0.21%	0.00%
Avanti Rashesh Shah	20,00,000	-	20,00,000	0.21%	0.00%
<b>Total</b>	<b>30,76,84,490</b>	<b>14,85,000</b>	<b>30,91,69,490</b>	<b>32.76%</b>	<b>0.14%</b>

**D. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at 31 March 2025		As at 31 March 2024	
	No of shares	% holding	No of shares	% holding
Rashesh Shah	14,56,01,730	15.39%	14,56,01,730	15.43%
Venkatchalam Ramaswamy	5,95,76,560	6.30%	5,95,76,560	6.31%
Cisa Global Markets Pte. Ltd-Odi	5,42,51,793	5.74%	-	-
	<b>25,94,30,083</b>	<b>27.43%</b>	<b>20,51,78,290</b>	<b>21.74%</b>

**E. The Company has not issued any bonus shares or shares for consideration other than cash nor has there been any buyback of shares during five years immediately preceding 31 March 2025.**

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

#### 30. Other equity

Particulars	As at	As at
	31 March 2025	31 March 2024
Capital reserve	8,052.72	8,026.45
Capital redemption reserve	314.26	287.87
Securities premium	30,553.21	29,623.85
ESOP/SAR reserve	251.07	372.06
Special reserve under section 45-IC of the Reserve Bank of India Act, 1934	7,893.90	7,946.60
Reserve under section 29C of the National Housing Bank Act, 1987	684.92	646.15
General reserve	717.15	717.15
Debenture redemption reserve	2,777.00	2,688.01
Impairment reserve	2,595.11	2,216.85
Retained earnings	(5,023.67)	(8,746.83)
Foreign exchange translation reserve	67.10	31.86
Revaluation reserve through other comprehensive income	3,104.67	3,368.17
Equity/Debt instruments through other comprehensive income	(8,661.88)	(455.72)
Share application money pending allotment	0.35	2.25
<b>Total</b>	<b>43,325.91</b>	<b>46,724.72</b>

For movement of the above components refer statement of changes in equity.

#### Nature and Purpose

##### 30.1 Capital reserve

Capital reserve represents the gains of capital nature which is not freely available for distribution.

##### 30.2 Capital redemption reserve

The Group has recognised capital redemption reserve on buy back of equity share capital.

##### 30.3 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.

##### 30.4 ESOP/SAR reserve

ESOP and SAR options outstanding represents the amount transferred to reserves pursuant to the "ESOP 2011" and "SAR 2019" schemes.

##### 30.5 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.

##### 30.6 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.

##### 30.7 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.

##### 30.8 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.

##### 30.9 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)

##### 30.10 Retained earnings

Retained earnings comprises of the Group's undistributed earnings after taxes.

##### 30.11 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.

##### 30.12 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.

##### 30.13 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.

##### 30.14 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.

##### 30.15 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).

# Edelweiss Financial Services Limited

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 31. Interest income

#### For the year ended 31 March 2025

Particulars	Amortised cost	FVTPL	FVOCI	Total
Interest on loans	14,711.14	-	3,138.08	17,849.22
Interest income from investments	1,284.41	3,334.71	2,973.17	7,592.29
Interest on deposits with banks	1,106.46	64.05	-	1,170.51
Other interest income	269.07	19.21	-	288.28
<b>Total</b>	<b>17,371.08</b>	<b>3,417.97</b>	<b>6,111.25</b>	<b>26,900.30</b>

#### 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	581.85	3,282.09	2,427.13	6,291.07
Interest on deposits with banks	1,100.56	-	-	1,100.56
Other interest income	119.06	20.39	-	139.45
<b>Total</b>	<b>22,464.58</b>	<b>3,302.48</b>	<b>2,556.67</b>	<b>28,323.73</b>

### 32. Fee and commission income

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Income from broking	12.75	16.27
Advisory and other fees	11,606.33	12,253.43
<b>Total</b>	<b>11,619.08</b>	<b>12,269.70</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 2025	For the year ended 31 March 2024
Service transferred at a point in time	2,883.70	1,430.63
Service transferred over time	8,735.38	10,839.07
<b>Total revenue from contract with customers</b>	<b>11,619.08</b>	<b>12,269.70</b>

Geographical Markets	For the year ended 31 March 2025	For the year ended 31 March 2024
India	10,908.25	11,382.78
Outside India	710.83	886.92
<b>Total revenue from contract with customers</b>	<b>11,619.08</b>	<b>12,269.70</b>

### 33. Net gain on fair value changes

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Net gain/(loss) on financial instruments at fair value through profit or loss (FVTPL)</b>		
<b>On trading portfolio</b>		
Investments at FVTPL	23,609.54	19,556.36
Derivatives at FVTPL	(490.23)	3,260.90
<b>Others</b>		
Other financial instruments	1,860.31	6,448.81
<b>Total Net gain/(loss) on fair value changes</b>	<b>24,979.62</b>	<b>29,266.07</b>
<b>Fair Value changes:</b>		
Realised gain/(loss)	25,760.75	7,966.98
Unrealised gain/(loss)	(781.13)	21,299.09
<b>Total</b>	<b>24,979.62</b>	<b>29,266.07</b>

# Edelweiss Financial Services Limited

## Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

### 34. Other operating revenue

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Income from training centre	50.17	53.50
Rental income	165.67	134.74
<b>Total</b>	<b>215.84</b>	<b>188.24</b>

### 35. Other income

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Donation income	144.74	365.89
Interest on income tax refund	288.00	234.52
Interest income on investments	545.74	210.65
Net fair value changes on financial instruments at FVTPL	2,502.32	1,644.44
Miscellaneous income	894.73	419.75
<b>Total</b>	<b>4,375.53</b>	<b>2,875.25</b>

### 36. Finance cost (at amortised cost unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest on borrowings (other than debt securities)	5,642.24	5,678.66
Interest on debt securities	15,226.56	16,729.29
Interest on debt securities (at fair value through profit or loss)	717.06	1,119.10
Interest on subordinated liabilities	1,165.34	1,316.27
Other interest expense	2,619.24	3,021.71
<b>Total</b>	<b>25,370.44</b>	<b>27,865.03</b>

# Edelweiss Financial Services Limited

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 37. Impairment on financial instruments

Particulars (At amortised cost)	For the year ended 31 March 2025	For the year ended 31 March 2024
On loans	(2,428.33)	229.73
On investments	528.91	(18.22)
On trade receivables	41.03	(62.96)
Other Credit costs	109.18	-
<b>Total</b>	<b>(1,749.21)</b>	<b>148.55</b>

### 38. Employee benefits expense

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries and wages	12,277.24	11,605.75
Contribution to provident and other funds	584.48	505.94
Share based payment to employees	60.97	13.89
Staff welfare expenses	259.17	306.27
<b>Total</b>	<b>13,181.86</b>	<b>12,431.85</b>

### 39. Other expenses

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Advertisement and business promotion	1,312.47	1,634.23
Auditors' remuneration	94.34	108.13
Commission and brokerage	5,449.02	4,288.12
Communication expenses	210.17	220.16
Computer software expenses	1,068.02	1,036.71
Commission to non-executive directors	5.00	62.61
Contribution towards donations and corporate social responsibility	368.31	539.48
Dematerialisation charges and stock exchange expenses	331.58	324.49
Directors' sitting fees	53.34	39.89
Insurance	43.30	35.38
Legal and professional fees	2,216.64	3,068.16
Membership and subscription	145.39	203.25
Mutual fund expenses	370.28	258.16
Office expenses	490.93	441.74
Printing and stationery	83.40	59.42
Rates and taxes	1,052.56	1,256.79
Rent and electricity charges	301.64	218.41
Repairs and maintenance - others	85.82	121.19
Security transaction tax	447.38	231.91
Seminar and conference expenses	103.12	254.05
Stamp duty	143.44	242.88
Travelling and conveyance	523.58	454.75
Selling and distribution expenses	867.77	595.31
Miscellaneous expenses	658.82	607.41
Loss on sale/ write-off of property, plant and equipments (net)	27.99	4.43
<b>Total</b>	<b>16,454.31</b>	<b>16,307.06</b>

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

#### 40. Income tax

The components of income tax expense recognised in profit or loss for the years ended 31 March 2025 and 31 March 2024 are:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current tax	3,434.33	2,260.86
Adjustment in respect of current income tax of prior years	(22.57)	(109.78)
Deferred tax relating to origination and reversal of temporary differences	(753.76)	(3,057.55)
<b>Total tax expense</b>	<b>2,658.00</b>	<b>(906.47)</b>
<b>Total current tax</b>	<b>3,411.76</b>	<b>2,151.08</b>
<b>Total deferred tax</b>	<b>(753.76)</b>	<b>(3,057.55)</b>

#### 40.1 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 corporate tax rate. The 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 2025	For the year ended 31 March 2024
Profit / (Loss) before tax	8,016.20	4,374.00
Tax rate	25.17%	25.17%
Income tax expense calculated based on above tax rate	2,017.52	1,100.85
Adjustment in respect of income tax of prior years	(22.57)	(109.78)
Effect of income not subject to tax	584.28	(2,194.58)
Effect of non-deductible expenses	37.53	7.64
Impact of certain items being taxed at different rates	(1,210.01)	(1,420.77)
Impact of tax rate changes	338.83	0.07
Write-down / reversal of write down of deferred tax assets on unused tax credits and unused tax losses (net)	(267.04)	(7.06)
Effect of recognition & non-recognition of deferred tax asset on current-year losses	905.33	1,523.29
Different tax rates of subsidiaries	186.11	109.09
Others	88.02	84.78
<b>Tax expense recognised in profit and loss</b>	<b>2,658.00</b>	<b>(906.47)</b>



## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

#### 41. Components of deferred tax

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

As at 31 March 2025	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total Movement	Closing deferred tax asset/(liability)
Provision for expected credit losses	1,172.86	311.14	-	-	-	311.14	1,484.00
Unused tax losses / credits	17,027.15	(327.71)	-	-	-	(327.71)	16,699.44
Employee benefits obligations	111.24	42.47	(7.06)	-	-	35.41	146.65
Fair valuation of Financial Assets	(1,603.30)	867.97	447.07	-	(213.62)	1,101.42	(501.88)
Fair valuation of Derivatives	(18.62)	(36.09)	-	-	-	(36.09)	(54.71)
Property, Plant and Equipment and Intangible assets	(2,040.73)	(27.63)	-	-	0.61	(27.02)	(2,067.75)
Effective interest rate on Borrowings	(324.41)	(11.63)	-	-	-	(11.63)	(336.04)
Special Reserve u/s 36(1)(viii)	(112.50)	-	-	-	-	-	(112.50)
Others	(797.85)	(64.76)	-	-	-	(64.76)	(862.61)
<b>Total</b>	<b>13,413.84</b>	<b>753.76</b>	<b>440.01</b>	<b>-</b>	<b>(213.01)</b>	<b>980.76</b>	<b>14,394.60</b>

As at 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)
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
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)
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	4.01	(727.13)	-	-	(74.73)	(801.86)	(797.85)
<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>

**Edelweiss Financial Services Limited**

**Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

**41.1 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 2025

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		Others		Total	MAT Credit	
			Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Amount	Expiry year-financial year
FY 2024-25	171.00	Not applicable	214.06	No expiry	-	-	-	-	3,091.33	FY 2032-33	-	-	3,305.39	115.61	No expiry
FY 2023-24	105.54	Not applicable	224.63	No expiry	-	-	-	-	4,203.99	FY 2031-32	-	-	4,428.62	61.39	No expiry
FY 2022-23	1,843.54	Not applicable	212.43	No expiry	-	-	131.51	FY 2030-31	5,438.24	FY 2030-31	-	-	5,782.18	136.31	No expiry
FY 2021-22	275.71	Not applicable	208.61	No expiry	-	-	-	-	5,084.30	FY 2029-30	64.02	Not applicable	5,356.93	57.49	No expiry
FY 2020-21	0.20	Not applicable	245.16	No expiry	3,425.06	FY 2028-29	526.02	FY 2028-29	5,819.69	FY 2028-29	25.50	Not applicable	10,041.43	23.59	No expiry
FY 2019-20	80.44	Not applicable	244.82	No expiry	-	-	-	-	5,801.53	FY 2027-28	-	-	6,046.35	18.90	No expiry
FY 2018-19	55.32	Not applicable	237.50	No expiry	47.24	FY 2026-27	-	-	3,886.40	FY 2026-27	-	-	4,171.14	-	-
FY 2017-18	84.56	Not applicable	17.29	No expiry	-	-	-	-	2,954.33	FY 2025-26	-	-	2,971.62	-	-
FY 2016-17	-	-	4.59	No expiry	-	-	-	-	5.68	FY 2024-25	-	-	10.27	-	-
FY 2014-15	-	-	0.09	No expiry	-	-	-	-	-	-	-	-	0.09	-	-
FY 2013-14	-	-	0.74	No expiry	-	-	-	-	-	-	-	-	0.74	-	-
Total	2,616.31		1,609.92		3,472.30		657.53		36,285.49		89.52		42,114.76	413.29	

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		Others		Total	MAT Credit	
			Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	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	64.02	Not applicable	5,155.90	57.49	No expiry
FY 2021-22	-	-	-	-	-	-	-	-	7.17	FY 2026-27	-	-	7.17	-	-
FY 2020-21	6,754.35	Not applicable	49.22	No expiry	3,425.06	FY 2028-29	526.02	FY 2028-29	5,828.57	FY 2028-29	25.50	Not applicable	9,854.37	23.59	No expiry
FY 2019-20	80.44	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	-	-	3,767.25	FY 2026-27	-	-	3,861.38	-	-
FY 2017-18	84.56	Not applicable	18.00	No expiry	-	-	-	-	3,028.83	FY 2025-26	-	-	3,046.83	-	-
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	-	-
Total	9,963.57		785.03		3,472.30		657.53		35,790.16		89.52		40,794.54	297.68	

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

#### 42. 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 2025	31 March 2024
<b>Profit /(loss) for the year</b>	<b>5,358.20</b>	4,207.00
Number of equity shares for calculating basic EPS	<b>92,14,00,946</b>	89,88,88,246
Weighted average number of shares outstanding at the end of the year for basic EPS	<b>91,04,73,320</b>	89,88,71,130
Number of dilutive potential equity shares	<b>1,14,82,145</b>	20,88,781
<b>Weighted average number of shares outstanding at the end of the year for diluted EPS</b>	<b>92,19,55,465</b>	90,09,59,911
<b>Earnings per share (EPS) (Face value ₹ 1 each)</b>		
Basic earnings share (in ₹)	<b>5.89</b>	4.68
Dilutive earning per share (in ₹)	<b>5.81</b>	4.68

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

#### 43. Segment information

The Group has classified its consolidated segment reporting into Alternatives business, Capital business, Insurance business, Asset reconstruction business, Mutual fund business and Other business. Alternatives business includes advisory and other fee based business; 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. Mutual fund business represents income from asset management activities and Other business which includes custodian and CSR

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 2025

Particulars	Alternatives business	Capital business	Insurance business	Asset reconstruction business	Mutual Fund business	Other business	Total
Segment Revenue	7,865.41	37,475.93	36,375.03	8,825.02	2,476.58	2,169.17	95,187.14
Segment Expenditure	5,022.89	36,765.55	38,127.84	3,544.54	1,833.35	1,876.77	87,170.94
Segment results - Profit/(loss) before tax	2,842.52	710.38	(1,752.81)	5,280.48	643.23	292.40	8,016.20
Tax expense							2,658.00
Net profit / (loss) for the year							5,358.20
Segment assets	20,836.19	2,01,898.01	1,28,463.79	49,739.22	2,934.11	12,353.72	4,16,225.04
Segment liabilities	11,173.92	2,03,384.89	1,15,883.07	14,390.44	864.54	11,346.47	3,57,043.33

#### 31 March 2024

Particulars	Alternatives business	Capital business	Insurance business	Asset reconstruction business	Mutual Fund business	Other business	Total
Segment Revenue	5,842.49	39,991.67	35,520.40	10,685.08	2,548.62	1,427.49	96,015.75
Segment Expenditure	3,715.61	40,187.29	38,314.52	5,909.12	2,170.97	1,344.24	91,641.75
Segment results - Profit/(loss) before tax	2,126.88	(195.62)	(2,794.12)	4,775.96	377.65	83.25	4,374.00
Tax expense							(906.47)
Net profit / (loss) for the year							5,280.47
Segment assets	17,585.36	2,40,626.86	1,08,630.26	53,584.09	3,293.43	5,475.71	4,29,195.71
Segment liabilities	10,295.20	2,31,787.96	98,955.26	22,085.54	892.00	4,686.90	3,68,702.86

#### Note:

Non-cash expenditure aggregated to ₹ 18,805.21 million for the year ended 31 March 2025 (Previous Year ₹ 2,801.25 million)

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

#### 44. 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 2025	As at 31 March 2024
<b>Securitisations</b>		
Carrying amount of transferred assets measured at amortised cost (Held as collateral )	<b>16,475.70</b>	15,828.02
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	<b>15,294.26</b>	15,389.61
Fair value of assets	<b>16,540.63</b>	15,801.58
Fair value of associated liabilities	<b>14,672.06</b>	14,709.77
<b>Net position at fair value</b>	<b>1,868.57</b>	1,091.81

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

#### 45. 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 these has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. 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 2025			
	Securitisation trusts	Alternative Investment Funds	Total	Maximum exposure <sup>1</sup>
Loans	357.23	-	357.23	357.23
Trade Receivables	229.20	813.88	1,043.08	1,043.08
Investments	10,863.43	16,099.94	26,963.37	26,963.37
<b>Total Assets</b>	<b>11,449.86</b>	<b>16,913.82</b>	<b>28,363.68</b>	<b>28,363.68</b>
Off-balance sheet exposure	3.48	2,949.03	2,952.51	2,952.51
Size of the structured entity <sup>1</sup>	79,849.34	8,46,954.44	9,26,803.78	-
Income from the structured entity	2,108.43	4,026.34	6,134.77	-

Particulars	As at 31 March 2024			
	Securitisation trusts	Alternative Investment Funds	Total	Maximum exposure <sup>1</sup>
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>	2,22,865.09	3,63,267.73	5,86,132.82	-
Income from the structured entity	5,526.09	3,056.96	8,583.05	-

<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.

# Edelweiss Financial Services Limited

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 46. Disclosure of interest in other entities:

#### 1. Details of 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 for the year ended	
			31 March 2025	31 March 2024
Edelweiss Asset Reconstruction Company Limited	India	40.18%	1,547.18	1,427.17
Edelweiss Life Insurance Company Limited	India	20.47%	(291.38)	(390.24)

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	As at
	31 March 2025	31 March 2024
Financial assets	47,980.43	51,863.29
Non-financial assets	1,758.80	1,720.78
Financial liabilities	12,775.90	20,186.95
Non-financial liabilities	1,614.54	1,898.58
Equity attributable to owners of the company	21,145.65	18,842.43
Non-controlling interest	14,203.14	12,656.11

Particulars	For the year ended	For the year ended
	31 March 2025	31 March 2024
Revenue from operations	8,756.41	10,685.08
Total income	8,825.02	10,685.08
Total expenses	3,544.53	5,909.11
Profit / (loss) before tax	5,280.49	4,775.97
Tax expense	1,429.88	1,224.02
Profit / (loss) for the year	3,850.61	3,551.95
Other comprehensive income / (loss)	(2.83)	(0.81)
Total comprehensive income / (loss)	3,847.78	3,551.14
Profit / (loss) for the year attributable to owners of the parent	2,303.43	2,124.78
Profit / (loss) for the year attributable non-controlling interests	1,547.18	1,427.17
Cash flows (used) / generated from operating activities	1,213.10	3,387.43
Cash flows (used) / generated from investing activities	16,354.91	7,082.72
Cash flows (used) / generated from financial activities	(9,856.89)	(13,291.96)
Net cash inflow/(outflow)	7,711.12	(2,821.81)

Edelweiss Life Insurance Company Limited	As at	As at
	31 March 2025	31 March 2024
Financial assets	1,02,243.67	87,516.53
Non-financial assets	6,394.99	5,643.37
Financial liabilities	4,382.34	4,193.71
Non-financial liabilities	94,914.60	81,779.69
Equity attributable to owners of the company	7,429.47	5,395.62
Non-controlling interest	1,912.25	1,790.88

Particulars	For the year ended	For the year ended
	31 March 2025	31 March 2024
Revenue from operations	28,043.21	29,467.51
Total income	28,142.34	29,476.48
Total expenses	29,415.15	31,042.44
Profit / (loss) before tax	(1,272.81)	(1,565.96)
Tax expense	-	-
Profit / (loss) for the year	(1,272.81)	(1,565.96)
Other comprehensive Income / (loss)	1,929.47	1,453.66
Total comprehensive income / (loss)	656.66	(112.30)
Profit / (loss) for the year attributable to owners of the parent	(981.43)	(1,175.72)
Profit / (loss) for the year attributable non-controlling interests	(291.38)	(390.24)
Cash flows (used) / generated from operating activities	3,590.06	2,917.94
Cash flows (used) / generated from investing activities	(6,011.27)	(2,076.22)
Cash flows (used) / generated from financial activities	1,416.77	396.40
Net cash inflow/(outflow)	(1,004.44)	1,238.12

# Edelweiss Financial Services Limited

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 47. Retirement benefit plan

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

In accordance with the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan, in which both the employee and the Group contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by the Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary, and the Group contributes an equal amount

Amount of ₹ 472.36 million (Previous year: ₹ 420.78 million) is recognised as expenses and included in "Employee benefits expense" in the statement of profit and loss.

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

In accordance with the Payment of Gratuity Act, 1972, the Group 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 2025. 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.

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 2025	31 March 2024
Current service cost	91.91	81.50
Interest on net defined benefit liability/ (asset)	13.65	(1.91)
Past service cost	10.66	-
Exchange rate adjustment	0.02	79.61
<b>Total included in 'Employee benefits expense'</b>	<b>116.24</b>	<b>159.20</b>

##### Movement in Other Comprehensive Income:

Particulars	31 March 2025	31 March 2024
Balance at start of year (Loss)/ Gain	(122.81)	(98.46)
Re-measurements on defined benefit obligation (DBO)		
a. Actuarial (Loss)/ Gain from changes in financial assumptions	(20.01)	2.99
b. Actuarial (Loss)/ Gain from experience over the past year	(10.42)	(19.43)
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	5.72	28.56
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)	51.69	(36.47)
<b>Balance at end of year (Loss)/ Gain</b>	<b>(95.83)</b>	<b>(122.81)</b>

#### Balance sheet

##### Reconciliation of defined benefit obligation (DBO) :

Particulars	31 March 2025	31 March 2024
Present value of DBO at the beginning of the year	551.44	528.46
Interest cost	37.82	35.35
Current service cost	91.91	81.49
Benefits paid	(79.43)	(88.56)
Past service cost	10.66	-
Actuarial (gain)/loss	30.43	16.45
Transfer (out)/in	0.96	(21.77)
Exchange Rate Adjustment	0.02	0.02
<b>Present value of DBO at the end of the year</b>	<b>643.81</b>	<b>551.44</b>



**Edelweiss Financial Services Limited**  
**Notes to the consolidated financial statements (Continued)**  
(Currency : Indian rupees in millions)

**47. Retirement benefit plan (Continued)**

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

**Reconciliation of fair value of plan assets:**

Particulars	31 March 2025	31 March 2024
Fair value of plan assets at the beginning of the year	571.75	509.29
Contributions by Employer	20.57	77.90
Benefits paid	(79.43)	(88.56)
Interest income	34.22	44.56
Return on plan asset excluding amount included in net interest on the net defined benefit liability/ (asset)	5.73	28.56
<b>Fair value of plan assets at the end of the year</b>	<b>552.84</b>	<b>571.75</b>

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

Particulars	2024-25	2023-24
Present value of DBO	(643.81)	(551.44)
Fair value of plan assets at the end of the year	552.84	571.75
<b>Net Liability</b>	<b>(90.97)</b>	<b>20.31</b>
Less: Effect of limiting net assets to asset ceiling	(101.38)	(143.04)
<b>Liability recognised in the balance sheet</b>	<b>(192.35)</b>	<b>(122.73)</b>

**Experience adjustments:**

Particulars	2025	2024	2023	2022	2021
On plan liabilities: loss / (gain)	10.42	19.43	25.68	35.86	6.74

**Principal actuarial assumptions at the balance sheet date:**

Particulars	31 March 2025	31 March 2024
Discount rate	6.30%	7.00%
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**

	2024-25	2023-24
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 2025:**

Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit obligation	(27.14)	27.14	28.05	(28.05)

**Sensitivity Analysis for 31 March 2024:**

Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit obligation	(23.32)	23.32	23.05	(23.05)

**Maturity profile**

The weighted average duration of the obligation is 4 years (31 March 2024 : 4 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

# Edelweiss Financial Services Limited

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 48. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. 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 2025			As at 31 March 2024		
	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	47,228.22	-	47,228.22	23,732.18	-	23,732.18
(b) Bank balances other than cash and cash equivalents	3,584.72	1,593.89	5,178.61	7,582.24	1,993.52	9,575.76
(c) Derivative financial instruments	787.05	-	787.05	1,192.41	-	1,192.41
(d) Trade Receivables	3,087.77	848.75	3,936.52	3,222.34	353.03	3,575.37
(e) Loans	30,872.32	91,340.72	1,22,213.04	37,754.08	1,10,286.24	1,48,040.32
(f) Investments	65,393.40	1,10,347.92	1,75,741.32	55,275.56	1,29,639.19	1,84,914.75
(g) Other financial assets	8,549.03	1,769.14	10,318.17	9,332.94	1,630.00	10,962.94
<b>Total financial assets (A)</b>	<b>1,59,502.51</b>	<b>2,05,900.42</b>	<b>3,65,402.93</b>	<b>1,38,091.75</b>	<b>2,43,901.98</b>	<b>3,81,993.73</b>
<b>Non-financial assets</b>						
(a) Reinsurance assets	0.28	3,911.53	3,911.81	0.01	3,273.98	3,273.99
(b) Current tax assets (net)	236.76	6,562.86	6,799.62	432.51	7,328.81	7,761.32
(c) Deferred tax assets (net)	-	17,795.39	17,795.39	-	15,464.78	15,464.78
(d) Investment property	44.00	1,222.23	1,266.23	-	1,550.67	1,550.67
(e) Property, Plant and Equipment	7.58	8,750.08	8,757.66	8.47	9,146.46	9,154.93
(f) Capital work in progress	4.39	-	4.39	36.55	-	36.55
(g) Intangible assets under development	110.46	70.04	180.50	92.41	232.24	324.65
(h) Goodwill	-	-	-	-	236.60	236.60
(i) Other Intangible assets	12.11	1,872.38	1,884.49	60.92	1,363.25	1,424.17
(j) Right to Use (ROU) assets	19.84	780.79	800.63	12.47	518.15	530.62
(k) Other non- financial assets	3,539.96	5,881.43	9,421.39	2,681.60	4,762.10	7,443.70
<b>Total non-financial assets (B)</b>	<b>3,975.38</b>	<b>46,846.73</b>	<b>50,822.11</b>	<b>3,324.94</b>	<b>43,877.04</b>	<b>47,201.98</b>
<b>TOTAL ASSETS (C = A+B)</b>	<b>1,63,477.89</b>	<b>2,52,747.15</b>	<b>4,16,225.04</b>	<b>1,41,416.69</b>	<b>2,87,779.02</b>	<b>4,29,195.71</b>

Particulars	As at 31 March 2025			As at 31 March 2024		
	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	1,427.30	-	1,427.30	1,155.83	-	1,155.83
(b) Trade Payables	11,983.58	613.01	12,596.59	15,704.40	1,035.47	16,739.87
(c) Insurance claims payable	520.57	-	520.57	373.82	-	373.82
(d) Debt securities	18,094.07	1,05,510.34	1,23,604.41	34,036.15	1,09,944.36	1,43,980.51
(e) Borrowings (other than debt securities)	34,316.10	9,577.29	43,893.39	36,266.68	11,158.87	47,425.55
(f) Subordinated Liabilities	3,775.63	7,471.71	11,247.34	738.22	10,339.90	11,078.12
(g) Lease liabilities	455.84	842.46	1,298.30	507.20	587.63	1,094.83
(h) Other financial liabilities	42,565.75	10,798.37	53,364.12	10,452.14	41,743.82	52,195.96
<b>Total financial liabilities (D)</b>	<b>1,13,138.84</b>	<b>1,34,813.18</b>	<b>2,47,952.02</b>	<b>99,234.44</b>	<b>1,74,810.05</b>	<b>2,74,044.49</b>
<b>Non-financial liabilities</b>						
(a) Current tax liabilities (net)	868.25	47.33	915.58	316.35	47.79	364.14
(b) Provisions	257.37	404.97	662.34	226.47	392.78	619.25
(c) Policyholders' liabilities	-	96,518.10	96,518.10	-	83,042.84	83,042.84
(d) Deferred tax liabilities (net)	-	3,400.79	3,400.79	-	2,050.94	2,050.94
(e) Other non-financial liabilities	7,540.95	53.55	7,594.50	8,374.32	206.88	8,581.20
<b>Total non-financial liabilities (E)</b>	<b>8,666.57</b>	<b>1,00,424.74</b>	<b>1,09,091.31</b>	<b>8,917.14</b>	<b>85,741.23</b>	<b>94,658.37</b>
<b>TOTAL LIABILITIES (F = D+E)</b>	<b>1,21,805.41</b>	<b>2,35,237.92</b>	<b>3,57,043.33</b>	<b>1,08,151.58</b>	<b>2,60,551.28</b>	<b>3,68,702.86</b>
<b>NET TOTAL ASSETS / (LIABILITIES) (C-F)</b>	<b>41,672.48</b>	<b>17,509.23</b>	<b>59,181.71</b>	<b>33,265.11</b>	<b>27,227.74</b>	<b>60,492.85</b>

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

#### 49. Changes in liabilities arising from financing activities

Particulars	As at 01 April 2024	Cash flows	Others**	As at 31 March 2025
Borrowings*	2,03,579.01	(23,776.80)	241.23	1,80,043.44
<b>Total liabilities from financing activities</b>	<b>2,03,579.01</b>	<b>(23,776.80)</b>	<b>241.23</b>	<b>1,80,043.44</b>

Particulars	As at 01 April 2023	Cash flows	Others**	As at 31 March 2024
Borrowings*	2,17,914.56	(14,917.89)	582.34	2,03,579.01
Total liabilities from financing activities	2,17,914.56	(14,917.89)	582.34	2,03,579.01

\* Comprises of Debt securities, 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.

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

#### 50. Contingent liabilities, commitments and leasing arrangements:

##### 50.1 Contingent liabilities and commitments

###### a) Contingent liabilities

- o Taxation matters in respect of which appeal is pending ₹ 2,120.65 million (Previous year: ₹ 1,590.49 million).
- o Litigation pending against Group amounts to ₹ 238.46 million (Previous year: ₹ 183.22 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 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 tax /VAT / 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's financial position and results of operations.

###### b) Commitments

- o Undrawn committed credit lines subject to meeting of conditions, ₹ 4,457.68 million as at balance sheet date (Previous year: ₹ 2,509.83 million).
- o Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 68.32 million (Previous year: ₹ 92.43 million).
- o Uncalled liabilities on investments ₹ 6,169.89 million (Previous year: ₹ 6,467.49 million).

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

#### 50. Contingent liabilities, commitments and lease arrangements: (Continued)

##### 50.2 Leases

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

##### Carrying amounts of lease liabilities and the movements

Particulars	As at 31 March 2025	As at 31 March 2024
Opening balance as at	1,094.83	554.08
Addition / disposal during year	449.13	755.27
Accretion of interest	158.22	74.59
Lease payment for the year	(403.88)	(289.11)
Closing balance as at	1,298.30	1,094.83

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation on ROU of assets	350.91	215.05
Reversal of lease pre-closure	15.14	(6.56)
Interest cost	148.54	74.60
Expenses related to short term lease	106.76	52.53

The maturity analysis of lease liability is disclosed in other financial liabilities in note no. 48

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

#### 51. 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

Ms. Ananya Suneja – Chief Financial Officer

Mr. Tarun Khurana - Company Secretary

Mr. Himanshu Kaji - Executive Director (upto 26 September 2023)

##### (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

##### (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) Independent Directors

Mr. Ashok Kini

Dr. Ashima Goyal

Mr. Shiva Kumar

Mr. C. Balagopal (w.e.f. 02 August 2024)

Mr. Biswamohan Mahapatra (upto 26 September 2023)

# Edelweiss Financial Services Limited

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 51. 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 31 March 2025	For the year ended 31 March 2024
1	Dividend paid on Equity Shares	Mr. Rashesh Shah	218.40	218.40
		Mr. Venkatchalam Ramaswamy	89.36	89.00
		Ms. Vidya Shah	46.60	46.59
		Shah Family Discretionary Trust	58.13	58.13
		Spire Investment Advisors LLP	4.80	4.80
		Ms. Aparna T. C.	18.32	18.32
		Ms. Kaavya Venkat	17.69	17.69
		Mr. Himanshu Kaji	-	0.74
		Ms. Sneha Sripad Desai	1.54	1.54
		Ms. Shilpa Mody	1.43	1.43
		Ms. Sejal Premal Parekh	1.43	1.43
		Mr. A V Ramaswamy	0.08	0.08
		Ms. Avanti Shah	3.00	3.00
		Mr. Neel Shah	3.00	3.00
		Mr. Tarun Khurana	0.09	0.09
		Ms. Ananya Suneja	0.02	-
		Mr. C Balagopal	0.00	-
2	Remuneration to	Mr. Rashesh Shah	89.28	110.03
		Mr. Himanshu Kaji	-	23.85
		Mr. Venkatchalam Ramaswamy	119.10	67.15
		Ms. Vidya Shah	43.04	36.53
		Mr. Tarun Khurana	15.15	13.05
		Ms. Ananya Suneja	42.39	30.98
		Mr. Shiva Kumar	4.35	2.86
3	Director sitting fees paid to	Mr. Biswamohan Mahapatra	-	2.03
		Dr. Ashima Goyal	0.75	0.83
		Mr. Ashok Kini	1.28	2.28
		Mr. Shiva Kumar	0.23	4.03
		Mr C Balagopal	1.65	-
4	Commission paid to	Mr. Biswamohan Mahapatra	1.75	2.50
		Dr. Ashima Goyal	3.50	2.50
		Mr. Ashok Kini	3.50	2.50
		Ms. Vidya Shah	3.50	2.50
		Mr. Shiva Kumar	3.50	3.89
		Mr. Venkatchalam Ramaswamy	-	40.00
		Ms Ananya Suneja	-	1.00
		Mr Tarun Khurana	-	0.30
5	Loan given to KMP	Mr Tarun Khurana	3.00	5.00
6	Loan repaid by KMP	Mr Tarun Khurana	3.00	5.00
7	Interest income received from loan given to employee	Mr Tarun Khurana	0.25	0.25
8	Share Application money received from KMP	Ms Ananya Suneja	-	0.41
9	Donations given by	Mr. Rashesh Shah	27.50	58.00
		Ms. Vidya Shah	-	15.50
10	Cost reimbursement paid to	Mr. Venkatchalam Ramaswamy	0.71	-

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.

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

#### 52. 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 2025 and 31 March 2024.

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	As at
	31 March 2025	31 March 2024
Total Debt	1,78,745.14	2,02,484.18
Equity	59,181.71	60,492.85
<b>Debt to Equity</b>	<b>3.02</b>	<b>3.35</b>

Total debt = Debt securities + Borrowings (other than debt securities) + Subordinated Liabilities



**Edelweiss Financial Services Limited**  
**Notes to the consolidated financial statements (Continued)**  
(Currency : Indian rupees in millions)

**53. 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 2025 and 31 March 2024 based on fair value as on the grant date calculated as per option pricing model. The grants represent equity-settled options under the Employee Stock Option Plans and Stock Appreciation Rights Plans (hereafter referred to as, "ESOP 2011" and "SAR 2019" or "ESOPs" "SARs").

The EFSL has granted ESOPs under the two plans viz., ESOP 2011 & SAR 2019 to its employees on an equity-settled basis as tabulated below. The ESOPs/SARs provide a right to its holders (i.e., Edelweiss group employees) to purchase one EFSL share for each option at a pre-determined strike price on the expiry of the vesting period. The ESOP/SAR hence represents an European call option that provides a right but not an obligation to the employees of the Edelweiss group to exercise the option by paying the strike price at any time on completion of the vesting period, subject to an outer boundary on the exercise period.

EFSL has granted stock options to employees of the Edelweiss group on an equity-settled basis as tabulated below.

Particulars	SAR 2019	ESOP 2011
Dates of grant	Varying	Varying
Option Type	Equity settled	Equity settled
No. of outstanding options at 31 March 2025	3,75,67,140	3,02,825
No. of outstanding options at 31 March 2024	48,59,570	22,54,725
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 shall vest as follows:

Particulars	SAR 2019		ESOP 2011
	% options vesting - I	% options vesting - II	% options vesting
Duration from grant date			
12 months from the grant date	-	-	25.00%
24 months from the grant date	33.33%	10.00%	25.00%
36 months from the grant date	-	10.00%	25.00%
48 months from the grant date	33.33%	20.00%	25.00%
60 months from the grant date	-	60.00%	-
72 months from the grant date	33.34%	-	-
<b>Total</b>	<b>100.00%</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

**Movement of number of Options for FY 2024-25 and 2023-24**

Number of options	31 March 2025			31 March 2024		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Outstanding at the start of the year	48,59,570	22,54,725	71,14,295	80,57,420	45,92,500	1,26,49,920
Granted during the year*	3,45,00,000	-	3,45,00,000	-	-	-
Exercised during the year	(12,01,530)	(10,48,175)	(22,49,705)	(99,000)	(5,56,500)	(6,55,500)
Lapsed/ cancelled during the year	(5,90,900)	(9,03,725)	(14,94,625)	(30,98,850)	(17,81,275)	(48,80,125)
Outstanding at the end of the year*	<b>3,75,67,140</b>	<b>3,02,825</b>	<b>3,78,69,965</b>	48,59,570	22,54,725	71,14,295
Exercisable at the end of the year	-	3,02,825	3,02,825	-	19,46,725	19,46,725

\*Includes, SAR 2019 Plan 23,25,100 (Previous year SAR 2019 Plan 1,75,100) approved but not granted.

**Weighted Average Exercise Price for FY 2024-25 and 2023-24**

Weighted Average Exercise Price (₹)	31 March 2025		31 March 2024	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Outstanding at the start of the year	50.74	69.58	136.20	166.84
Granted during the year	77.00	-	-	-
Exercised during the year	27.45	47.71	52.36	34.79
Lapsed/ cancelled during the year	57.19	100.07	88.24	182.01
Outstanding at the end of the year	75.53	54.29	50.74	69.58
Exercisable at the end of the year	NA	54.29	NA	76.25
Weighted Average Share price at the exercise date	123.38	109.85	78.3	58.59

# Edelweiss Financial Services Limited

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 53. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (Continued)

#### Outstanding Options as at 31 March 2025 and 31 March 2024

Particulars	31 March 2025		31 March 2024	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options outstanding	3,75,67,140	3,02,825	48,59,570	22,54,725
Weighted average strike price (₹)	75.53	54.29	50.74	69.58
Weighted average remaining lifetime of options (in years)	3.99	-	1.35	0.07
Number of employees covered under the scheme	167	71	111	143

#### Options granted during the FY 2024-25 and 2023-24

Particulars	31 March 2025		31 March 2024	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options granted (Refer note 1)	3,45,00,000	-	-	-
Weighted average strike price (in ₹)	77	NA	NA	NA
Weighted average remaining lifetime of options (in years)	4.3 years	NA	NA	NA
Number of employees covered under the scheme	89	NA	NA	NA
Weighted Average Fair value per option (in ₹)	46.54	NA	NA	NA
Weighted Average Intrinsic value per option (in ₹)	13.92	NA	NA	NA

#### Assumptions for Fair Value for the FY 2024-25 and 2023-24

Particulars	31 March 2025		31 March 2024	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Weighted average share price (in ₹)	94.20	125.11	112.17	157.75
Weighted average strike price (in ₹)	75.50	54.30	50.74	69.58
Weighted average remaining lifetime of options (in years)	3.99	-	1.35	0.07
Expected volatility (% p.a.)	56% p.a. - 72% p.a.	56% p.a. - 72% p.a.	56% p.a. - 72% p.a.	41% p.a. - 72% p.a.
Risk-free discount rate (% p.a.)	5.7% p.a. - 6.9% p.a.	5.1% p.a. - 6.8% p.a.	5.1% p.a. - 6.9% p.a.	4.8% p.a. - 7.8% p.a.
Expected dividend yield (% p.a.)	0.7% p.a. - 2.4% p.a.	0.7% 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 2025			31 March 2024		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Charges during the year due to share based payments *	27.40	(1.82)	25.58	10.28	3.61	13.89
Liability due for share based payments	198.88	25.40	224.28	191.24	180.82	372.06
Intrinsic value of the liability above	3.43	1.66	5.09	1.93	10.40	12.33

\* includes all group companies

#### Note 1

During the year ended 31 March 2025, the Company's Compensation (ESOP) Committee of the Board of Directors has granted 3,45,00,000 stock options (SARs) to the eligible employees under Edelweiss Employees Stock Appreciation Rights Plan, 2019. Out of the above, 3,23,50,000 SARs has been issued to eligible employee.

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

#### 53. Share Based Payments: Employee Stock Option Plans And Stock Appreciation Rights Plans (Continued)

##### Edelweiss Asset Management Limited

The Edelweiss Asset Management Limited has granted ESOPs under one plan viz., EAMC ESOP 2025 to its employees on an equity-settled basis as tabulated below. The ESOPs provide a right to its holders (i.e., Edelweiss Asset Management Limited employees) to purchase one EAML share for each option at a pre-determined strike price on the expiry of the vesting period. The ESOP hence represents an European call option that provides a right but not an obligation to the employees of the EAML 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.

##### Movement of number of Options for FY 2024-25

Particulars	31 March 2025	31 March 2024
	EAMC ESOP 2025	
Outstanding at the start of the year	-	-
Granted during the year	41,00,000	-
Exercised during the year	-	-
Lapsed/ cancelled during the year	-	-
Outstanding at the end of the year	41,00,000	-
Exercisable at the end of the year	-	-

##### Weighted Average Exercise Price for FY 2024-25

Particulars	31 March 2025	31 March 2024
	EAMC ESOP 2025	
Outstanding at the start of the year	-	-
Granted during the year	471	-
Exercised during the year	-	-
Lapsed/ cancelled during the year	-	-
Outstanding at the end of the year	471	-
Exercisable at the end of the year	-	-
Weighted Average Share price at the exercise date	471	-

##### Assumptions for Fair Value for FY 2024-25

Particulars	31 March 2025	31 March 2024
	EAMC ESOP 2025	
Weighted average share price (in ₹)	471	-
Weighted average strike price (in ₹)	471	-
Weighted average remaining lifetime of options (in years)	5	-
Expected volatility (% p.a.)	31.6% - 35.5%	-
Risk-free discount rate (% p.a.)	6.79% - 6.85%	-
Expected dividend yield (% p.a.)	2.50%	-

**Edelweiss Financial Services Limited**  
**Notes to the consolidated financial statements (Continued)**  
(Currency : Indian rupees in millions)

**54. Fair Value Measurement**

**54.1 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 as explained in Note 54.4

**54.2 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

**54.3 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 2025			
	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	141.59	0.11	-	141.70
OTC derivatives	-	1,603.23	-	1,603.23
Embedded derivatives in market-linked debentures	-	-	636.68	636.68
<b>Total derivative financial instruments (assets)</b>	<b>141.59</b>	<b>1,603.34</b>	<b>636.68</b>	<b>2,381.61</b>
<b>Investments</b>				
Government securities	27,624.80	48,157.37	-	75,782.17
Debt securities	15.55	21,180.42	2,072.81	23,268.78
Mutual fund	7,651.86	-	-	7,651.86
Security receipts	-	-	17,412.08	17,412.08
AIF Fund	-	1,446.14	14,899.39	16,345.53
Equity instruments	21,413.65	1,125.13	877.15	23,415.93
Preference Shares	-	-	1,283.90	1,283.90
Others	4,253.44	53.44	-	4,306.88
<b>Total investments measured at fair value</b>	<b>60,959.30</b>	<b>71,962.50</b>	<b>36,545.33</b>	<b>1,69,467.13</b>
<b>Loans and other financial assets measured at fair value</b>	<b>-</b>	<b>-</b>	<b>35,702.20</b>	<b>35,702.20</b>
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>61,100.89</b>	<b>73,565.84</b>	<b>72,884.21</b>	<b>2,07,550.94</b>

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	-	-	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	11,293.62	2,845.86	14,155.18
Mutual fund	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	19,719.10	577.37	42,153.71
Preference Shares	-	-	970.16	970.16
Others	957.09	2,236.64	-	3,193.73
<b>Total investments measured at fair value</b>	<b>58,671.16</b>	<b>73,798.63</b>	<b>41,495.90</b>	<b>1,73,965.69</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>Total financial assets measured at fair value on a recurring basis</b>	<b>59,473.71</b>	<b>74,900.52</b>	<b>88,894.95</b>	<b>2,23,269.18</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.

**Edelweiss Financial Services Limited**  
**Notes to the consolidated financial statements (Continued)**  
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**54.3 Assets and liabilities by fair value hierarchy (Continued)**

Particulars	As at 31 March 2025			
	Level 1	Level 2	Level 3	Total
<b>Liabilities measured at fair value on a recurring basis</b>				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	187.47	0.14	-	<b>187.61</b>
OTC derivatives	-	86.92	-	<b>86.92</b>
Embedded derivative liabilities in market-linked debentures	-	-	1,265.11	<b>1,265.11</b>
Non convertible debentures	-	-	4,712.65	<b>4,712.65</b>
Short sales	-	-	-	-
<b>Total financial liabilities measured at fair value on a recurring basis</b>	<b>187.47</b>	<b>87.06</b>	<b>5,977.76</b>	<b>6,252.29</b>
<b>As at 31 March 2024</b>				
Particulars	Level 1	Level 2	Level 3	Total
<b>Liabilities measured at fair value on a recurring basis</b>				
Derivative financial instruments (liabilities):				
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	-	-	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>

**54.4 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.

**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.

**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.

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**54.5 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.

**54.6 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 2025 and 2024 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets and other financial liabilities is not significant in each of the years presented.

Particulars	As at 31 March 2025				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Loans	86,510.84	90,533.80	-	-	90,533.80
<b>Financial liabilities</b>					
Debt securities	1,18,891.76	1,21,027.62	27,020.03	86,415.55	7,592.04
Borrowing (other than debt securities)	43,893.39	43,906.25	-	11,365.83	32,540.42
Subordinated liabilities	11,247.34	11,087.52	-	11,087.52	-
<b>Off-balance sheet items</b>					
Loan commitments	4,197.68	2,072.28	-	-	2,072.28
Particulars	As at 31 March 2024				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Loans	1,00,940.91	1,07,804.37	-	-	1,07,804.37
<b>Financial liabilities</b>					
Debt securities	1,38,974.10	1,40,697.06	36,592.77	89,997.03	14,107.26
Borrowing (other than debt securities)	47,425.55	47,426.03	1,605.88	8,927.90	36,892.25
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

**54.7 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 54.4

**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.

**54.8 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	Derivative financial liabilities	Non-convertible debentures issued
<b>As at 31 March 2024</b>	26,039.25	1,547.53	2,845.86	11,063.26	47,099.41	299.64	652.91	5,006.41
Net new purchases and sales including issuance*	(1,328.21)	365.28	(590.20)	1,361.79	(12,461.39)	423.37	524.44	364.74
Settlements	(186.04)	-	-	-	(683.15)	(6.45)	(4.59)	(713.80)
Gain / Loss	(7,112.92)	248.24	(182.85)	2,474.34	1,747.33	(79.88)	92.35	55.30
<b>As at 31 March 2025</b>	17,412.08	2,161.05	2,072.81	14,899.39	35,702.20	636.68	1,265.11	4,712.65
Unrealised Gain / Loss	(7,290.26)	409.56	608.92	7,513.39	1,390.37	26.47	(5.19)	1,535.92
<b>As at 31 March 2023</b>	21,089.05	36,189.49	6,552.45	15,520.25	2,645.09	475.14	443.79	6,282.80
Net new purchases and sales including issuance*	8,184.86	(220.92)	(3,680.55)	(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)	(26.04)	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	1,547.53	2,845.86	11,063.26	47,099.41	299.64	652.91	5,006.41
Unrealised Gain / Loss	(5,618.09)	(64.85)	(26.04)	532.29	(444.40)	(397.26)	324.99	1,020.24

\*includes financial assets derecognised

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**54.9 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 2025

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	Discounted projected cash flow	Cash Flow	₹ 6,549.90 million	5%	327.50		(327.50)
		Cash Flow	₹ 1,47,105.70 million	6,892.74	926.19	(6,892.74)	(927.54)
		Discount rates	39.74%-40.24%	0.50%	16.47	-0.50%	16.47
		Discount rates	13.8%-14.9%	0.50%	(112.94)	0.50%	114.62
Investments in units of AIF	Net Asset approach	Fair value of underlying investments	₹ 5,688.36 million	5%	250.85	5%	(250.85)
			Nav per unit ₹ 17 - ₹ 100739	5%	293.87	5%	(293.87)
			NAV per unit ₹ 364.20 - ₹ 1956577.86	5%	32.51	5%	(32.51)
			₹ 8,987 to ₹ 175,152 per Unit	5%	189.87	5%	(189.87)
			₹ 9.83 per Unit	5%	0.14	5%	(0.14)
Investments in unquoted equity shares and preference shares categorised at Level 3	Comparable transaction and P/E	Fair value per share	₹ 5.29 per share	5%	9.80	5%	(9.80)
			₹ 24 to ₹ 214,140 per share	5%	20.84	5%	(20.84)
			₹ 34,835 per share	5%	4.39	5%	(4.39)
			₹ 0 to ₹ 34,831 per share	5%	14.82	5%	(14.82)
			₹ 0 to ₹ 391 per NCD	5%	24.44	5%	(24.44)
			₹ 391 per share	5%	13.97	5%	(13.97)
			₹ 386 per share	5%	0.02	5%	(0.02)
			₹ 59.07 per share	5%	11.52	5%	(11.52)
			₹ 3,265 per unit	5%	10.06	5%	(10.06)
Loans classified as Fair Value	Comparable transaction and P/E	Discounting rate	14.75%	0.25%	(9.80)	0.25%	9.90
			15% - 20%		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		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	Net asset approach	Fair value of underlying investments	-	5%	96.58	5%	(96.58)
	Discounted cash flow	Expected future cash flows	₹ 1,667 to ₹ 632,359 per debenture	5%	5.06	5%	(5.06)
	Comparable transaction and P/E	Fair value per instrument	₹ 0 to ₹ 6,957 per NCD	5%	2.00	5%	(2.00)
Embedded derivatives in market-linked debentures issued (Assets/ liability) (net)	Fair value of index	Index levels	-	5%	(31.42)	5%	31.42
Debt Securities (Liability)	Discounted projected cash flow	Cash Flow	-	-	338.60	-	(338.60)
		Discount rates	14.85%	0.50%	(34.89)	0.50%	35.38

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**54.9 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%	0.50%	(11.09)	0.50%	11.03
Investments in units of AIF	Net Asset approach	Fair value of underlying	₹ 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)
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	5%	2.00	5%	(2.00)
			₹ 100 to ₹ 214,140 per NCD	5%	4.45	5%	(4.45)
Embedded derivatives in market-linked debentures issued (Assets/ liability) (net)	Fair value of index	Index levels	-	5%	(17.66)	5%	17.66
	Fair value using Black Scholes model or Monte Carlo approach based on	Nifty level	-	5%	-	5%	-
Debt Securities (Liability)	Discounted projected cash flow	Cash Flow	-	-	2.56	-	(2.56)
		Discount rates	12%	0.50%	-	0.50%	-



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**55. Risk Management**

**55.1 Introduction and risk profile**

The Edelweiss Group ("The Group") provides a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. The Group's products and services span multiple asset classes and consumer segments across domestic and global geographies. The Group's key lines of business can broadly be classified as below:

- o Alternatives
- o Capital Business (includes lending business and investment activities)
- o Insurance (Life and General Insurance)
- o Asset reconstruction
- o Mutual Fund
- o Other Business (includes custodian and CSR activities)

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.

**55.2 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

**55.3 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
  - o **Respective Businesses** - the first line of defence; they own and manage risks and are responsible for implementation of the risk management framework
  - o **Business Risk teams** - the second line of defence; they are responsible for overseeing risk events and defining the risk management framework
  - o **Internal audit** - the third line of defence; they provide independent assurance of risk management framework implementation
2. **Board and Executive level Committees** - for overseeing the risk management. The current Risk Management Committees are
  - o Board Risk Committee
  - o Investment and Credit Committees

The Board Risk Committee is the overseeing body for Risk Management. The Committee meets at regular intervals to review the risk profile of the Company.

The Investment and Credit Committee serve as the nodal bodies for all credit related decisions. Respective businesses have formulated its own Investment and Credit Committees depending upon the scale of the exposure.

**Risk management framework**

The businesses in the Group have a Risk Framework, which describes the risk management approach and provides clear accountability for managing risk considered appropriate for the Business. The framework is subject to continuous evaluation based on existing internal as well external environment.

The current risk framework covers :

- o Business Risk
- o Credit Risk
- o Market Risk
- o Liquidity Risk
- o Regulatory Risk
- o Reputation Risk
- o Technology Risk
- o Operational and Process Risk
- o Fraud Risk
- o People Risk
- o Physical Infrastructure Risk

The Businesses in the Group use different types of tools and techniques for mitigating risk, depending upon the type of risk and quantum. For example:

- o Financial risks are mitigated through counterparty and client assessment before any exposure is taken, and defined product/program level risk limits to ensure exposure does not exceed risk appetite. The Committee based approval mechanism is adopted to ensure that high exposures are approved with adequate representation and that there is no bias in approvals.
- o Non-financial risks viz technology, operational, fraud, etc. are mitigated through process documentation defining clear ownership for each activity, having adequate system/process level controls like maker-checker, reconciliation, testing and reviews.
- o Enterprise level risks viz. reputation, compliance, regulatory, etc. are controlled through policies and framework, educating employees through training and risk socialisation sessions.

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**55.4 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 has 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. The Risk Management and Compliance team form part of the Second Line of Defense. The second line of defense is an oversight function and would provide direction and guidance to the first line of defense for implementation of ZGIL's Board approved policies. The second line of defense would also monitor implementation adequacy of these policies and provide ongoing oversight to the business processes, risks and controls.
3. Independent consultants/assurance providers like internal auditors, external auditors, statutory auditors, regulatory auditors etc. forms third line of defense and provides independent assurance. Such assurance providers will have direct access to the Board of ZGIL. 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. Based on the circular, the following committees form part of the overall risk governance framework:

- o Risk Management Committee
- o Audit Committee
- o Investment Committee
- o Policyholder protection Committee

The Risk Management Committee is responsible for periodic review of the risk management process to ensure that the process initiatives are aligned to the desired objectives. ZGIL has a Chief Risk Officer who is responsible for the implementation and monitoring of the Risk Management Framework. Further, the key policies adopted under the Risk Management Framework are as under:

- o Underwriting Policy
- o Investment Policy
- o Asset Liability Management Policy
- o Reinsurance Program
- o Information Security Policy
- o Outsourcing Policy
- o Anti Fraud Policy
- o Financial authority Matrix

**Regulatory framework**

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the ZGIL is satisfactorily managing affairs commensurate to regulatory expectations. 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 requirements within the jurisdiction it operates.

**Asset liability management (ALM) framework**

The ALM policy adopted by ZGIL helps in:

- o Understanding all risks requiring the coordination of assets and liabilities
- o Quantify interest rate risks and equity risks
- o Quantify the extent of mismatch between the assets and liabilities and thereby prescribe appropriate measures to bridge the gap

**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.

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#### 55.4 Risk management framework of General Insurance (Zuno General Insurance Limited "ZGIL") (Continued)

##### 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 utilization. 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 consider 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.

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.

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**55.5 Risk management framework of Life Insurance business ("ELIFE")**

**a. Governance framework**

Risk management is a fundamental part of ELIFE's business strategy and corporate governance.

ELIFE has a board approved Risk Management Policy in place that is aimed at safeguarding the interests of ELIFE's various stakeholders, including policyholders, against events that may hinder the sustainable achievement of financial and operating performance objectives. The policy provides for risk identification, assessment, evaluation, monitoring, tracking and feedback mechanism to identify and evaluate risks through the Risk and Control Self- Assessment (RCSA) Framework. Further, ELIFE continuously reviews its risk exposures and takes measures to maintain them within acceptable levels. The Risk Management Committee (RMC) under the supervision of the Board of Directors oversees ELIFE's risk management framework.

**b. Capital management objectives, policies and approach**

The primary source of capital used by ELIFE is Equity. ELIFE'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.

ELIFE 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 ELIFE, thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders.
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities, taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

In reporting, financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. ELIFE'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**

The Insurance Regulatory and Development Authority of India (IRDAI) regulates the insurance industry in India and aims to protect the interest of policyholders while promoting an orderly growth of the insurance industry.

At the same time, regulators are also interested focused in ensuring that the ELIFE maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of ELIFE are subject to regulatory requirements within the jurisdiction it operates.

**d. Asset liability management (ALM) framework**

Due to the nature of the products offered as well as its investments, the Company is exposed to interest rate risk. Asset liability management (ALM) aims at identifying and managing mismatches between assets and liabilities. This includes mismatch in cashflows, duration and risk profile. ELIFE, through its Board approved ALM policy, aims to minimize the potential adverse impact in case of interest rate fluctuations.

The ELIFE mitigates ALM risk through cash flow matching and duration matching. To align the duration of the liabilities with that of the assets, the Company uses long term assets consisting mostly of government securities. In addition, the ELIFE has taken exposure in interest rate derivatives to lock in yields for future cashflows and minimize the interest rate risk and reinvestment risk.

The ELIFE has a Board approved Derivative risk policy covering strategic objectives, limits, and a 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. The ELIFE 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 using regression analysis, a second layer of effectiveness test is performed using the Dollar Offset method. Movements deemed effective after this stage are transferred to 'Fair Value change' account in Balance Sheet and Ineffective portion is transferred to Profit and Loss account.

**a. Insurance risk**

ELIFE's lines of business are Participating Life (Individual), Non-Participating Life (Individual and Company) and Unit Linked Life (Individual and Company). ELIFE 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, ELIFE underwrites risks and provides financial protection. In doing so, ELIFE is exposed to various risks.

The principal risk, ELIFE 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 ELIFE is to ensure that sufficient reserves are available to cover these liabilities.

ELIFE has developed a risk strategy to manage the risks appropriately. ELIFE'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. ELIFE 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.

**Edelweiss Financial Services Limited**  
**Notes to the consolidated financial statements (Continued)**  
(Currency : Indian rupees in millions)

**55.5 Risk management framework of Life Insurance business ("ELIFE") (Continued)**

**b. Life Insurance Contracts and Investment Contracts with and without Discretionary Participation Features:**

Ind AS 104 'Insurance Contracts' requires ELIFE to separate the Financial Instruments (investment contracts) from insurance contracts under specified conditions.

Insurance contracts are those contracts where ELIFE 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, ELIFE 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 ELIFE 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 – ELIFE 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 - ELIFE faces concentration Risk by selling business to specific geography or by writing only single line business etc.

**Control Measures:**

ELIFE has defined a Risk Management framework to continuously monitor its experience with regard to various risks that it is exposed to. All controls put in place are periodically reviewed to evaluate its efficacy.

Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into re-insurance agreements with multiple re-insurers. ELIFE has entered into a separate agreement with reinsurers under Individual and Group business to hedge against catastrophic events leading to higher than expected claim pay-outs.

ELIFE has been acquiring business across various parts of India diversifying the geographical concentration. It also cushions the Company from impact of catastrophic risk.

ELIFE has a detailed claims processing manual and a Claims Committee in place to process and oversee claims.

**Operational risks:**

Operational risk refers to the potential for loss resulting from inadequate or failed internal processes, systems, or from human error and external events. Ineffective controls or unforeseen circumstances can lead to financial losses, regulatory or legal consequences, and reputational damage. ELIFE has a robust governance framework and controls mechanism in place to manage Operational Risks. Controls include effective segregation of duties, access controls, periodic review of processes, regular trainings etc.

Operational risks within the Company are categorized into 6 (six) types namely:

- Fraud
- Technology Risk
- People Risk
- Regulatory Risk
- Physical and Infrastructure Risk
- Other Operational Risks

ELIFE ensures oversight on the risks by reviewing data, processes and by performing model checks at regular frequencies. Operational risk impact within the ELIFE is rated basis frequency and impact matrix. Frequency and impact matrix is further utilized for identifying Critical Risks which in turn helps in prioritization.

All Operational risk incidents are reported as part of 'Exception Management Process'. The risk management team conducts an independent root cause analysis of these risk incidents. Root cause analysis is followed by developing corrective and preventive actions to manage the risk. The resultant learning is then used to improve processes systematically.

**55.6 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.

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

#### 55.7 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.

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 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 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.

The relevant Business in the Group determine that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit impaired financial assets). Expected Credit Loss computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- o An unbiased and probability weighted amount that evaluates a range of possible outcomes;
- o Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;
- o The time value of money.

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

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

#### 55.7 Credit risk (Continued)

##### 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.

##### 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,

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

$$\text{Credit Conversion Factor (CCF)} = \text{Expected future drawdown as a proportion of undrawn amount}$$
  
$$\text{Undrawn Credit Line} = \text{Difference between the total amount which the Business in the Group has committed and the drawn credit line}$$
  
While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD.

##### Purchased or originated credit impaired (POCI)

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. This population includes the recognition of a new financial instrument following a renegotiation where concessions have been granted for economic or contractual reasons relating to the borrower's financial difficulty, that otherwise would not have been considered.

##### 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.

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

#### 55.7 Credit risk (Continued)

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.

#### Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Business in the Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

#### 55.7.1 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.

#### 55.7.2 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 2025

Components	Financial services	Government	Manufacturing	Retail and wholesale	Oil & gas	Services	Others	Total
Cash and bank balances	52,406.83	-	-	-	-	-	-	52,406.83
Derivative financial instruments	787.05	-	-	-	-	-	-	787.05
Trade receivables	1,830.98	-	65.93	1,978.72	-	-	60.89	3,936.52
Loans	747.68	-	10,791.30	1,07,088.52	-	3,223.55	361.99	1,22,213.04
Investments	6,497.92	38,316.69	15,475.24	51,329.60	53.68	4,123.65	59,944.54	1,75,741.32
Other financial assets	10,193.72	-	-	37.54	-	-	86.91	10,318.17
<b>Total</b>	<b>72,464.18</b>	<b>38,316.69</b>	<b>26,332.47</b>	<b>1,60,434.38</b>	<b>53.68</b>	<b>7,347.20</b>	<b>60,454.33</b>	<b>3,65,402.93</b>
Other Commitments	6,223.00	-	-	4,144.57	260.00	-	-	10,627.57

#### Industry analysis - Risk concentration for 31 March 2024

Components	Financial services	Government	Manufacturing	Retail and	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	1,38,837.18	-	993.44	234.83	1,48,040.32
Investments	54,280.76	71,399.14	25,451.32	27,968.44	104.16	1,585.29	4,125.64	1,84,914.75
Other financial assets	10,846.72	-	3.90	57.85	-	-	54.47	10,962.94
<b>Total</b>	<b>1,03,262.02</b>	<b>71,399.14</b>	<b>32,016.68</b>	<b>1,68,190.49</b>	<b>104.16</b>	<b>2,578.91</b>	<b>4,442.33</b>	<b>3,81,993.73</b>
Other Commitments	493.84	-	-	2,172.00	-	-	-	2,665.84



## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

#### 55.7.3 Collateral and other credit enhancements

The below table show the maximum exposure to credit risk by class of financial asset.

Particulars	Maximum exposure to credit risk		Principal type of collateral
	31 March 2025	31 March 2024	
<b>Financial assets</b>			
<b>Loans:</b>			
Corporate and Retail Credit	76,217.29	86,135.28	Equity shares and Mutual fund units, Bonds, Property; book receivables, Land, real estate property securities, and Tangible assets , Inventories, fixed deposits & other marketable securities
Distressed Credit	9,549.75	14,283.19	Tangible assets
Other credits	743.80	522.44	
Trade receivables	3,936.52	3,575.37	Tangible assets
Debt instruments and other investments at amortised cost	6,274.19	10,949.06	Tangible assets and other securities
<b>Total financial assets at amortised cost</b>	<b>96,721.55</b>	<b>1,15,465.34</b>	
Derivative financial instruments	787.05	1,192.41	Margin money
Financial assets at FVTPL	1,19,172.02	1,36,971.31	Tangible assets, Warrants
<b>Total financial instruments at fair value through profit or loss</b>	<b>1,19,959.07</b>	<b>1,38,163.72</b>	
Investment at fair value through OCI	51,988.71	39,636.21	Government security and Book debts
Financial assets at FVOCI	34,008.60	44,457.58	Tangible assets and other securities
<b>Total financial instruments at fair value through OCI</b>	<b>85,997.31</b>	<b>84,093.79</b>	
Other commitments (max exposure)	10,627.57	2,395.71	Property, book receivables, Tangible Assets, Equity Shares, Mutual Fund units and Commodities.
<b>Total (net)</b>	<b>3,13,305.50</b>	<b>3,40,118.56</b>	

Above also includes unsecured financial assets.

The Group has not entered in to any credit derivative to mitigate above credit risk.

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

#### 55.7.4 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 2025

	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
<b>Financial assets</b>				
Loans	76,933.40	31,475.26	45,458.14	78,889.60
<b>Total</b>	<b>76,933.40</b>	<b>31,475.26</b>	<b>45,458.14</b>	<b>78,889.60</b>

As at 31 March 2024

	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
<b>Total</b>	<b>96,040.38</b>	<b>33,764.99</b>	<b>62,275.39</b>	<b>76,105.26</b>

**Edelweiss Financial Services Limited**  
**Notes to the consolidated financial statements (Continued)**  
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**55.8 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

**55.8.1 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.

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.

As at 31 March 2025

<b>Non-derivative financial liabilities</b>	<b>Upto 3 months</b>	<b>Between 3 to 6 months</b>	<b>Between 6 months to 1 year</b>	<b>Between 1 year to 3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Trade payables	9,422.73	1,213.76	1,341.58	553.71	64.81	12,596.59
Borrowings (other than debt securities)	27,219.38	2,308.55	5,576.86	7,997.39	2,689.94	45,792.12
Debt securities	6,025.14	3,468.95	14,860.13	90,014.79	28,703.14	1,43,072.15
Subordinated financial liabilities	4,133.07	239.67	258.13	6,422.73	1,479.00	12,532.60
Other financial liabilities	22,810.29	2,919.48	6,122.89	23,635.84	7,491.64	62,980.14
<b>Total undiscounted non-derivative financial liabilities</b>	<b>69,610.61</b>	<b>10,150.41</b>	<b>28,159.59</b>	<b>1,28,624.46</b>	<b>40,428.53</b>	<b>2,76,973.60</b>
<b>Non-derivative financial assets</b>	<b>Upto 3 months</b>	<b>Between 3 to 6 months</b>	<b>Between 6 months to 1 year</b>	<b>Between 1 year to 3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Cash and cash equivalent and other bank balances	47,851.81	420.45	2,540.72	964.57	629.28	52,406.83
Trade receivables	2,915.64	50.58	156.03	670.08	144.19	3,936.52
Loans	10,242.44	7,124.42	19,348.31	68,651.50	64,711.60	1,70,078.27
Investments	49,699.97	5,385.05	9,100.17	26,548.85	1,90,113.45	2,80,847.49
Other financial assets	8,174.31	47.70	315.01	260.10	1,521.05	10,318.17
<b>Total undiscounted non-derivative financial assets</b>	<b>1,18,884.17</b>	<b>13,028.20</b>	<b>31,460.24</b>	<b>97,095.10</b>	<b>2,57,119.57</b>	<b>5,17,587.28</b>
<b>Derivatives</b>	<b>Upto 3 months</b>	<b>Between 3 to 6 months</b>	<b>Between 6 months to 1 year</b>	<b>Between 1 year to 3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Net settled derivatives entered into for trading purposes	21.58	-	-	-	14.18	35.76
Other net settled derivatives	(642.61)	-	(33.40)	-	-	(676.01)
<b>Total</b>	<b>(621.03)</b>	<b>-</b>	<b>(33.40)</b>	<b>-</b>	<b>14.18</b>	<b>(640.25)</b>
<b>Commitments</b>	<b>Upto 3 months</b>	<b>Between 3 to 6 months</b>	<b>Between 6 months to 1 year</b>	<b>Between 1 year to 3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Undrawn loan and other commitments	3,137.41	1,014.69	5,308.85	971.63	194.99	10,627.57

The Group has undrawn lines of credit available aggregating ₹ 913.40 million as at 31 March 2025 to meet any possible liquidity shortfall.

**Edelweiss Financial Services Limited**
**Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

**55.8.1 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	1,60,333.49
Subordinated financial liabilities	620.97	56.74	658.62	8,742.20	4,105.81	14,184.34
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>2,96,186.59</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	1,93,176.49
Investments	42,611.63	11,210.30	28,494.21	20,735.39	1,69,008.83	2,72,060.36
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>2,47,244.66</b>	<b>5,13,109.25</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	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.

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

#### 55.9 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.

Currency	31 March 2025					
	Increase in interest rate (%)	Effect on profit before tax	Effect on Equity	Decrease in interest rate (%)	Effect on profit before tax	Effect on Equity
INR	0.25	34.30	(1,564.58)	0.25	(34.30)	1,564.58
INR	5.00	(235.89)	-	5.00	235.89	-

Currency	31 March 2024					
	Increase in interest rate (%)	Effect on profit before tax	Effect on Equity	Decrease in interest rate (%)	Effect on profit before tax	Effect on Equity
INR	0.25	(611.79)	(779.84)	0.25	611.79	779.84
INR	5.00	(92.20)	-	5.00	92.20	-

#### 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 2025					
	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	148.18	-	5.00	(148.18)	-
Others	5.00	5.79	-	5.00	(5.79)	-

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)	-

# Edelweiss Financial Services Limited

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 55.9 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 2025					
	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	327.15	-	5.00	(327.15)	-
Others	5.00	784.24	131.72	5.00	(784.24)	(131.72)

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)

#### 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 2025					
	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	190.73	-	5.00	(190.73)	-
Others	5.00	(130.16)	-	5.00	130.16	-

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)	-

#### 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 2025					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Units of AIFs and Trusts	5.00	311.34	68.52	5.00	(311.34)	(68.52)
Others	5.00	911.36	2.75	5.00	(911.36)	(2.75)

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
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)

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

#### 56. Composition of the Group

Sr.	Name of the Entity	Note No.	Country of Incorporation	Proportion of ownership interest as at 31 March 2025	Proportion of ownership interest as at 31 March 2024
<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		India	100.00%	100.00%
5	Edelweiss Trusteeship Company Limited		India	100.00%	100.00%
6	Nido Home Finance Limited		India	100.00%	100.00%
7	Edelweiss Investment Adviser Limited		India	100.00%	100.00%
8	ECap Equities 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	a	India	100.00%	100.00%
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	Zuno General Insurance Limited		India	100.00%	100.00%
16	Edelweiss Securities and Investments Private Limited		India	100.00%	100.00%
17	EC International Limited	b	Mauritius	-	100.00%
18	EAAA Pte. Limited (formerly known as Edelweiss Alternative Asset Advisors Pte. Limited)		Singapore	100.00%	100.00%
19	Edelweiss International (Singapore) Pte. Limited		Singapore	100.00%	100.00%
20	Edelgive Foundation		India	100.00%	100.00%
21	EAAA India Alternatives Limited (formerly known as Edelweiss Alternative Asset Advisors Limited)		India	100.00%	100.00%
22	Edelweiss Private Equity Tech Fund		India	95.60%	95.60%
23	Edelweiss Value and Growth Fund		India	96.05%	96.05%
24	Edelweiss Asset Reconstruction Company Limited		India	59.82%	59.82%
25	Edelweiss Life Insurance Company Limited (formerly known as Edelweiss Tokio Life Insurance Company Limited)	c	India	79.53%	75.08%
26	Allium Corporate Services Private Limited (formerly known as Allium Finance Private Limited)	d	India	100.00%	88.28%
27	Edelweiss Global Wealth Management Limited		India	100.00%	100.00%
28	Nuvama Custodial Services Limited		India	51.00%	51.00%
29	EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited)		India	100.00%	100.00%
30	Sekura India Management Limited		India	100.00%	100.00%

**Edelweiss Financial Services Limited**  
**Notes to the consolidated financial statements (Continued)**  
(Currency : Indian rupees in millions)

**56. Composition of the Group (Continued)**

<b>Group stake in trusts</b>			
<b>Trust Name</b>	<b>Country of Incorporation</b>	<b>Proportion of ownership interest as at 31 March 2025</b>	<b>Proportion of ownership interest as at 31 March 2024</b>
1 EARC SAF - 2 Trust	India	100.00%	100.00%
2 EARC Trust - SC 6	India	100.00%	100.00%
3 EARC Trust - SC 9	India	100.00%	100.00%
4 EARC Trust - SC 102	India	100.00%	100.00%
5 EARC Trust - SC 112	India	100.00%	100.00%
6 EARC Trust - SC 130	India	100.00%	100.00%
7 EARC Trust - SC 229	India	100.00%	100.00%
8 EARC Trust - SC 238	India	100.00%	100.00%
9 EARC Trust - SC 245	India	37.00%	37.00%
10 EARC Trust - SC 251	India	100.00%	100.00%
11 EARC Trust - SC 263	India	100.00%	100.00%
12 EARC Trust - SC 266 (Upto 31st December 2024)	India	-	100.00%
13 EARC Trust - SC 298	India	86.52%	75.16%
14 EARC Trust - SC 306 (upto 30th June 2024)	India	-	50.00%
15 EARC Trust - SC 308	India	100.00%	100.00%
16 EARC Trust - SC 314	India	100.00%	100.00%
17 EARC Trust - SC 325	India	100.00%	100.00%
18 EARC Trust - SC 329	India	100.00%	100.00%
19 EARC Trust - SC 331	India	100.00%	100.00%
20 EARC Trust - SC 332 (Upto 30th September 2024)	India	-	100.00%
21 EARC Trust - SC 334	India	100.00%	100.00%
22 EARC Trust - SC 344	India	100.00%	100.00%
23 EARC Trust - SC 347	India	100.00%	100.00%
24 EARC Trust - SC 348	India	100.00%	100.00%
25 EARC Trust - SC 351 (Upto 31st December 2024)	India	-	100.00%
26 EARC Trust - SC 352	India	100.00%	100.00%
27 EARC Trust - SC 357 (Upto 31st March 2025)	India	-	100.00%
28 EARC Trust - SC 360 (upto 30th June 2024)	India	-	100.00%
29 EARC Trust - SC 361	India	100.00%	100.00%
30 EARC Trust - SC 363 (Upto 31st March 2025)	India	-	100.00%
31 EARC Trust - SC 370	India	100.00%	100.00%
32 EARC Trust - SC 372	India	100.00%	100.00%
33 EARC Trust - SC 373	India	100.00%	100.00%
34 EARC Trust - SC 374	India	100.00%	100.00%
35 EARC Trust - SC 375	India	100.00%	100.00%
36 EARC Trust - SC 376	India	100.00%	100.00%
37 EARC Trust - SC 377	India	100.00%	100.00%
38 EARC Trust - SC 378	India	100.00%	100.00%
39 EARC Trust - SC 380	India	100.00%	100.00%
40 EARC Trust - SC 381	India	100.00%	100.00%
41 EARC Trust - SC 383	India	100.00%	100.00%
42 EARC Trust - SC 384	India	99.87%	83.62%
43 EARC Trust - SC 385	India	100.00%	100.00%
44 EARC Trust - SC 386	India	100.00%	100.00%
45 EARC Trust - SC 387	India	100.00%	100.00%
46 EARC Trust - SC 388 (Upto 31st December 2024)	India	-	100.00%
47 EARC Trust - SC 391	India	100.00%	100.00%
48 EARC Trust - SC 392	India	100.00%	100.00%
49 EARC Trust - SC 393	India	100.00%	100.00%
50 EARC Trust - SC 394	India	100.00%	100.00%
51 EARC Trust - SC 395 (Upto 31st March 2025)	India	-	100.00%
52 EARC Trust - SC 396	India	100.00%	100.00%
53 EARC Trust - SC 401	India	100.00%	100.00%
54 EARC Trust - SC 402	India	100.00%	100.00%
55 EARC Trust - SC 405	India	100.00%	100.00%
56 EARC Trust - SC 406	India	100.00%	100.00%
57 EARC Trust - SC 410	India	100.00%	100.00%
58 EARC Trust - SC 412	India	100.00%	100.00%
59 EARC Trust - SC 415	India	100.00%	100.00%



**Edelweiss Financial Services Limited**
**Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

**56. Composition of the Group (Continued)**
**Group stake in trusts (Continued)**

Trust Name	Country of Incorporation	Proportion of ownership interest as at 31 March 2025	Proportion of ownership interest as at 31 March 2024
60 EARC Trust - SC 427 (Upto 31st December 2024)	India	-	46.17%
61 EARC Trust - SC 428	India	100.00%	100.00%
62 EARC Trust - SC 429 (Upto 31st December 2024)	India	-	100.00%
63 EARC Trust - SC 430	India	100.00%	100.00%
64 EARC Trust - SC 227 (Upto 31st December 2024)	India	-	100.00%
65 EARC Trust - SC 228 (Upto 31st December 2024)	India	-	100.00%
66 EARC Trust - SC 397	India	100.00%	100.00%
67 EARC Trust - SC 413	India	100.00%	100.00%
68 EARC Trust - SC 416	India	100.00%	100.00%
69 EARC Trust - SC 417	India	100.00%	100.00%
70 EARC Trust - SC 418	India	100.00%	100.00%
71 EARC Trust - SC 421	India	100.00%	100.00%
72 EARC Trust - SC 422	India	100.00%	100.00%
73 EARC Trust - SC 423	India	100.00%	100.00%
74 EARC Trust - SC 424	India	100.00%	100.00%
75 EARC Trust - SC 425	India	100.00%	100.00%
76 EARC Trust - SC 431 (Upto 31st December 2024)	India	-	100.00%
77 EARC Trust - SC 434	India	100.00%	100.00%
78 EARC Trust - SC 436	India	100.00%	100.00%
79 EARC Trust - SC 444	India	100.00%	100.00%
80 EARC Trust - SC 447	India	100.00%	100.00%
81 EARC Trust - SC 448	India	100.00%	100.00%
82 EARC Trust - SC 449	India	100.00%	100.00%
83 EARC Trust - SC 451	India	100.00%	100.00%
84 EARC Trust - SC 459	India	100.00%	100.00%
85 EARC Trust - SC 477	India	100.00%	100.00%
86 EARC Trust - SC 481	India	100.00%	100.00%
87 EARC Trust - SC 482	India	100.00%	100.00%
88 EARC Trust - SC 442	India	100.00%	100.00%
89 EARC Trust - SC 483	India	100.00%	100.00%
90 EARC Trust - SC 484	India	100.00%	100.00%
91 EARC Trust - SC 443	India	100.00%	100.00%
92 EARC Trust - SC 452	India	78.58%	78.12%
93 EARC Trust - SC 462	India	100.00%	100.00%
94 EARC Trust - SC 461 (Upto 31st March 2025)	India	-	100.00%
95 EARC TRUST - SC 453	India	76.77%	75.39%
96 EARC TRUST - SC 433	India	100.00%	100.00%
97 EARC TRUST - SC 445	India	100.00%	100.00%
98 EARC TRUST - SC 486	India	99.90%	74.94%
99 EARC TRUST - SC 492	India	100.00%	100.00%
100 EARC TRUST - SC 489	India	100.00%	100.00%
101 EARC Trust - SC 488 (Upto 31st December 2024)	India	-	38.77%
102 EARC TRUST - SC 464	India	100.00%	100.00%
103 EARC TRUST - SC 493	India	100.00%	100.00%
104 EARC TRUST - SC 455	India	100.00%	100.00%
105 EARC TRUST - SC 470	India	100.00%	100.00%
106 EARC TRUST - SC 456	India	100.00%	100.00%
107 EARC Trust - SC 457	India	100.00%	-
108 EARC Trust - SC 468	India	100.00%	-
109 EARC Trust - SC 494	India	100.00%	-
110 EARC Trust - SC 469	India	100.00%	-

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

#### 56. Composition of the Group (Continued)

##### Notes:

- a 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.
- b EC International Limited, one of the subsidiary of the Group has wound up its operation on 20 September 2024 and ceased to become the subsidiary of the Group and has been consolidated upto the that date and its liquidation was completed on 01 January 2025.
- c During the year ended 31 March 2025, the Company has increased its controlling stake in Edelweiss Life Insurance Company Limited, one of its subsidiary from 75.08% to 79.53% and same has be consolidated accordingly.
- d During the year ended 31 March 2025, Edelweiss Rural and Corporate Services Limited, the subsidiary of the Group has increased its stake in Allium Corporate Services Private Limited, one of its subsidiary from 88.28% to 100% and same has be consolidated accordingly.

**Edelweiss Financial Services Limited**
**Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

**57. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary**
**FY 2024-25**

Sr. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)	As % of consolidated other comprehensive Income	Amount (₹ in Millions)	As % of consolidated total comprehensive Income	Amount (₹ in Millions)
Parent									
	Edelweiss Financial Services Limited	93.22%	55,170.79	(9.69)%	(519.02)	0.15%	(11.94)	22.37%	(530.96)
Subsidiaries									
Indian									
1	ECL Finance Limited	27.07%	16,019.30	8.64%	463.02	178.58%	(13,806.73)	562.26%	(13,343.70)
2	Edelcap Securities Limited	13.61%	8,056.32	(0.71)%	(37.92)	0.03%	(1.97)	1.68%	(39.89)
3	Edelweiss Asset Management Limited	3.47%	2,054.78	9.86%	528.40	0.07%	(5.62)	(22.03)%	522.78
4	ECap Securities and Investments Limited	0.03%	14.83	(23.35)%	(1,251.17)	0.00%	(0.02)	52.72%	(1,251.20)
5	Edelweiss Trusteeship Company Limited	0.01%	6.94	0.00%	0.15	-	-	(0.01)%	0.15
6	Nido Home Finance Limited	13.99%	8,281.92	3.48%	186.27	0.03%	(2.06)	(7.76)%	184.20
7	Edelweiss Investment Adviser Limited	(0.12)%	(69.96)	10.01%	536.43	0.00%	0.06	(22.61)%	536.48
8	ECap Equities Limited	25.30%	14,975.81	104.06%	5,575.51	0.00%	(0.36)	(234.92)%	5,575.15
9	Edel Investments Limited	6.04%	3,576.48	0.38%	20.62	0.01%	(0.89)	(0.83)%	19.72
10	Edelweiss Rural & Corporate Services Limited	10.30%	6,093.94	(16.99)%	(910.42)	(0.11)%	8.19	38.02%	(902.23)
11	Comtrade Commodities Services Limited	0.05%	26.90	(0.12)%	(6.38)	0.00%	0.05	0.27%	(6.33)
12	Edel Finance Company Limited	43.93%	25,996.55	(0.60)%	(32.40)	0.00%	0.07	1.36%	(32.33)
13	Edelweiss Retail Finance Limited	8.67%	5,132.62	1.70%	91.03	6.07%	(469.44)	15.95%	(378.41)
14	Edelweiss Multi Strategy Fund Advisors LLP	0.01%	7.85	0.00%	(0.06)	0.00%	0.00	0.00%	(0.06)
15	Zuno General Insurance Limited	5.47%	3,239.02	(8.96)%	(479.94)	(0.90)%	69.48	17.30%	(410.46)
16	Edelweiss Securities and Investments Private Limited	3.83%	2,268.19	(11.73)%	(628.35)	0.00%	(0.04)	26.48%	(628.40)
17	EAAA India Alternatives Limited (Formerly Edelweiss Alternative Asset Advisors Limited)	12.92%	7,646.12	34.75%	1,861.98	(0.02)%	1.27	(78.51)%	1,863.25
18	Edelgive Foundation	0.25%	147.16	(0.02)%	(1.16)	0.00%	0.15	0.04%	(1.00)
19	Edelweiss Private Equity Tech Fund	0.62%	367.60	(2.77)%	(148.66)	-	-	6.26%	(148.66)
20	Edelweiss Value and Growth Fund	1.76%	1,039.86	6.75%	361.50	-	-	(15.23)%	361.50
21	Edelweiss Asset Reconstruction Company Limited	59.73%	35,348.79	71.86%	3,850.60	0.04%	(2.83)	(162.13)%	3,847.77
22	Edelweiss Life Insurance Company Limited (formerly known as Edelweiss Tokio Life Insurance Company Limited)	15.78%	9,341.70	(23.76)%	(1,272.85)	(24.96)%	1,929.47	(27.67)%	656.62
23	Allium Corporate Services Private Limited (formerly Allium Finance Private Limited)	0.97%	575.07	1.12%	60.08	-	0.04	(2.53)%	60.11
24	Nuvama Custodial Services Limited	1.45%	860.08	4.09%	219.40	0.01%	(0.78)	(9.21)%	218.63
25	EAAA Real Assets Managers Limited (formerly Edelweiss Real Assets Managers Limited)	0.26%	154.77	0.38%	20.26	0.00%	(0.14)	(0.85)%	20.12
26	Sekura India Management Limited	0.09%	52.31	0.21%	11.07	0.01%	(1.09)	(0.42)%	9.97
27	Edelweiss Global Wealth Management Limited	7.64%	4,518.99	(0.48)%	(25.63)	0.00%	0.02	1.08%	(25.61)

**Edelweiss Financial Services Limited**

**Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

**57. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary (Continued)**

**FY 2024-25**

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)
Foreign									
1	EC International Limited	-	-	(0.01)%	(0.44)	0.00%	0.03	0.02%	(0.41)
2	EAAA Pte. Limited (Formerly known as Edelweiss Alternative Asset Advisors Pte. Limited)	6.89%	4,080.35	7.54%	403.93	(0.87)%	67.03	(19.85)%	470.97
3	Edelweiss International (Singapore) Pte. Limited	2.44%	1,443.07	0.37%	19.75	0.40%	(31.27)	0.49%	(11.53)
Controlled Trusts									
1	EARC TRUST - SC 130	0.00%	(0.05)	0.00%	0.01	-	-	0.00%	0.01
2	EARC SAF - 2 TRUST	0.00%	0.34	0.00%	(0.03)	-	-	0.00%	(0.03)
3	EARC TRUST SC 238	0.00%	(1.48)	(0.03)%	(1.48)	-	-	0.06%	(1.48)
4	EARC TRUST SC 266	-	-	0.00%	(0.02)	-	-	0.00%	(0.02)
5	EARC TRUST SC 306	-	-	0.00%	(0.12)	-	-	0.01%	(0.12)
6	EARC TRUST SC 332	0.00%	0.00	(0.01)%	(0.35)	-	-	0.01%	(0.35)
7	EARC TRUST SC 334	0.00%	0.48	0.00%	(0.02)	-	-	0.00%	(0.02)
8	EARC TRUST SC 344	0.00%	0.24	0.00%	(0.11)	-	-	0.00%	(0.11)
9	EARC TRUST SC 347	0.00%	0.31	0.00%	(0.08)	-	-	0.00%	(0.08)
10	EARC TRUST SC 351	0.00%	0.00	(0.01)%	(0.79)	-	-	0.03%	(0.79)
11	EARC TRUST SC 352	0.00%	0.06	0.00%	(0.22)	-	-	0.01%	(0.22)
12	EARC TRUST SC 357	0.00%	0.00	0.00%	(0.17)	-	-	0.01%	(0.17)
13	EARC TRUST SC 360	0.00%	0.00	(0.02)%	(0.89)	-	-	0.04%	(0.89)
14	EARC TRUST SC 363	0.00%	(0.03)	0.00%	(0.14)	-	-	0.01%	(0.14)
15	EARC TRUST SC 370	0.00%	0.43	0.00%	0.26	-	-	(0.01)%	0.26
16	EARC TRUST SC - 102	0.00%	(0.43)	(0.01)%	(0.62)	-	-	0.03%	(0.62)
17	EARC TRUST SC - 112	(0.01)%	(5.32)	(0.06)%	(3.42)	-	-	0.14%	(3.42)
18	EARC TRUST SC 245	0.00%	1.74	0.02%	1.34	-	-	(0.06)%	1.34
19	EARC TRUST SC 308	0.00%	(1.02)	(0.02)%	(0.95)	-	-	0.04%	(0.95)
20	EARC TRUST SC 314	0.00%	(1.58)	(0.02)%	(1.33)	-	-	0.06%	(1.33)
21	EARC Trust SC 386	0.00%	0.51	(0.11)%	(5.99)	-	-	0.25%	(5.99)
22	EARC TRUST SC 348	0.00%	0.56	0.01%	0.54	-	-	(0.02)%	0.54
23	EARC Trust SC 381	(0.02)%	(9.98)	(0.11)%	(5.71)	-	-	0.24%	(5.71)
24	EARC Trust SC 383	0.00%	(0.29)	0.00%	(0.01)	-	-	0.00%	(0.01)
25	EARC Trust SC 395	0.00%	0.00	0.00%	0.11	-	-	0.00%	0.11
26	EARC Trust SC 380	0.00%	0.01	0.00%	(0.04)	-	-	0.00%	(0.04)
27	EARC Trust SC 387	(0.01)%	(8.33)	(0.18)%	(9.71)	-	-	0.41%	(9.71)
28	EARC Trust SC 388	0.00%	0.00	(0.02)%	(0.93)	-	-	0.04%	(0.93)
29	EARC Trust SC 375	0.00%	0.37	0.00%	(0.18)	-	-	0.01%	(0.18)
30	EARC Trust SC 402	0.00%	1.52	0.00%	0.01	-	-	0.00%	0.01
31	EARC Trust SC 376	0.00%	1.74	0.00%	(0.05)	-	-	0.00%	(0.05)
32	EARC Trust SC 396	0.00%	0.84	0.00%	0.27	-	-	(0.01)%	0.27
33	EARC Trust SC 410	0.00%	0.15	(0.01)%	(0.41)	-	-	0.02%	(0.41)
34	EARC Trust SC 405	0.00%	0.20	0.00%	0.26	-	-	(0.01)%	0.26
35	EARC Trust SC 428	0.00%	0.83	0.01%	0.41	-	-	(0.02)%	0.41
36	EARC Trust SC 429	0.00%	0.00	(0.01)%	(0.64)	-	-	0.03%	(0.64)
37	EARC Trust SC 412	0.00%	0.09	0.00%	0.07	-	-	0.00%	0.07

**Edelweiss Financial Services Limited**
**Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

**57. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary (Continued)**

FY 2024-25

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)
38	EARC Trust SC 415	0.00%	0.27	0.00%	0.01	-	-	0.00%	0.01
39	EARC Trust SC 430	0.00%	0.30	0.00%	0.23	-	-	(0.01)%	0.23
40	EARC Trust SC 434	0.00%	(1.07)	(0.11)%	(6.01)	-	-	0.25%	(6.01)
41	EARC Trust SC 431	0.00%	0.00	(0.01)%	(0.42)	-	-	0.02%	(0.42)
42	EARC TRUST SC 227	0.00%	0.00	0.00%	(0.05)	-	-	0.00%	(0.05)
43	EARC TRUST SC 228	0.00%	0.00	(0.01)%	(0.48)	-	-	0.02%	(0.48)
44	EARC TRUST SC 436	0.00%	0.47	0.01%	0.43	-	-	(0.02)%	0.43
45	EARC TRUST SC 421	0.00%	0.04	0.00%	(0.01)	-	-	0.00%	(0.01)
46	EARC TRUST SC 422	0.00%	(0.30)	(0.01)%	(0.56)	-	-	0.02%	(0.56)
47	EARC TRUST SC 423	0.00%	(0.07)	0.00%	0.00	-	-	0.00%	0.00
48	EARC TRUST SC 424	0.00%	(0.17)	(0.10)%	(5.56)	-	-	0.23%	(5.56)
49	EARC TRUST SC 425	0.00%	(0.43)	(0.01)%	(0.41)	-	-	0.02%	(0.41)
50	EARC TRUST SC 448	0.00%	0.04	(0.01)%	(0.37)	-	-	0.02%	(0.37)
51	EARC TRUST SC 449	0.00%	0.12	0.00%	(0.07)	-	-	0.00%	(0.07)
52	EARC TRUST SC 443	0.00%	(0.01)	0.00%	0.01	-	-	0.00%	0.01
53	EARC TRUST SC 477	0.00%	(0.05)	(0.01)%	(0.58)	-	-	0.02%	(0.58)
54	EARC TRUST SC 481	0.00%	(0.38)	(0.01)%	(0.56)	-	-	0.02%	(0.56)
55	EARC TRUST SC 482	0.00%	0.08	(0.02)%	(0.88)	-	-	0.04%	(0.88)
56	EARC TRUST SC 442	0.00%	0.38	0.02%	0.86	-	-	(0.04)%	0.86
57	EARC TRUST SC 483	0.00%	(1.01)	(0.04)%	(2.14)	-	-	0.09%	(2.14)
58	EARC TRUST SC 484	0.00%	0.09	0.00%	(0.08)	-	-	0.00%	(0.08)
59	EARC TRUST SC 325	0.00%	1.79	0.00%	0.01	-	-	0.00%	0.01
60	EARC TRUST SC 492	0.00%	(0.10)	0.00%	0.02	-	-	0.00%	0.02
61	EARC Trust SC 427	0.00%	0.00	0.00%	0.04	-	-	0.00%	0.04
62	EARC TRUST SC 251	0.00%	0.31	(0.03)%	(1.85)	-	-	0.08%	(1.85)
63	EARC Trust SC 385	(0.01)%	(8.80)	(0.14)%	(7.43)	-	-	0.31%	(7.43)
64	EARC Trust SC 373	0.00%	(0.02)	0.00%	(0.05)	-	-	0.00%	(0.05)
65	EARC Trust SC 374	0.00%	0.06	0.00%	0.06	-	-	0.00%	0.06
66	EARC Trust SC 401	(0.05)%	(28.08)	(0.55)%	(29.56)	-	-	1.25%	(29.56)
67	EARC Trust SC 416	0.00%	0.08	(0.01)%	(0.80)	-	-	0.03%	(0.80)
68	EARC Trust SC 378	0.00%	0.01	0.00%	0.03	-	-	0.00%	0.03
69	EARC Trust SC 417	0.00%	(0.51)	(0.01)%	(0.75)	-	-	0.03%	(0.75)
70	EARC TRUST SC 461	0.03%	16.24	(0.02)%	(1.10)	-	-	0.05%	(1.10)
71	EARC Trust SC 418	(0.01)%	(7.26)	0.07%	3.98	-	-	(0.17)%	3.98
72	EARC TRUST SC 447	(0.03)%	(17.17)	0.35%	18.58	-	-	(0.78)%	18.58
73	EARC TRUST SC 452	(0.05)%	(28.16)	(0.67)%	(35.90)	-	-	1.51%	(35.90)
74	EARC TRUST SC 451	(0.02)%	(10.29)	0.19%	10.19	-	-	(0.43)%	10.19
75	EARC TRUST SC 459	0.00%	(1.06)	0.01%	0.66	-	-	(0.03)%	0.66
76	EARC Trust SC 384	0.05%	29.79	0.07%	3.68	-	-	(0.15)%	3.68
77	EARC Trust SC 391	0.00%	1.90	(0.02)%	(0.83)	-	-	0.03%	(0.83)
78	EARC Trust SC 406	0.00%	1.27	(0.03)%	(1.59)	-	-	0.07%	(1.59)

**Edelweiss Financial Services Limited**

**Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

**57. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary (Continued)**

**FY 2024-25**

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)
79	EARC TRUST - SC 6	0.00%	(0.33)	0.00	(0.22)	-	-	0.00	(0.22)
80	EARC TRUST - SC 9	0.00	36.04	0.04%	2.33	-	-	(0.10)%	2.33
81	EARC TRUST SC 229	(0.01)%	(6.12)	0.03%	1.67	-	-	(0.07)%	1.67
82	EARC TRUST SC 361	0.00%	0.29	0.05%	2.43	-	-	(0.10)%	2.43
83	EARC Trust SC 372	0.00%	(0.46)	0.00%	(0.16)	-	-	0.01%	(0.16)
84	EARC Trust SC 393	0.00%	(0.74)	(0.01)%	(0.72)	-	-	0.03%	(0.72)
85	EARC TRUST SC 433	(0.01)%	(3.36)	(0.06)%	(3.10)	-	-	0.13%	(3.10)
86	EARC Trust SC 377	0.00%	0.03	0.00%	0.00	-	-	0.00%	0.00
87	EARC TRUST SC 444	0.00%	1.09	(0.02)%	(1.28)	-	-	0.05%	(1.28)
88	EARC TRUST SC 462	(0.06)%	(37.51)	(0.29)%	(15.75)	-	-	0.66%	(15.75)
89	EARC Trust SC 394	0.02%	10.87	0.01%	0.63	-	-	(0.03)%	0.63
90	EARC Trust SC 397	0.00%	0.80	(0.01)%	(0.58)	-	-	0.02%	(0.58)
91	EARC TRUST SC 445	(0.25)%	(145.52)	(1.65)%	(88.35)	-	-	3.72%	(88.35)
92	EARC TRUST SC 453	0.19%	109.93	1.10%	59.20	-	-	(2.49)%	59.20
93	EARC TRUST SC 486	0.10%	59.73	(0.80)%	(42.79)	-	-	1.80%	(42.79)
94	EARC TRUST SC 329	(0.05)%	(28.56)	(0.08)%	(4.24)	-	-	0.18%	(4.24)
95	EARC TRUST SC 331	(0.06)%	(36.36)	(0.29)%	(15.34)	-	-	0.65%	(15.34)
96	EARC TRUST SC 263	0.00%	1.55	0.03%	1.80	-	-	(0.08)%	1.80
97	EARC Trust SC 392	0.00%	0.25	(0.05)%	(2.61)	-	-	0.11%	(2.61)
98	EARC TRUST SC 298	0.02%	11.04	(0.13)%	(6.99)	-	-	0.29%	(6.99)
99	EARC Trust SC 413	(0.01)%	(7.39)	(0.07)%	(3.63)	-	-	0.15%	(3.63)
100	EARC TRUST SC 464	0.07%	42.50	1.25%	66.91	-	-	(2.82)%	66.91
101	EARC TRUST SC 488	0.00%	0.00	0.02%	1.30	-	-	(0.05)%	1.30
102	EARC TRUST SC 489	0.00%	0.86	0.00%	(0.06)	-	-	0.00%	(0.06)
103	EARC TRUST SC 455	0.07%	38.55	2.25%	120.68	-	-	(5.09)%	120.68
104	EARC TRUST SC 470	0.01%	4.08	0.10%	5.52	-	-	(0.23)%	5.52
105	EARC TRUST SC 456	(0.01)%	(4.46)	(0.08)%	(4.38)	-	-	0.18%	(4.38)
106	EARC TRUST SC 493	0.00%	(0.28)	0.00%	0.24	-	-	(0.01)%	0.24
107	EARC TRUST SC 457	0.00%	(0.20)	0.00%	(0.19)	-	-	0.01%	(0.19)
108	EARC TRUST SC 468	0.00%	(0.20)	0.00%	(0.19)	-	-	0.01%	(0.19)
109	EARC TRUST SC 494	0.00%	(0.05)	0.00%	(0.04)	-	-	0.00%	(0.04)
110	EARC TRUST SC 469	0.00%	(0.07)	0.00%	(0.05)	-	-	0.00%	(0.05)
<b>Non-Controlling Interests</b>		25.23%	14,934.40	25.57%	1,369.90	(5.54)%	428.14	(75.76)%	1,798.04
<b>Adjustments arising out of consolidation</b>		(290.86)%	(1,72,157.05)	(91.24)%	(4,888.96)	(53.00)%	4,099.79	33.28%	(789.13)
<b>Total</b>		<b>100.00%</b>	<b>59,181.71</b>	<b>100.00%</b>	<b>5,358.20</b>	<b>100.00%</b>	<b>(7,731.39)</b>	<b>100.00%</b>	<b>(2,373.19)</b>

0.00 indicates amount less than ₹ 0.01 million

**Edelweiss Financial Services Limited**  
**Notes to the consolidated financial statements (Continued)**  
(Currency : Indian rupees in millions)

58. Key disclosures related to life insurance business (Edelweiss Life Insurance Company Limited (ELI))

**a Life Insurance and Investment Contract Liability**

Particulars	31 March 2025				31 March 2024			
	With DPF	Linked Business	Others	Total gross liabilities	With DPF	Linked Business	Others	Total gross liabilities
<b>Insurance Contract Liability</b>								
Life	23,264.95	20,299.31	47,998.77	<b>91,563.03</b>	18,498.75	19,819.64	40,115.21	78,433.60
Health	-	-	80.43	<b>80.43</b>	-	-	75.34	75.34
Annuity	-	-	909.94	<b>909.94</b>	-	-	757.05	757.05
Pension	1,169.27	301.07	-	<b>1,470.34</b>	1,279.05	315.81	-	1,594.86
<b>Total</b>	<b>24,434.22</b>	<b>20,600.38</b>	<b>48,989.14</b>	<b>94,023.74</b>	<b>19,777.80</b>	<b>20,135.45</b>	<b>40,947.60</b>	<b>80,860.85</b>
<b>Investment Contract Liability</b>								
Life	-	1,133.35	110.03	<b>1,243.38</b>	-	1,052.72	111.71	1,164.43
Health	-	-	-	-	-	-	-	-
Annuity	-	-	-	-	-	-	-	-
Pension	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,133.35</b>	<b>110.03</b>	<b>1,243.38</b>	<b>-</b>	<b>1,052.72</b>	<b>111.71</b>	<b>1,164.43</b>

**b Movement of life insurance contract liabilities**

Particulars	31 March 2025				31 March 2024			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
Gross Liability at the beginning of the year	<b>19,777.80</b>	<b>20,135.45</b>	<b>40,947.60</b>	<b>80,860.85</b>	14,776.65	16,666.24	33,114.06	64,556.95
Add/(Less)								
Premium	6,599.95	3,742.19	10,520.41	<b>20,862.55</b>	5,864.69	3,641.06	9,752.85	19,258.60
Unwinding of the discount / Interest credited	1,897.71	1,582.22	2,682.28	<b>6,162.21</b>	2,128.33	5,159.53	2,524.89	9,812.75
Changes in valuation for expected future benefits	(2,763.24)	(586.35)	(4,868.65)	<b>(8,218.24)</b>	(2,445.35)	(516.21)	(3,933.99)	(6,895.55)
Insurance liabilities released	(1,170.83)	(4,250.64)	(276.41)	<b>(5,697.88)</b>	(612.85)	(4,750.88)	(398.50)	(5,762.23)
Undistributed Participating Policyholders surplus (UPPS)	94.74	-	-	<b>94.74</b>	74.08	-	-	74.08
Change in other Liabilities	(1.90)	(22.50)	(16.08)	<b>(40.48)</b>	(7.75)	(64.29)	(111.71)	(183.75)
Gross Liability at the end of the year	<b>24,434.23</b>	<b>20,600.37</b>	<b>48,989.15</b>	<b>94,023.75</b>	<b>19,777.80</b>	<b>20,135.45</b>	<b>40,947.60</b>	<b>80,860.85</b>

**Edelweiss Financial Services Limited**  
**Notes to the consolidated financial statements (Continued)**  
(Currency : Indian rupees in millions)

**58. Key disclosures related to life insurance business (Edelweiss Life Insurance Company Limited (ELI)) (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 2025			31 March 2024		
	Linked Business	Others	Total	Linked Business	Others	Total
At the beginning of the year	1,052.72	111.71	1,164.43	997.08	114.53	1,111.61
<b>Additions</b>						
Premium	64.70	2.60	67.30	59.61	2.70	62.31
Interest and Bonus credited to policyholders	104.34	7.75	112.09	164.96	7.82	172.78
Others	(0.12)	(0.33)	(0.45)	0.06	0.10	0.16
<b>Deductions</b>						
Withdrawals / Claims	(70.90)	(11.65)	(82.55)	(152.59)	(13.35)	(165.94)
Fee Income and Other Expenses	(17.40)	(0.05)	(17.45)	(16.40)	(0.09)	(16.49)
<b>At the end of the year</b>	<b>1,133.34</b>	<b>110.03</b>	<b>1,243.37</b>	<b>1,052.72</b>	<b>111.71</b>	<b>1,164.43</b>

**Change in insurance contract liabilities**

Particulars	31 March 2025				31 March 2024			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
a) Policy Liabilities (Gross)	4,656.43	464.92	8,041.55	13,162.90	5,001.15	3,469.21	7,833.53	16,303.89
b) Amount ceded in reinsurance	2.88	(3.20)	(637.23)	(637.55)	-	(0.01)	(260.29)	(260.30)
Net change in insurance contract liabilities	4,659.31	461.72	7,404.32	12,525.35	5,001.15	3,469.20	7,573.24	16,043.59

**Change in Reinsurance assets**

Particulars	31 March 2025	31 March 2024
Opening Reinsurance Assets	3,273.99	3,013.36
Premium	390.57	380.60
Unwinding of the Discount/Interest Credited	189.67	206.53
Change in Valuation for expected future benefits	(624.35)	(605.96)
Insurance Liabilities released	681.66	279.46
<b>Closing Reinsurance Assets</b>	<b>3,911.54</b>	<b>3,273.99</b>

At 31 March 2025, the ELI conducted an impairment review of the reinsurance assets and there is no impairment loss for the year.



## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

#### 58. Key disclosures related to life insurance business (Edelweiss Life Insurance Company Limited (ELI)) (Continued)

##### 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.

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.

Freelook Provision- If a policy is in force as of the valuation date and is later cancelled during the free-look period, it may result in a strain on the policyholder fund. This strain arises when the amount payable upon cancellation exceeds the reserves held for that policy. To mitigate potential future valuation strain from such cancellations, an additional reserve is maintained. The free-look reserve is determined by calculating the total strain across all policies eligible for free-look cancellations at the valuation date and applying a factor that reflects expected assumptions for free-look cancellations. 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 6% this year (the assumption has been changed to 6% from 4% 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.

Portfolio assumptions impacting net liabilities	Range	31 March 2025	31 March 2024
Mortality rates (as a % of Indian Assured Lives Mortality (2006-08))**	Max	227% (Without MAD)*	227% (Without MAD)*
	Min	32% (Without MAD)	30% (Without MAD)
Discount/ interest rates***	Max	8% (Without MAD)	8% (Without MAD)
	Min	7.25% (Without MAD)	7.25% (Without MAD)
Expense****	Max	11,314 (INFL @5%) (without MAD) 22 (INFL @ 5%) (without MAD) for micro Insurance plan	10,775 (INFL @5%) (without MAD) 21 (INFL @ 5%) (without MAD) for micro Insurance plan
	Min	335 (INFL @ 5%) (without MAD) 13 (INFL @ 5%) (without MAD) for micro Insurance plan	319 (INFL @ 5%) (without MAD) 13 (INFL @ 5%) (without MAD) for micro Insurance plan
MAD*		Mortality: Mortality: 15%	Mortality: Mortality: 15%;
		Interest: 72.5 - 575	Interest: 72.5 - 575 bps
		Expenses: 10%	Expenses: 10%

\* Margin for Adverse Deviation (MAD) is over and above the base rate mentioned above.

\*\* Mortality rates (excluding annuity products) are expressed as % of Indian Assured Lives Mortality (2012-14) and for annuity it is expressed as % of IIAM 12-15 - Indian Individual Annuitant Mortality Table (2012-15). Further in Annuity plans, Mortality improvement of 1% per annum till attained age of 64 and 0.5% per annum thereafter has been assumed from the current rates.

\*\*\* Under Unit linked, for unit growth rate (i.e. Investment return) weighted average growth rate of various unit funds is used.

\*\*\*\* The value of future expenses has been derived to allow for all the future maintenance expenses as applicable namely fixed per policy, renewal premium (0%-2%)/ commission (0%-25%) related, fund (0%-0.25%) related etc. The limits for fixed per policy expenses are as mentioned above in the table.

**Edelweiss Financial Services Limited**
**Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

**58. Key disclosures related to life insurance business (Edelweiss Life Insurance Company Limited (ELI)) (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 2025**

Sensitivity Parameters	Gross Liability				
	Insurance Contracts			Investment Contracts	
	With DPF	Linked	Others	Linked	Others
Mortality increased by 10%	24,455.18	20,604.02	50,455.87	1,133.35	110.05
Mortality decreased by 10%	24,419.04	20,598.57	47,524.02	1,133.35	110.00
Lapses increased by 10%	24,421.27	20,600.03	48,561.16	1,133.35	110.02
Lapses decreased by 10%	24,476.49	20,600.77	49,441.35	1,133.35	110.03
Expenses increased by 10%	24,457.52	20,601.05	49,166.47	1,133.35	110.03
Expenses decreased by 10%	24,418.68	20,599.86	48,806.56	1,133.35	110.02
Interest Rate increased by 100 bps	22,704.68	20,599.57	41,068.88	1,133.35	110.02
Interest Rate decreased by 100 bps	26,525.92	20,601.60	59,969.58	1,133.35	110.03
Inflation Rate increased by 100 bps	24,446.55	20,601.00	49,141.73	1,133.35	110.03
Inflation Rate decreased by 100 bps	24,423.49	20,600.09	48,842.83	1,133.35	110.03

**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

**Gross premiums on insurance contracts and investment contracts with DPF**

	31 March 2025	31 March 2024
<b>Particulars</b>		
Life Insurance	20,863.22	19,259.37
<b>Total Gross Premiums</b>	<b>20,863.22</b>	<b>19,259.37</b>

**Premiums ceded to reinsurers on insurance contracts and investment contracts with DPF**

	31 March 2025	31 March 2024
<b>Particulars</b>		
Life Insurance	(390.57)	(380.60)
<b>Total premiums ceded to reinsurers</b>	<b>(390.57)</b>	<b>(380.60)</b>
<b>Net premium</b>	<b>20,472.65</b>	<b>18,878.77</b>

**Net benefits and claims**

	31 March 2025	31 March 2024
<b>Particulars</b>		
<b>a. Gross benefits and claims paid</b>		
Life insurance contracts	8,837.22	7,242.35
Investment contracts with DPF	-	-
<b>Total gross benefits and claims paid</b>	<b>8,837.22</b>	<b>7,242.35</b>
<b>b. Claims ceded to reinsurers</b>		
Life insurance contracts	(386.46)	(326.54)
Investment contracts with DPF	-	-
<b>Total claims ceded to reinsurers</b>	<b>(386.46)</b>	<b>(326.54)</b>
<b>Net benefits and claims</b>	<b>8,450.76</b>	<b>6,915.81</b>

**Edelweiss Financial Services Limited**  
**Notes to the consolidated financial statements (Continued)**  
(Currency : Indian rupees in millions)

**59. Key disclosures related to General Insurance business (Zuno General Insurance Limited (ZGIL))**

**Contract Liability for General Insurance business**  
**Premium earned**

**Gross Premium on insurance contracts**

Particular	31 March 2025	31 March 2024
Gross written Premium	10,121.91	8,509.70
Change in reserve for unexpired risks	(822.60)	(2,356.27)
<b>Gross Earned Premium (a)</b>	<b>9,299.31</b>	<b>6,153.43</b>

**Premium ceded to reinsurers on insurance contracts**

Particular	31 March 2025	31 March 2024
Premium on reinsurance ceded	3,926.29	3,263.24
Change in reserve for unexpired risks	(451.95)	(1,152.06)
<b>Premium ceded to reinsurers (b)</b>	<b>3,474.34</b>	<b>2,111.18</b>

<b>Total Premium Earned (net) (a - b)</b>	<b>5,824.97</b>	<b>4,042.25</b>
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**Change in actuarial liability**

Particular	31 March 2025	31 March 2024
Gross Claim Paid	5,135.03	3,073.47
Claims Ceded to reinsurer on Gross Claims Paid	(1,118.98)	(613.08)
<b>Net Claims Paid</b>	<b>4,016.05</b>	<b>2,460.39</b>
Change in Gross Claims Outstanding	679.63	826.09
Change in Ceding to reinsurer on Gross Claims Outstanding	(307.28)	(549.59)
<b>Net Claims Outstanding</b>	<b>4,388.40</b>	<b>2,736.89</b>

Change in Gross IBNR	1,025.74	1,009.27
Change in Ceding to reinsurer on Gross IBNR	(713.84)	(405.45)
<b>Net IBNR</b>	<b>311.90</b>	<b>603.82</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>311.90</b>	<b>603.82</b>
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**Reinsurance asset**

Particular	31 March 2025	31 March 2024
Reinsurance on Insurance Contract	6,138.49	3,930.66
Gross Insurance contract liabilities	12,455.59	9,926.31
Reinsurance asset relating to Insurance contracts	(5,610.85)	(4,137.79)
<b>Net Insurance contract liabilities</b>	<b>6,844.74</b>	<b>5,788.52</b>

Gross Insurance contract liabilities	31 March 2025	31 March 2024
Gross Claims Outstanding	2,208.64	1,527.72
Gross IBNR	4,409.57	3,383.83
Gross Premium deficiency Reserve	-	-
Gross Reserve for unexpired risks	5,837.37	5,014.77
<b>Gross Insurance contract liabilities</b>	<b>12,455.58</b>	<b>9,926.32</b>

Reinsurance asset relating to Insurance contracts	31 March 2025	31 March 2024
Reinsurance of Claims Outstanding	1,067.66	760.38
Reinsurance of IBNR	1,915.69	1,201.85
Reinsurance of Premium deficiency Reserve	-	-
Reinsurance of Reserve for unexpired risks	2,627.50	2,175.55
<b>Reinsurance of Insurance contract liabilities</b>	<b>5,610.85</b>	<b>4,137.78</b>

# Edelweiss Financial Services Limited

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 59. Key disclosures related to General Insurance business (Zuno General Insurance Limited (ZGIL)) (Continued)

<b>Net Insurance contract liabilities</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Net Claims Outstanding	1,140.98	767.33
Net IBNR	2,493.88	2,181.98
Net Premium deficiency Reserve	-	-
Net Reserve for unexpired risks	3,209.87	2,839.22
<b>Net Insurance contract liabilities</b>	<b>6,844.73</b>	<b>5,788.53</b>
<b>Reconciliation of Claims Outstanding</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Gross Claims Outstanding at the beginning of year	1,527.72	701.63
Gross Change in claims reserve	680.93	826.09
<b>Gross Claims Outstanding at the end of year</b>	<b>2,208.65</b>	<b>1,527.72</b>
Reinsurance of Claims Outstanding at the beginning of year	760.38	210.79
Reinsurance of Change in claims reserve	307.28	549.59
<b>Reinsurance of Claims Outstanding at the end of year</b>	<b>1,067.66</b>	<b>760.38</b>
Net Claims Outstanding at the beginning of year	767.33	490.83
Net Change in claims reserve	373.65	276.50
<b>Net Claims Outstanding at the end of year</b>	<b>1,140.98</b>	<b>767.33</b>
<b>Reconciliation of Incurred but not reported (IBNR)</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Gross IBNR Outstanding at the beginning of year	3,383.83	2,374.56
Gross Change in IBNR reserve	1,025.74	1,009.27
<b>Gross IBNR Outstanding at the end of year</b>	<b>4,409.57</b>	<b>3,383.83</b>
Reinsurance of IBNR Outstanding at the beginning of year	1,201.85	796.40
Reinsurance of Change in IBNR reserve	713.84	405.45
<b>Reinsurance of IBNR Outstanding at the end of year</b>	<b>1,915.69</b>	<b>1,201.85</b>
Net IBNR Outstanding at the beginning of year	2,181.98	1,578.16
Net Change in IBNR reserve	311.90	603.82
<b>Net IBNR Outstanding at the end of year</b>	<b>2,493.88</b>	<b>2,181.98</b>
<b>Reconciliation of Premium deficiency Reserve</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Gross Premium deficiency Reserve Outstanding at the beginning of year	-	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>-</b>
Reinsurance of Premium deficiency Reserve Outstanding at the beginning of year	-	-
Reinsurance of Change in Premium deficiency reserve	-	-
<b>Reinsurance of Premium deficiency Reserve Outstanding at the end of year</b>	<b>-</b>	<b>-</b>
Net Premium deficiency Reserve Outstanding at the beginning of year	-	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>-</b>
<b>Reserve for unexpired risks</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Gross Reserve for unexpired risks Outstanding at the beginning of year	5,014.77	2,658.50
Gross Change in Reserve for unexpired risks reserve	822.60	2,356.27
<b>Gross Reserve for unexpired risks Outstanding at the end of year</b>	<b>5,837.37</b>	<b>5,014.77</b>
Reinsurance of Reserve for unexpired risks Outstanding at the beginning of year	2,175.55	1,023.49
Reinsurance of Change in Reserve for unexpired risks reserve	451.95	1,152.06
<b>Reinsurance of Reserve for unexpired risks Outstanding at the end of year</b>	<b>2,627.50</b>	<b>2,175.55</b>
Net Reserve for unexpired risks Outstanding at the beginning of year	2,839.22	1,635.01
Net Change in Reserve for unexpired risks reserve	370.65	1,204.21
<b>Net Reserve for unexpired risks Outstanding at the end of year</b>	<b>3,209.87</b>	<b>2,839.22</b>

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements *(Continued)*

(Currency : Indian rupees in millions)

#### 59. Key disclosures related to General Insurance business (Zuno General Insurance Limited (ZGIL)) (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.

2024-25	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%	1,087.59	1,651.58	1,651.58	-
Ultimate Loss Ratio	(10.00)%	(1,087.59)	(1,651.58)	(1,651.58)	-
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)	-

**Edelweiss Financial Services Limited****Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

**Other Additional Regulatory Information****60 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.

**61 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.

**62 Wilful Defaulter**

The Group is not declared as wilful defaulter by any bank or financial Institution or other lender.

**63 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 2025	Balance Outstanding as on 31 March 2024
Aditi Financial Services	Payable	-	-	0.03
Suraj Petroleum	Receivable	-	2.90	2.94
Shri Sham Fisheries	Receivable	-	0.40	0.40
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
Four Seasons Hotel	Business Promotion	-	1.28	-
M M Enterprise	Repairs & Maintenance	-	0.67	-
Glossy Creations Private Limited	Receivable	-	3.20	-

**64** 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.

**Edelweiss Financial Services Limited****Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

**Other Additional Regulatory Information (Continued)****65 Utilisation of Borrowed funds and share premium****A)** During the year, the Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall :

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company/Group (Ultimate Beneficiaries); or
- (ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries

**(B)** During the year, the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (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

**66 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).

**67 Details of Crypto Currency or Virtual Currency**

The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

**68 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 2025**

Type of Borrowers	Amount of loan or advance in the nature of loan outstanding	Aggregate amount of loans / advances in nature of loans given during the year	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-	-
Directors	-	-	-
KMPs	-	3.00	-

**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	-

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

- 69 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.
- 70 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 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.
- 71 During the year, one of the subsidiary namely ECL Finance Limited (ECLF) has valued its security receipts based on IRAC loan norms and reassessed expected credit loss provision (ECL), resulting in a provision of ₹ 11,372 million in the financial statements through other comprehensive Income. Pursuant to regulatory inspection another subsidiary namely Edelweiss Asset Reconstruction Company Limited (EARC) has made a provision of ₹ 270 million against its security receipts. Consequently, the Group carried provision of ₹ 710 million and ₹ 9,020 million in the consolidated financial statements through its profit and loss and other comprehensive income respectively against the loan book.
- 72 The Board of Directors at their meeting held on 14 May 2025, 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 The Company has declared and paid the final dividend of ₹ 1.50 per equity share (on face value of ₹ 1 per equity share) for the financial year ended 31 March 2024, based on the approval of the members of the Company at the Annual General Meeting held on 27 September 2024.



## **Edelweiss Financial Services Limited**

### **Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

- 74** During the previous years, an investor subscribed to Security Receipts (SRs) issued by ARC trusts as a senior class investor. These SRs relate to certain loans sold by ECL Finance Limited, a subsidiary of the Company, to the ARC trusts. EFSL and another subsidiary, Edelweiss Securities and Investments Private Limited (ESIPL), have given a put option to the investor, guaranteeing the repayment of the total agreed payout comprising the invested amount and a minimum assured return after deducting any recoveries from the underlying assets during the period. Based on management's assessment and current cash flow projections from these assets, the likelihood of any payout under the put option is considered remote. Since the Group retains the associated risks and rewards, these investments are recognized as financial assets in the consolidated financial statements, and the corresponding expected credit loss has been accounted for accordingly.
- 75** During the year, ECap Equities Limited (Ecap), a wholly owned subsidiary of the Company, entered into an amended agreement. Under the revised terms, if the majority investors in a specific Alternative Investment Fund (AIF) do not achieve the agreed Internal Rate of Return (IRR), Ecap is obligated to either facilitate the sale of the underlying assets to a third-party buyer or acquire the assets itself to ensure the agreed IRR is delivered. Based on the management's assessment and current estimates of cash flows from the underlying assets, the likelihood of any shortfall requiring such a payout is considered remote. Since the Group retains the associated risks and rewards, these exposures are recognized as financial assets in the consolidated financial statements, and the corresponding expected credit loss has been duly recorded.
- 76** 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.
- 77** Change in valuation of credit impaired loans represents valuation movement of loans of consolidated ARC trusts.

## Edelweiss Financial Services Limited

### Notes to the consolidated financial statements (Continued)

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(Currency : Indian rupees in millions)

- 78** 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.
- 79** 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 Firms 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

**Vidya Shah**

Non-Executive Director

DIN : 00274831

**Ananya Suneja**

Chief Financial Officer

Mumbai, 14 May 2025

**Tarun Khurana**

Company Secretary

Membership No: 12344

Mumbai, 14 May 2025

## 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.

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Key audit matters	How our audit addressed the key audit matter
<b>Impairment of receivables from financing and other business</b> (as described in note 5.6, 12, 12.1, 13, 13.2 & 56.7 of the Consolidated Financial Statements)	
<p>The Group's impairment provision for receivables from financing business is based on the expected credit loss approach laid down under Ind AS 109.</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> <ol style="list-style-type: none"> <li>Staging of financial assets (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories);</li> <li>Grouping of the loan portfolio under homogenous pools in order to determine probability of default on a collective basis;</li> <li>Assigning internal rating grades to customers for which external rating is not available;</li> <li>Calibrating external ratings-linked probability of default to align with past default rates;</li> <li>Applying assumptions regarding the probability of various scenarios and discounting rates for different loan products;</li> <li>Estimation of management overlay for macro-economic factors bearing a correlation with the credit quality of the loans.</li> </ol> <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> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Performed procedures to test the inputs used in the ECL computation, on a sample basis.</li> <li>Tested assumptions used by the management in determining the overlay for macro- economic factors.</li> <li>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.</li> <li>Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.</li> <li>Read the report on ECL model reviewed by external consultant during the year.</li> </ol>

<b>IT systems and controls</b>	
<p>The reliability and security of IT systems play a key role in the financial reporting process of the Group. The Group's key financial accounting and reporting processes are highly automated, whereby any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.</p> <p>Therefore, the assessment of the general IT controls and the application controls specific to the accounting and preparation of financial information is considered to be a key audit matter.</p>	<p>The audit procedures assisted by our IT specialists, including those reported in the auditor's report of respective subsidiary companies, comprised the following:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>c) Tested the periodic review of access rights. Also tested requests of changes to systems for approval and authorization.</li> <li>d) In addition to the above, tested the design and operating effectiveness of certain automated controls that were considered as key internal controls.</li> <li>e) We have relied on SOC-2 type II report provided by vendor for oracle fusion to ensure compliance with audit trail.</li> <li>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.</li> </ul>

<b>Valuation of Investments in Security Receipts (SR) for Edelweiss Assets Reconstruction Company Limited</b> (as described in note 5.11, 13 & 55 of the Consolidated Financial Statements)	
<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>
<b>Consolidation of Trusts</b> (as described in note 4 of the Consolidated Financial Statements)	
<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>

<b>Valuation of Purchase or originated credit impaired assets (POCI)</b> (as described in note 12.1 of the Consolidated Financial Statements)	
<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 Rs. 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> <ul style="list-style-type: none"> <li>a) 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>b) Tested the operating effectiveness of the controls for collating the information for future recovery estimates and past collections records.</li> <li>c) Verified on a sample basis the calculation of the credit adjusted effective interest rate used for the purpose of discounting these assets.</li> <li>d) 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> </ul>

#### 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.

### **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.



- 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 Rs. 4,55,102.16 million as at March 31, 2024 and total revenues of Rs. 71,219.36 million and net cash inflow of Rs. 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.

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- 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 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 matters.

#### **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(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, 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.

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- (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;
- (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, as disclosed in the note 66(B) to the Consolidated 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

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

S. No.	Name	CIN	Holding / 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

4<sup>th</sup> Floor, Iconic Tower, Urmi Estate, 95 Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400013, India  
p: + 91 22 4474 3400

LLP Registration NO. AAJ-1379

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

**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.

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

**Edelweiss Financial Services Limited**  
**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		<b>47,623.61</b>	<b>67,441.12</b>
Equity attributable to Non-Controlling Interests		<b>12,869.24</b>	<b>11,021.19</b>
<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 Firms 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

Ananya Suneja  
Chief Financial Officer

Tarun Khurana  
Company Secretary  
Membership No: 12344

**Edelweiss Financial Services Limited**
**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>	43		
- Basic (₹)		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 Firms 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 &amp; Managing Director

DIN: 00008322

Venkatchalam Ramaswamy

Vice Chairman &amp; Executive Director

DIN : 00008509

Ananya Suneja

Chief Financial Officer

Tarun Khurana

Company Secretary

Membership No: 12344

Mumbai 14 May 2024

14 May 2024

	(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)
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 Firms 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

Ananya Suneja  
Chief Financial Officer

Tarun Khurana  
Company Secretary  
Membership No: 12344

Mumbai 14 May 2024

14 May 2024

## Edelweiss Financial Services Limited

### 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	As at
	31 March 2024	31 March 2023
<b>Balance at the beginning of the year</b>	<b>898.38</b>	898.20
Changes in Equity Share Capital due to prior period errors	-	-
<b>Restated balance at the beginning of the current year</b>	<b>898.38</b>	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>	<b>898.89</b>	898.38

1. Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Edelweiss Financial Services Limited standalone financial statements, these trusts are holding 44,896,780 number of equity shares amounting to ₹ 44.90 million (Previous year ₹ 44.90 million). These are treasury shares and deducted from total outstanding equity shares.

2. Refer note 30 for detailed quantitative information including investors holding more than 5% of equity share capital.

3. The above two Welfare Trust (s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.

## Edelweiss Financial Services Limited

## Consolidated Statement of changes in equity for the year ended 31 March 2024

CIN-L99999MH1995PLC094641

(Currency : Indian rupees in millions)

## B. Other equity

Particulars	Share application money pending allotment	Reserves and Surplus										Other Comprehensive Income					Total attributable to owners of the parent	Non-Controlling Interest	Total
		Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Employee Stock Options Plan (ESOP) reserve/Stock appreciation rights (SAR)	Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	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				
Balance as at 31 March 2022	-	8,026.45	187.87	29,557.82	761.58	7,048.56	575.42	717.15	3,543.64	2,079.49	9,955.45	(37.82)	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	6.04	162.55	-	-	29.14	197.73	(11.96)	185.77	
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	3,447.67	162.55	-	-	29.14	3,639.36	601.98	4,241.34	
Dividends to equity shareholders	-	-	-	-	-	-	-	-	-	-	(1,325.35)	-	-	-	-	(1,325.35)	-	(1,325.35)	
Transfers to securities premium on exercise of ESOP & SAR	-	-	-	23.28	(23.28)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Issue of equity instruments on ESOP & SAR	(1.65)	-	-	1.47	-	-	-	-	-	-	-	-	-	-	-	(0.18)	-	(0.18)	
Share application money received	1.65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.65	-	1.65	
ESOP charge	-	-	-	-	32.21	-	-	-	-	-	-	-	-	-	-	32.21	-	32.21	
SAR charge	-	-	-	-	108.81	-	-	-	-	-	-	-	-	-	-	108.81	-	108.81	
Reversal on account of lapses of ESOP & SAR	-	-	-	-	(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 Debtenture 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	-	-	-	-	-	-	-	-	-	-	(305.57)	(4.21)	-	-	-	(309.78)	(129.83)	(439.61)	
Balance as at 31 March 2023	-	8,026.45	287.87	29,582.57	698.72	7,463.98	607.55	717.15	3,074.01	2,342.26	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	-	-	-	-	-	-	-	-	-	-	(16.17)	(62.47)	-	125.41	1,050.66	1,097.43	361.52	1,458.95	
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	4,190.83	(62.47)	-	125.41	1,050.66	5,304.43	1,434.99	6,739.42	
Dividends to equity shareholders	-	-	-	-	-	-	-	-	-	-	(1,110.47)	-	-	-	-	(1,110.47)	-	(1,110.47)	
Transfers to securities premium on exercise of ESOP & SAR	-	-	-	24.65	(24.65)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Issue of equity instruments on ESOP & SAR	(17.14)	-	-	16.63	-	-	-	-	-	-	-	-	-	-	-	(0.51)	-	(0.51)	
Share application money received	19.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19.39	-	19.39	
ESOP charge	-	-	-	-	9.60	-	-	-	-	-	-	-	-	-	-	9.60	-	9.60	
SAR charge	-	-	-	-	36.42	-	-	-	-	-	-	-	-	-	-	36.42	-	36.42	
Reversal on account of lapses of ESOP & SAR	-	-	-	-	(121.16)	-	-	-	-	-	-	-	-	-	-	(121.16)	-	(121.16)	
ESOP & SAR charges transferred to reserves	-	-	-	-	(226.87)	-	-	-	-	-	-	-	-	-	-	(226.87)	-	(226.87)	
Transfer Under 45-IC of the Reserve Bank of India Act, 1934	-	-	-	-	-	482.62	-	-	-	-	(482.62)	-	-	-	-	-	-	-	
Transfer Under 29C of the National Housing Bank Act, 1987	-	-	-	-	-	-	38.60	-	-	-	(38.60)	-	-	-	-	-	-	-	
Transfer under Impairment reserve	-	-	-	-	-	-	-	-	-	(125.41)	125.41	-	-	-	-	-	-	-	
Transfer under Debtenture 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 75)	-	-	-	-	-	-	-	-	-	-	(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	
Balance as at 31 March 2024	2.25	8,026.45	287.87	29,623.85	372.06	7,946.60	646.15	717.15	2,688.01	2,216.85	(8,746.83)	31.86	3,368.17	(1,574.59)	1,118.87	46,724.72	12,869.24	59,593.96	

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 &amp; Co. LLP

Chartered Accountants

ICAI Firms Registration Number: 002391C/N500069

For and on behalf of the Board of Directors of

Edelweiss Financial Services Limited

Jaspreet Singh Bedi  
Partner  
Membership No: 601788Rashesh Shah  
Chairman & Managing Director  
DIN: 00008322Venkatchalam Ramaswamy  
Vice Chairman & Executive Director  
DIN : 00008509Ananya Suneja  
Chief Financial OfficerTarun Khurana  
Company Secretary  
Membership No: 12344

Mumbai 14 May 2024

14 May 2024

# Notes to the consolidated financial statements

## 1. Corporate Information

Edelweiss Financial Services Limited (the Holding Company), Public Limited company domiciled in India, and incorporated on 21st 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:

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<sup>1</sup>Refer note 57

## Notes to the consolidated financial statements (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:**

- a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill, refer note no 5.25
- c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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.



## Notes to the consolidated financial statements (continued)

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.

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.

## Notes to the consolidated financial statements (continued)

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.

### **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.

## Notes to the consolidated financial statements (continued)

### 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
- 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.

All other financial assets are initially measured at fair value and subsequently measured at FVTPL.

## Notes to the consolidated financial statements (continued)

### 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.

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.

## Notes to the consolidated financial statements (continued)

### 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.

### 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.

## Notes to the consolidated financial statements (continued)

### **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.

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.

## Notes to the consolidated financial statements (continued)

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.

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.

## Notes to the consolidated financial statements (continued)

### 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.

### 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.



## Notes to the consolidated financial statements (continued)

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.

### 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.

## Notes to the consolidated financial statements (continued)

### 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.

### 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.

## Notes to the consolidated financial statements (continued)

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.

### 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.

## Notes to the consolidated financial statements (continued)

- 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.
- 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.

## Notes to the consolidated financial statements (continued)

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.

### 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 (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 (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.

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.

## Notes to the consolidated financial statements (continued)

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

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.



## Notes to the consolidated financial statements (continued)

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 been 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.

### 5.22 Provisions and other contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

## Notes to the consolidated financial statements (continued)

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.

#### 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

## Notes to the consolidated financial statements (continued)

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.

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.

## Notes to the consolidated financial statements (continued)

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.

### 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 exists. 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.

## Notes to the consolidated financial statements (continued)

### 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.

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

###### o 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 (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.

#### **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.

## Notes to the consolidated financial statements (continued)

### **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.

### **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.

## Notes to the consolidated financial statements (continued)

- 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
- 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.

- 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.



## Notes to the consolidated financial statements (continued)

- Reserve for Unexpired Risk

Reserve for unexpired risk represent that part of net written premium which is attributable to and allocated to the succeeding accounting periods. Reserve for unexpired risk is calculated on net written premium on all unexpired policies at the balance sheet date based on 1/365th method for all segments, other than Health insurance policies with Health 241 Add ON cover. In Marine Hull business it is subject to a minimum of 100%.

In 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 1/365th 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:

- a. 1/730 basis where there is no claim reported in the 1<sup>st</sup> year of policy
- b. 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.

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.

## Notes to the consolidated financial statements (continued)

- 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.

##### **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.

## Notes to the consolidated financial statements (continued)

### 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.

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.

## Notes to the consolidated financial statements (continued)

For Investments made into Security receipts (SRs), Group uses discounted cash flow model, given that the SRs are less liquid instruments. Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, nature and value of collaterals, manner of resolution and other economic drivers. For any valuation which are based on models, Judgements and estimates are applied, which include considerations of liquidity, credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

### **b. Impairment of financial assets**

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

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

- a. PD calculation includes historical data, assumptions and expectations of future conditions.
- b. 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.
- c. The segmentation of financial assets when their ECL is assessed on a collective basis.
- d. Development of ECL models, including the various formulas and the choice of inputs.
- e. Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD
- f. Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

### **c. Effective interest rate method**

The Group's EIR methodology, as explained in Note 5.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

### **d. Accounting for deferred taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has recognised deferred tax assets on carried forward tax losses with respect to certain subsidiaries where the Group believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried forward to the years in which the Group expects that there will be sufficient taxable profits to offset these losses.

## Notes to the consolidated financial statements (continued)

### **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 (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) (held as margin money or security against borrowings, debt securities and guarantees)	9,565.99	9,522.32
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 (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)
(i) <b>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>		53.05		-
(ii) <b>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>		195.61		21.97
(iii) <b>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>		327.85		231.16
(iv) <b>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>		316.26		249.79
(v) <b>Embedded derivatives</b>				
In market linked debentures	-	299.64	-	652.91
<b>Subtotal (v)</b>		299.64		652.91
(vi) <b>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>Total</b>		1,192.41		1,155.83

## Notes to the consolidated financial statements (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)
(i) Currency derivatives				
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)
Sub total (i)		56.48		1.85
(ii) Interest rate derivatives				
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)
Subtotal (ii)		140.62		23.96
(iii) Equity linked derivatives				
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)
Subtotal (iii)		1.53		18.65
(iv) Index linked derivatives				
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)
Subtotal (iv)		105.23		287.47
(v) Embedded derivatives				
In market linked debentures	-	475.14	794,600,000	443.79
Subtotal (v)		475.14		443.79
(vi) Commodity derivatives				
Commodity Futures	-	-	21,100	0.27
Less: amounts offset (refer note 10.1)	-	-	(21,100)	(0.27)
Subtotal (vi)		-		-
Total		779.00		775.72

0.00 million indicates amount less than ₹ 0.01 million

### Notes

- Notional amounts in the above tables refer to number of underlying equity shares in case of stock futures and options, number of underlying index units in case of index-linked derivatives, number of underlying currency units in case of currency derivatives, number of underlying government securities / bonds in case of interest rate futures, amount of notional currency in case of interest rate swaps.
- Group has designed a risk based strategy to cover exposure on issued Benchmarked Linked Debentures, by entering into a derivative contracts either to minimise the loss or to earn a minimum committed income by entering into a combination of derivative contracts (say for example purchased call and put options) with a wide range of strike prices. Above strategy has been approved by the risk committee of respective subsidiary Companies in the Group and ensures that risk is fully or partially covered, which supports to reduce the risk exposure.



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 10.1 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*	Net asset recognised in balance sheet	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised in the balance sheet	Recognised in the balance sheet	After consideration of netting potential
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
Margin placed with broker	788.64	(46.03)	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	Amount offset*	Net liability recognised in balance sheet	Financial assets	Collateral paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial liabilities	1,250.32	94.49	1,155.83	21.98	-	1,133.85	-	1,155.83	1,133.85

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*	Net asset recognised in balance sheet	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised in the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial assets	907.67	128.67	779.00	23.96	59.40	814.44	-	779.00	814.44
Margin placed with broker	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	Amount offset*	Net liability recognised in balance sheet	Financial assets	Collateral paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial liabilities	1,383.78	608.06	775.72	23.96	-	751.76	-	775.72	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 (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	Outstanding for following periods from due date of receipt					
Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	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>

As at 31 March 2023	Outstanding for following periods from due date of receipt					
Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	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 (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>
Loans in India								
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>
Loans outside India	-	-	-	-	-	-	-	-
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 (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>	POCI	Total	Stage I	Stage II	Stage III <sup>1</sup>	POCI	Total
<b>Performing</b>										
High grade	42,771.90	-	-	-	42,771.90	47,843.81	-	-	-	47,843.81
Standard grade	-	4,849.17	-	-	4,849.17	-	24,765.98	-	-	24,765.98
<b>Non-performing</b>										
Impaired	-	-	96,040.38	36,293.95	132,334.33	-	-	131,547.15	17,966.05	149,513.20
<b>Total</b>	<b>42,771.90</b>	<b>4,849.17</b>	<b>96,040.38</b>	<b>36,293.95</b>	<b>179,955.40</b>	<b>47,843.81</b>	<b>24,765.98</b>	<b>131,547.15</b>	<b>17,966.05</b>	<b>222,122.99</b>

#### Gross carrying amount and corresponding ECL reconciliation – Loans

Particulars	Non-credit impaired				Credit impaired		POCI	Total	
	Stage I		Stage II		Stage III		POCI		
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL <sup>2</sup>	Carrying amount (Net of Allowance for ECL)	Gross carrying amount	Allowance for ECL
<b>Balance at 31 March 2022</b>	<b>59,440.91</b>	<b>586.54</b>	<b>43,162.84</b>	<b>3,797.47</b>	<b>123,685.28</b>	<b>36,877.85</b>	<b>12,587.17</b>	<b>238,876.20</b>	<b>41,261.86</b>
Effect of acquisitions made during the year									
Transfers:									
Transfers to 12 Month ECL (Stage 1)	1,272.03	107.74	(828.06)	(47.53)	(443.97)	(60.21)	-	-	-
Transfers to lifetime ECL (Stage 2)	(5,649.88)	(86.43)	6,142.63	157.87	(492.75)	(71.44)	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(638.02)	(7.78)	(3,272.95)	(1,092.35)	3,910.97	1,100.13	-	-	-
Net re-measurement of ECL arising from transfer of stage	-	(80.59)	-	990.52	-	1,580.24	-	-	2,490.17
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	8,987.34	5,378.88	(16,753.21)	7,479.77
<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>	<b>48,413.91</b>	<b>17,966.05</b>	<b>222,122.99</b>	<b>51,231.80</b>
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 (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 <sup>1</sup>	-	-	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 (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)
Gross carrying amount - opening balance	24,727.26	-	-	-
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>

##### Reconciliation of gross carrying amount and corresponding ECL for investments measured at FVOCI

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)
Gross carrying amount - opening balance	20,563.92	-	-	-
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>

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 13. Investments (Continued)

#### 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>

#### Reconciliation of gross carrying amount for investments measured at amortised cost

As at 31 March 2024				
Particulars	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>

As at 31 March 2023				
Particulars	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 (Continued)

(Currency : Indian rupees in millions)

### 14. Other financial assets

Particulars	As at	As at
	31 March 2024	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	As at
	31 March 2024	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	As at
	31 March 2024	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 (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	Impairment charge / (reversals) for the year	Charge for the year	Deductions/ adjustments during the year	As at 31 March 2024	As at 31 March 2024
<b>Investment Property</b>										
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	4.20	497.92	1,359.25
<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>4.20</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	Impairment charge / (reversals) for the year	Charge for the year	Deductions/ adjustments during the year	As at 31 March 2023	As at 31 March 2023
<b>Investment Property</b>										
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	1,630.71
<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>18.27</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 (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 the year	Deductions/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	8,505.31
Leasehold Premises	59.29	15.15	2.90	71.54	38.80	11.85	2.92	47.73	23.81
Plant and Equipment	304.99	63.64	71.34	297.29	242.64	35.89	63.16	215.37	81.92
Furniture and Fixtures	313.71	2.40	4.24	311.87	179.12	33.75	3.44	209.43	102.44
Vehicles	14.65	-	1.98	12.67	9.20	2.00	2.67	8.53	4.14
Office equipment	208.03	16.03	5.43	218.63	178.91	14.42	10.84	182.49	36.14
Vessel (Boat)	4.84	-	-	4.84	0.66	0.35	-	1.01	3.83
Computers	409.04	143.52	64.11	488.45	290.21	97.83	45.31	342.73	145.72
Solar Power Equipment	62.03	-	1.95	60.08	43.32	3.38	1.45	45.25	14.83
Total (A)	12,932.18	442.45	444.48	12,930.15	3,052.31	701.13	(21.78)	3,775.22	9,154.93
b) Intangibles									
Software	2,516.37	469.16	719.32	2,266.21	1,880.36	330.05	719.32	1,491.09	775.12
Trademark/ Design and Copyright/Asset Management Rights	709.05	-	-	709.05	60.00	-	-	60.00	649.05
Total (B)	3,225.42	469.16	719.32	2,975.26	1,940.36	330.05	719.32	1,551.09	1,424.17
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	530.62
Total (A+B+C)	17,691.73	1,621.93	1,662.54	17,651.12	6,078.67	1,246.23	783.50	6,541.40	11,109.72

\*\* 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 (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	Deductions/adjustments during the year	As at 31 March 2023	As at 01 April 2022	Charge for the year	Deductions/adjustments during the year	As at 31 March 2023	As at 31 March 2023
a) Property, Plant and Equipments									
Land*	236.79	-	-	236.79	-	-	-	-	236.79
Flat and Building*	11,312.42	6.39	-	11,318.81	1,305.27	764.18	-	2,069.45	9,249.36
Leasehold Premises	62.66	9.09	12.46	59.29	40.58	11.43	13.21	38.80	20.49
Plant and Equipment	303.27	28.31	26.59	304.99	180.71	86.05	24.12	242.64	62.35
Furniture and Fixtures	279.90	40.06	6.25	313.71	151.03	33.72	5.63	179.12	134.59
Vehicles	11.87	6.00	3.22	14.65	7.27	3.11	1.18	9.20	5.45
Office equipment	235.71	13.83	41.51	208.03	202.33	15.61	39.03	178.91	29.12
Vessel (Boat)	4.84	-	-	4.84	1.27	0.45	1.06	0.66	4.18
Computers	442.13	104.77	137.86	409.04	413.79	3.73	127.31	290.21	118.83
Solar Power Equipment	62.03	-	-	62.03	39.18	4.14	-	43.32	18.71
Total (A)	12,951.62	208.45	227.89	12,932.18	2,341.43	922.42	211.54	3,052.31	9,879.87
b) Intangibles									
Software	2,048.73	478.17	10.53	2,516.37	1,503.61	383.32	6.57	1,880.36	636.01
Trademark/ Design and Copyright/Asset Management Rights	709.05	-	-	709.05	50.00	10.00	-	60.00	649.05
Total (B)	2,757.78	478.17	10.53	3,225.42	1,553.61	393.32	6.57	1,940.36	1,285.06
c) Right to use (ROU) assets	1,349.56	218.06	33.49	1,534.13	887.98	201.30	3.28	1,086.00	448.13
Total (A+B+C)	17,058.96	904.68	271.91	17,691.73	4,783.02	1,517.04	221.39	6,078.67	11,613.06

\*pledged against debt securities and borrowings.

#### Notes

- The Group management approved revaluation of owned flats and buildings classified under property, plant and equipment after assessing the valuation made by duly appointed independent valuer. These valuations are determined basis open market values of similar property and its intrinsic value.
- 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 (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.

### 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	324.65
<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 (*Continued*)

(Currency : Indian rupees in millions)

### 20. Goodwill on consolidation

Particulars	As at	As at
	31 March 2024	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.

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 21. Other non-financial assets

Particulars	As at	As at
	31 March 2024	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	As at
	31 March 2024	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>

#### 22.1 Trade payables ageing schedule

As at 31 March 2024	Outstanding for following periods from due date of payment						
Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(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						
Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(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 (Continued)

(Currency : Indian rupees in millions)

### 23. Debt securities

Particulars	As at 31 March 2024	As at 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.

#### 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.

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 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>

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 (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 (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>

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)

	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 :

1. 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.

2. 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.

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 Urvis 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 Urvis 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>

D. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	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>

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 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.

#### 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 recognise impairment reserves where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning)

#### 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 (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>

### 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>

**Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

**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 (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 (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 *(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:

As at 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)
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>

As at 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)
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 (Continued)

(Currency : Indian rupees in millions)

## 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		Total	MAT Credit	
			Amount	Expiry year- financial year	Amount	Expiry year- financial year	Amount	Expiry year- financial year	Amount	Expiry year- financial year	Amount	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	23.59	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	-	-
Total	14,511.83		785.03		3,472.30		657.53		35,790.16		40,705.02	297.68	

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		Total	MAT Credit	
			Amount	Expiry year- financial year	Amount	Expiry year- financial year	Amount	Expiry year- financial year	Amount	Expiry year- financial year	Amount	Amount	Expiry year- financial year
FY 2022-23	2,683.68	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	23.59	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	-	-
Total	14,928.17		963.11		3,472.30		657.53		34,158.51		39,251.45	236.29	

## Notes to the consolidated financial statements (*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

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 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

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

1. Segment revenue includes share in profit/(loss) in associates.

2. Non-cash expenditure aggregated to ₹ 2,801.25 million for the year ended 31 March 2024 (Previous Year ₹ 10,338.41 million)

## Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

### 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
Securitisations		
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 (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			
	Securitisation trusts	Alternative Investment Funds	Total	Maximum exposure <sup>1</sup>
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			
	Securitisation trusts	Alternative Investment Funds	Total	Maximum exposure <sup>1</sup>
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 (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	As at
	31 March 2024	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	For the year ended
	31 March 2024	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 parent	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

Edelweiss Tokio life insurance Company Limited	As at	As at
	31 March 2024	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	For the year ended
	31 March 2024	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 parent	(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

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

**47. Disclosure of interest in other entities (continued):**

**2. Details of associate\***

<b>Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited - (Consolidated upto 30 March 2023))</b>		
	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
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
<b>Particulars</b>	<b>For the year ended 31 March 2024</b>	<b>For the year ended 30 March 2023</b>
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



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 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>

##### 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 (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	
Sensitivity Level	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	
Sensitivity Level	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 (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>
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>

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 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 (*Continued*)

(Currency : Indian rupees in millions)

### 51. Contingent liabilities, commitments and leasing arrangements:

#### 51.1 Contingent liabilities and commitments

##### a) Contingent liabilities

- o Taxation matters in respect of which appeal is pending ₹ 1,590.49 million (Previous year: ₹ 1,108.10 million).
  - o 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	As at
	31 March 2024	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>4,138.27</b>

##### b) Commitments

- o Undrawn committed credit lines subject to meeting of conditions, ₹ 2,509.83 million as at balance sheet date (Previous year: ₹ 2,611.20)
- o Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 92.43 million (Previous year: ₹ 96.25)
- o Uncalled liabilities on investments ₹ 4,004.49 million (Previous year: ₹ 11,196.11 million).

## Notes to the consolidated financial statements (*Continued*)

(Currency : Indian rupees in millions)

### 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)
Closing balance as at	1,094.83	554.08

- 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

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 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. Rashes Shah  
Mr. Venkatchalam Ramaswamy  
Ms. Vidya Shah  
Ms. Aparna T.C.

#### (B) Key Management Personnel

Mr. Rashes 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

#### (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 30th 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 (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 31 March 2024	For the year ended 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. 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 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
		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
4	Interest income on loan from	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. Venkatchalam Ramaswamy	67.15	64.42
		Ms. Vidya Shah	36.53	-
		Mr. Tarun Khurana	13.05	11.11
		Ms. Ananya Suneja	30.98	25.11
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



## Notes to the consolidated financial statements (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 31 March 2024	For the year ended 31 March 2023
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 employee	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
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
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



## Notes to the consolidated financial statements (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 31 March 2024	For the year ended 31 March 2023
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
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

## Notes to the consolidated financial statements (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 31 March 2024	For the year ended 31 March 2023
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
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 (*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	As at
	31 March 2024	31 March 2023
Total Debt	202,484.18	217,360.48
Equity	60,492.85	78,462.31
Net Debt to Equity	3.35	2.77

Total debt = Debt securities + Borrowings (other than debt securities) + Deposits + Subordinated Liabilities

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 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.

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 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

#### 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*	<b>4,859,570</b>	<b>2,254,725</b>	<b>7,114,295</b>	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 (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 (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
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.

#### 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

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 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

#### 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.

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 (Continued)

(Currency : Indian rupees in millions)

### 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>				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	522.00	4.40	-	<b>526.40</b>
OTC derivatives	-	71.01	-	<b>71.01</b>
Embedded derivative liabilities in market-linked debentures	-	-	652.91	<b>652.91</b>
Non convertible debentures issued	-	-	5,006.41	<b>5,006.41</b>
Short sales	246.59	-	-	<b>246.59</b>
<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>				
Derivative financial instruments (liabilities):				
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.

#### 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

#### 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.

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 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 financial 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
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.

### 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>	<b>21,089.05</b>	<b>36,189.49</b>	<b>4,643.08</b>	<b>15,520.25</b>	<b>2,645.09</b>	<b>475.14</b>	<b>-</b>	<b>443.79</b>	<b>6,282.80</b>
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>	<b>26,039.25</b>	<b>1,546.27</b>	<b>128.94</b>	<b>11,063.26</b>	<b>47,099.41</b>	<b>299.64</b>	<b>-</b>	<b>652.91</b>	<b>5,006.41</b>
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>	<b>33,406.65</b>	<b>4,217.61</b>	<b>3,023.81</b>	<b>8,629.24</b>	<b>3,361.82</b>	<b>20.80</b>	<b>63.87</b>	<b>1,556.41</b>	<b>7,887.95</b>
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>	<b>21,089.05</b>	<b>36,189.49</b>	<b>4,643.08</b>	<b>15,520.25</b>	<b>2,645.09</b>	<b>475.14</b>	<b>-</b>	<b>443.79</b>	<b>6,282.80</b>
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 (Continued)  
(Currency : Indian rupees in millions)

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	₹ 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)
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	5%	2.00	5%	(2.00)
			₹ 100 to ₹ 214,140 per NCD	5%	4.45	5%	(4.45)
Embedded derivatives in market-linked debentures issued (Assets/ liability) (net)	Fair value of index	Index levels	-	5%	(17.66)	5%	17.66
	Fair value using Black Scholes model or Monte Carlo approach based on	Nifty level	-	5%	-	5%	-
Debt Securities (Liability)	Discounted projected cash flow	Cash Flow	-	-	2.56	-	(2.56)
		Discount rates	12%	0.50%	-	0.50%	-

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

**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	₹ 349,615.97 million	5%	638.02	5%	(1,487.80)
		Discount rates	12% to 39.74%	50 basis point	(695.70)	50 basis point	(741.51)
Investments in units of AIF	Net Asset approach	Fair value of underlying investments	₹ 11,028.46 million	5%	551.42	5%	(551.42)
			NAV per unit ₹ 10.4 - ₹ 195704.00	5%	11.15	5%	(11.15)
			NAV per unit ₹ 508.52 - ₹ 107,284.00	5%	68.60	5%	(68.60)
			₹ 26 to ₹ 28 per Unit	5%	6.56	5%	(6.56)
					451.13		(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	5%	0.79	5%	(0.79)
			₹ 42.85 per share	5%	9.03	5%	(9.03)
			₹ 188 to ₹ 157,330 per share	5%	25.76	5%	(25.76)
			₹ 1 to ₹ 161 per share	5%	0.00	5%	(0.00)
			₹ 1 to ₹ 157,330 per share	5%	29.52	5%	(29.52)
			₹ 100 to ₹ 215,000 per share	5%	20.39	5%	(20.39)
			₹ 1817 to ₹ 2,239 per share	5%	324.45	5%	(324.45)
			₹ 3,121 per unit	5%	9.61	5%	(9.61)
			₹ 2,238 per unit	5%	1,381.75	5%	(1,381.75)
			₹ 1,080 per share	5%	0.05	5%	(0.05)
Loans classified as FVTPL	Comparable transaction and P/E	Discounting rate	15% - 20%	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets docs not have a significant impact in its value	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets docs not have a significant impact in its value
Debt investments classified at FVTPL	Discounted cash flow	Expected future cash flows	₹ 376,333 to ₹ 10,000,000 per NCD	5%	224.82	5%	(224.82)
	Comparable transaction and P/E	Fair value per instrument	₹ 6,667 to ₹ 10,000 per NCD	5%	2.75	5%	(2.75)
	Fair value of index	Price per debenture	₹ 100 to ₹ 215,000 per debenture	5%	4.56	5%	(4.56)
Embedded derivatives in market-linked debentures issued (Assets/ liability) (net)	Fair value of index	Index levels	-	5%	8.66	5%	(8.66)
	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Nifty level	₹ 79,212.00 million	5%	-	5%	-
Debt Securities (Liability)	Discounted projected cash flow	Cash Flow	₹ 96,571 million	-	-	-	-
		Discount rates	12%	0.50%	-	0.50%	-

## Notes to the consolidated financial statements (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:

- o Capital
- o Agency
- o Insurance (Life and General)
- o Asset reconstruction
- o 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
  - o **Respective Businesses** - the first line of defence; they own and manage risks and are responsible for implementation of the risk management framework
  - o **Business Risk teams** - the second line of defence; they are responsible for overseeing risk events and defining the risk management framework
  - o **Internal audit** - the third line of defence; they provide independent assurance of risk management framework implementation
2. **Board and Executive level Committees** - for overseeing the risk management. The current Risk Management Committees are
  - o Board Risk Committee
  - o Investment and Credit Committees

The Board Risk Committee is the overseeing body for Risk Management. The Committee meets at regular intervals to review the risk profile of the Company.

The Investment and Credit Committee serve as the nodal bodies for all credit related decisions. Respective businesses have formulated its own Investment and Credit Committees depending upon the scale of the exposure.

#### Risk management framework

The businesses in the Group have a Risk Framework, which describes the risk management approach and provides clear accountability for managing risk considered appropriate for the Business. The framework is subject to continuous evaluation based on existing internal as well external environment.

The current risk framework covers :

- o Business Risk
- o Credit Risk
- o Market Risk
- o Liquidity Risk
- o Regulatory Risk
- o Reputation Risk
- o Technology Risk
- o Operational and Process Risk
- o Fraud Risk
- o People Risk
- o Physical Infrastructure Risk

The Businesses in the Group use different types of tools and techniques for mitigating risk, depending upon the type of risk and quantum. For example:

- o Financial risks are mitigated through counterparty and client assessment before any exposure is taken, and defined product/program level risk limits to ensure exposure does not exceed risk appetite. The Committee based approval mechanism is adopted to ensure that high exposures are approved with adequate representation and that there is no bias in approvals.
- o Non-financial risks viz technology, operational, fraud, etc. are mitigated through process documentation defining clear ownership for each activity, having adequate system/process level controls like maker-checker, reconciliation, testing and reviews.
- o Enterprise level risks viz. reputation, compliance, regulatory, etc. are controlled through policies and framework, educating employees through training and risk socialisation sessions.

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 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.
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:

- o Risk Management Committee
- o Audit Committee
- o Investment Committee
- o Policyholder protection Committee

The Risk Management Committee is responsible for periodic review of the risk management process to ensure that the process initiatives are aligned to the desired objectives. 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:

- o Underwriting Policy
- o Investment Policy
- o Asset Liability Management Policy
- o Reinsurance Program
- o Information Security Policy
- o Outsourcing Policy
- o Anti Fraud Policy
- o Financial authority Matrix

#### Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the 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.

#### Asset liability management (ALM) framework

The ALM policy adopted by ZGIL helps in:

- o Understanding all risks requiring the coordination of assets and liabilities
- o Quantify interest rate risks and equity risks
- o Quantify the extent of mismatch between the assets and liabilities and thereby prescribe appropriate measures to bridge the gap

#### 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.

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 56.4. Risk management framework of General Insurance (Zuno General Insurance Limited "ZGIL") (Continued)

#### 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.

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 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.

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 (*Continued*)

(Currency : Indian rupees in millions)

### 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
- 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.

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 (Continued)

(Currency : Indian rupees in millions)

### 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.

#### 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 13th 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

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.

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 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.

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:

- o An unbiased and probability weighted amount that evaluates a range of possible outcomes;
- o Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;
- o The time value of money.

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

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 56.7. Credit risk (Continued)

#### 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;

1. Whether there is actual or expected significant change in the credit situation which entails significant increase in credit risk.
2. Whether there is existing or forecasted adverse changes in borrower's business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
3. Whether there are any significant changes in the expected performance and behaviour of the borrower.
4. Whether there are expected changes in the loan documentation, including an expected breach of contract that might lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the loan.

Reasonable and supportable information that is forward-looking and that is available without undue cost or effort is used by management to assess changes in credit risk. However, considering that the current economic situation is continuously evolving, the management shall apply on regular basis any 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:

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

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.

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.

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 56.7. Credit risk (Continued)

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.

#### Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Business in the Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

#### 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.

#### 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 (Continued)

(Currency : Indian rupees in millions)

### 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>			
Loans:			
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 (Continued)

(Currency : Indian rupees in millions)

### 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

	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	-	-	-	-
<b>Total financial assets at amortised cost</b>	<b>96,040.38</b>	<b>33,764.99</b>	<b>62,275.39</b>	<b>76,105.26</b>
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

	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
<b>Total financial assets at amortised cost</b>	<b>131,570.09</b>	<b>48,417.37</b>	<b>83,152.72</b>	<b>93,943.12</b>
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 (Continued)

(Currency : Indian rupees in millions)

### 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 2024

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.

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 (Continued)**  
(Currency : Indian rupees in millions)

**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
Lease liabilities	-	-	-	-	-	-
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 (Continued)

(Currency : Indian rupees in millions)

### 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.

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 (Continued)

(Currency : Indian rupees in millions)

### 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.

31 March 2024						
Impact on	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5.00	464.34	-	5.00	(464.34)	-
Others	5.00	1,742.81	1.82	5.00	(1,742.81)	(1.82)

31 March 2023						
Impact on	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5.00	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.

31 March 2024						
Impact on	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5.00	273.53	-	5.00	(273.53)	-
Others	5.00	33.99	-	5.00	(33.99)	-

31 March 2023						
Impact on	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5.00	88.39	-	5.00	(88.39)	-
Others	5.00	33.88	-	5.00	(33.88)	-

#### 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.

31 March 2024						
Impact on	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)

31 March 2023						
Impact on	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)

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 57. Composition of the Group

Sr.	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%
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 1st 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 23rd 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 (Continued)

(Currency : Indian rupees in millions)

### 57. Composition of the Group (Continued)

Group stake in trusts			
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%
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%

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 57. Composition of the Group (Continued)

#### Group stake in trusts (Continued)

Trust Name	Country of Incorporation	Proportion of ownership interest as at 31 March 2024	Proportion of ownership interest as at 31 March 2023
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%
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 (Continued)

(Currency : Indian rupees in millions)

### 57. Composition of the Group (Continued)

#### Notes:

- a 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.
- b With effect from 1st 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.
- c 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.
- d 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.
- e 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.
- f 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.
- g 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.
- h 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.
- i 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 (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)
Parent									
	Edelweiss Financial Services Limited	90.31%	54,628.44	131.66%	6,952.13	(0.29)%	(4.27)	103.09%	6,947.86
Subsidiaries									
Indian									
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)
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	Edelgive 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 know 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 (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 total comprehensive Income	Amount (₹ in Millions)
Foreign									
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)
Controlled Trusts									
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
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



## Notes to the consolidated financial statements (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 total comprehensive Income	Amount (₹ in Millions)
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)
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
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

## Notes to the consolidated financial statements (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 total comprehensive Income	Amount (₹ in Millions)
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)
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 (Continued)

(Currency : Indian rupees in millions)

## 59. Key disclosures related to life insurance business (Edelweiss Tokio Life Insurance Company Limited (ETLU))

### 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	<b>78,433.60</b>	13,594.11	16,384.15	32,349.80	62,328.06
Health	-	-	75.34	<b>75.34</b>	-	-	70.46	70.46
Annuity	-	-	757.05	<b>757.05</b>	-	-	693.80	693.80
Pension	1,279.05	315.81	-	<b>1,594.86</b>	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	<b>1,164.43</b>	-	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	<b>14,776.65</b>	<b>16,666.24</b>	<b>33,114.06</b>	<b>64,556.95</b>	11,200.70	16,409.82	26,492.09	54,102.61
Add/(Less)								
Premium	5,864.69	3,641.06	9,752.85	<b>19,258.60</b>	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	<b>9,812.75</b>	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)	<b>(6,895.55)</b>	(1,840.73)	(493.71)	(2,977.72)	(5,312.16)
Insurance liabilities released	(612.85)	(4,750.88)	(398.50)	<b>(5,762.23)</b>	(172.28)	(2,605.58)	(780.69)	(3,558.55)
Undistributed Participating Policyholders surplus (UPPS)	74.08	-	-	<b>74.08</b>	95.34	-	-	95.34
Change in other Liabilities	(7.75)	(64.29)	(111.71)	<b>(183.75)</b>	(223.59)	(47.35)	(210.13)	(481.07)
Gross Liability at the end of the year	<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>

## Notes to the consolidated financial statements (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
Additions						
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

#### 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.

## Notes to the consolidated financial statements (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

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..

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.

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	227% (Without MAD)*	230% (Without MAD)*
	Min	30% (Without MAD)	28% (Without MAD)
Discount/ interest rates***	Max	8% (Without MAD)	8% (Without MAD)
	Min	7.25% (Without MAD)	7.25% (Without MAD)
Expense****	Max	10,775 (INFL @ 5%) (without MAD) 21 (INFL @ 5%) (without MAD) for micro Insurance plan	10262 (INFL @ 5%) (without MAD) 20 (INFL @ 5%) (without MAD) for micro Insurance plan
	Min	319 (INFL @ 5%) (without MAD) 13 (INFL @ 5%) (without MAD) for micro Insurance plan	304 (INFL @ 5%) (without MAD) 13 (INFL @ 5%) (without MAD) for micro Insurance plan
MAD*		Mortality: Mortality: 15%;	Mortality: Mortality: 10%; additional 5% MAD to cater COVID-19 pandemic risk
		Interest: 72.5 - 575 bps	Interest: 78 - 575 bps
		Expenses: 10%	Expenses: 10%

\* Margin for Adverse Deviation (MAD) is over and above the base rate mentioned above.

\*\* Mortality rates (excluding annuity products) are expressed as % of Indian Assured Lives Mortality (2012-14) and for annuity it is expressed as % of IIAM 12-15 - Indian Individual Annuitant Mortality Table (2012-15). Further in Annuity plans, Mortality improvement of 1% per annum till attained age of 64 and 0.5% per annum thereafter has been assumed from the current rates.

\*\*\* Under Unit linked, for unit growth rate (i.e. Investment return) weighted average growth rate of various unit funds is used.

\*\*\*\* The value of future expenses has been derived to allow for all the future maintenance expenses as applicable namely fixed per policy, renewal premium (0%-2%)/ commission (0%-25%) related, fund (0%-0.25%) related etc. The limits for fixed per policy expenses are as mentioned above in the table.

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 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

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	-	-
<b>Total claims ceded to reinsurers</b>	<b>(320.47)</b>	<b>(393.30)</b>
<b>Net benefits and claims</b>	<b>6,915.81</b>	<b>3,932.48</b>

## Notes to the consolidated financial statements (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

Particular	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

Particular	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>
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##### Change in actuarial liability

Particular	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>
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##### 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>

## Notes to the consolidated financial statements (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)

<b>Net Insurance contract liabilities</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
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>
<b>Reconciliation of Claims Outstanding</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
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>
<b>Reconciliation of Incurred but not reported (IBNR)</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
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>
<b>Reconciliation of Premium deficiency Reserve</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
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>
<b>Reserve for unexpired risks</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
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 (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)	-

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 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.

#### 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 (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 :

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company/Group (Ultimate Beneficiaries); or

(ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries

(B) During the year, the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(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

**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.

**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

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

- 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 Vrse 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.
- 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".
- 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., 18th 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.

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

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>

- 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.

## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

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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 Firms 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

Ananya Suneja  
Chief Financial Officer

Tarun Khurana  
Company Secretary  
Membership No: 12344

Mumbai 14 May 2024

14 May 2024

## 2023 Audited Consolidated Financial Statement

**S.R. BATLIBOI & Co. LLP**

Chartered Accountants

12th Floor, The Ruby  
29 Senapati Bapat Marg  
Dadar (West)  
Mumbai - 400 028, India

Tel: +91 22 6819 8000

### INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Financial Services Limited

Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Edelweiss Financial Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and trusts (the Holding Company, its subsidiaries and its trusts together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, trusts and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2023, their consolidated profit including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

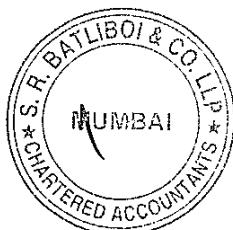
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of receivables from financing and other business (as described in note 5.6, 13, 13.1, 14, 14.2 & 57.7 of the Consolidated Financial Statements)	
The Group's impairment provision for receivables from financing business is based on the expected credit loss approach laid down under Ind AS 109.	The audit procedures, including those reported in the auditor's report of respective subsidiary companies, comprised the following:

S.R. Batliboi & Co. LLP, a limited liability partnership registered under the Partnership Act, 1932, India, is a member firm of the Indian Institute of Chartered Accountants (IICA) and is a member of the International Federation of Accountants (IFAC).  
Regd. Office: 12, Senapati Bapat Marg, 3rd Floor, Khar West, Mumbai - 400 013

Key audit matters	How our audit addressed the key audit matter
<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> <ol style="list-style-type: none"> <li>Staging of financial assets (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories);</li> <li>Grouping of the loan portfolio under homogenous pools in order to determine probability of default on a collective basis;</li> <li>Assigning internal rating grades to customers for which external rating is not available</li> <li>Calibrating external ratings-linked probability of default to align with past default rates</li> <li>Applying assumptions regarding the probability of various scenarios and discounting rates for different loan products</li> <li>Estimation of management overlay for macro-economic factors bearing a correlation with the credit quality of the loans.</li> </ol> <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>	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Performed procedures to test the inputs used in the ECL computation, on a sample basis.</li> <li>Tested assumptions used by the management in determining the overlay for macro-economic factors.</li> <li>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.</li> <li>Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.</li> <li>Read the report on ECL model reviewed by external consultant during the year.</li> </ol>
IT systems and controls	
<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> <ol 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 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> </ol>





Key audit matters	How our audit addressed the key audit matter
	e) Tested the design and operating effectiveness of compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.
Valuation of Investments in Security Receipts (SR) for Edelweiss Assets Reconstruction Company Limited (as described in note 5.11, 14 & 56 of the Consolidated Financial Statements)	
<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> <p>a) Assessment of internal controls over measurement of fair value and evaluating the methodologies, inputs, judgments made and assumptions used by management in determining fair values.</p> <p>b) Evaluated rationale of the models and accounting treatment applied. Compared observable inputs against independent sources and externally available market data for sample cases.</p> <p>c) Performed testing on a sample basis of key inputs as mentioned above to validate the reasonableness of the input values.</p> <p>d) Assessed disclosures included in the Financial Statements with respect to such fair valuation.</p>

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditors report, and the Annual report, which is expected to be made available to us after that date.

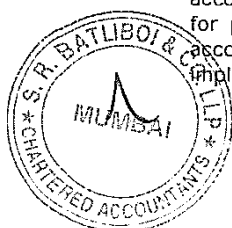
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the Board Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those Charged with Governance.

#### Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of 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 and of its associate are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of their respective companies.

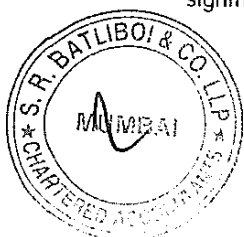
#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, 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, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

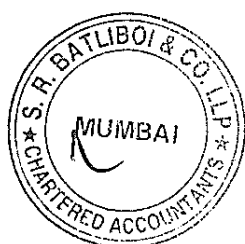
(a) We did not audit the financial statements and other financial information, in respect of:

- 31 subsidiaries, whose financial statements include total assets of Rs 5,04,010.53 million as at March 31, 2023 and total revenues of Rs 75,598.18 million and net cash inflow of Rs. 10,194.56 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
- 7 associate companies forming part of the Group, whose statements include Group's share of net profit after tax of Rs. 307.78 million and Group's share of total comprehensive income of Rs. 326.26 million for the period from April 1, 2022 to March 30, 2023, as considered in the consolidated financial statement, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and 7 associate companies, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and 7 associate companies, is based solely on the report(s) of such other auditors.

- (b) The actuarial valuation of liabilities of Edelweiss Tokio Life Insurance Company Limited (ETLIFE) for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2023 is the 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, 2023 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, 2023 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 above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.



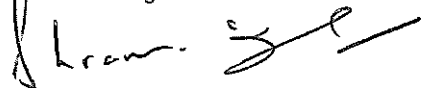
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(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 and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the email confirmation received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate, none of the directors of the Group's companies and its associate, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies and associate, incorporated in India, and the operating effectiveness of such controls refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associate, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiaries and associate incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph:
    - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated financial statements – Refer Note 52.1 (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 83 to the consolidated financial statements in respect of such items as it relates to the Group and its associate;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate, incorporated in India during the year ended March 31, 2023.



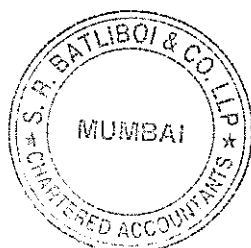
- iv. a) The respective managements of the Holding Company and its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of its knowledge and belief as disclosed in the note 69(A) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company and its subsidiaries and its associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, other than as disclosed in the note 69(B) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries and associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The final dividend paid by the Holding Company, its subsidiaries, associate companies incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- The interim dividend declared and paid during the year by the Holding Company and subsidiary Company and until the date of the audit reports of such Holding Company and Subsidiary Company incorporated in India is in accordance with section 123 of the Act.
- As stated in note 76 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries and associate companies incorporated in India, hence reporting under this clause is not applicable.

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



per Shrawan Jalan  
Partner  
Membership Number: 102102  
UDIN: 23102102BGXJES3910

Place of Signature: Mumbai  
Date: May 26, 2023



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

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

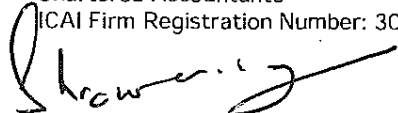
- 3(xxi) There are no qualifications or adverse remarks by the respective auditors in their report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated financial statements except for following where the respective auditor have reported unfavorable or adverse remarks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

S.No	Name	CIN	Holding company/Subsidiary/ associate	Clause number of the CARO report which is unfavorable or adverse
1	Edelweiss Asset Reconstruction Company Limited	U67100MH2007PLC174759	Subsidiary	iii (c) and iii (d)
2	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	i(c), iii(c), iii(d), ix(d) and xvii
6	Edelweiss Global Wealth Management Limited	U67100TG2007PLC112499	Subsidiary	xvii
7	Allium Finance Private Limited	U67120MH2008PTC180229	Subsidiary	iii (c) and iii (d)
8	Edelweiss Investment Adviser Limited	U74140TG2008PLC120334	Subsidiary	iii (c), iii (d) and xvii
9	Edelweiss Retail Finance Limited	U67120MH1997PLC285490	Subsidiary	iii (c) and iii (d)
10	ECL Finance Limited	U65990MH2005PLC154854	Subsidiary	iii (c) and iii (d) and xvii
11	Edelweiss Securities and Investments Private Limited	U65990TG2009PTC113078	Subsidiary	iii (c) and iii (d)
12	Edelweiss Rural & Corporate Services Limited	U45201TG2006PLC078157	Subsidiary	iii (c), iii (d), ix (d), ix (e) xvii and xix
13	Comtrade Commodities Services Limited	U66990GJ1995PLC025267	Subsidiary	xvii
14	Edel Finance Company Limited	U65920MH1989PLC053909	Subsidiary	xvii
15	Edelweiss Real Assets Managers Limited	U67110MH2021PLC362755	Subsidiary	xvii
16	Edelweiss Financial Services Limited	L99999MH1995PLC094641	Holding Company	ix (e)
17	Nuvama Wealth and Investment Limited (formerly Edelweiss Broking Limited)	U65100GJ2008PLC077462	Associate	iii (c)
18	Nuvama Asset Management Limited (formerly ESL Securities Limited)	U67190MH2019PLC343440	Associate	xvii
19	Nuvama Capital Services (IFSC) Limited (formerly known as Edelweiss Securities (IFSC) Limited)	U65999GJ2016PLC094838	Associate	xvii
20	Pickright Technologies Private Limited	U72200KA2019PTC126326	Associate	xvii

For S.R. Batliboi & Co. LLP

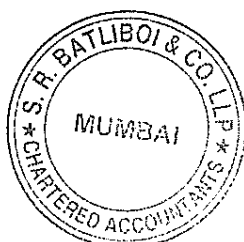
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan  
Partner

Membership Number: 102102  
UDIN: 23102102BGXJES3910  
Place of Signature: Mumbai  
Date: May 26, 2023



Annexure 2 to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of Edelweiss Financial Services Limited

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

In conjunction with our audit of the consolidated financial statements of Edelweiss Financial Services Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.



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

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

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

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

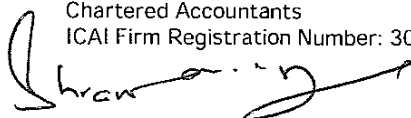
#### Opinion

In our opinion, the Group and its associate, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

#### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 20 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

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



per Shrawan Jalan  
Partner  
Membership Number: 102102  
UDIN: 23102102BGXJES3910

Place of Signature: Mumbai  
Date: May 26, 2023





Edelweiss Financial Services Limited  
Consolidated balance sheet as at 31 March 2023

(Currency: Indian rupees in millions)	Note	31-Mar-2023	31-Mar-2022
<b>ASSETS</b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	8	27,458.60	19,385.63
(b) Bank balances other than cash and cash equivalents	9	9,532.13	10,503.34
(c) Derivative financial instruments	10	779.00	685.22
(d) Stock in trade (Securities held for trading)	11	26,994.05	15,118.11
(e) Trade Receivables	12	4,133.08	4,691.71
(f) Loans	13	1,73,536.28	2,00,976.16
(g) Investments	14	1,44,628.19	1,26,274.39
(h) Other financial assets	15	9,187.09	11,035.23
<b>Total financial assets</b>		<b>3,96,248.42</b>	<b>3,89,170.29</b>
<b>Non-financial assets</b>			
(a) Reinsurance assets		3,013.36	3,432.77
(b) Current tax assets (net)		8,227.34	8,912.80
(c) Deferred tax assets (net)	16	12,115.65	10,645.61
(d) Investment property	17	1,822.13	3,034.26
(e) Property, Plant and Equipment	18	9,879.87	10,610.19
(f) Capital work in progress	19	7.09	0.57
(g) Intangible assets under development	20	240.60	195.70
(h) Goodwill on consolidation	21	236.60	663.35
(i) Other intangible assets	18	1,285.06	1,204.17
(j) Right to use (ROU) assets	13	448.13	461.98
(k) Other non-financial assets	22	7,118.42	4,466.51
<b>Total non-financial assets</b>		<b>44,394.25</b>	<b>43,627.51</b>
<b>TOTAL ASSETS</b>		<b>4,40,642.67</b>	<b>4,32,797.80</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Financial liabilities</b>			
(a) Derivative financial instruments	10	775.72	2,259.69
(b) Trade Payables	23		
i. total outstanding dues of micro enterprises and small enterprises		25.96	17.51
ii. total outstanding dues of creditors other than micro enterprises and small enterprises		14,095.20	12,883.76
(c) Insurance claims payable		509.76	345.28
(d) Debt securities	24	1,54,030.34	1,55,057.04
(e) Borrowings (other than debt securities)	25	49,947.02	56,550.66
(f) Deposits	26	16.25	15.60
(g) Subordinated liabilities	27	13,366.87	15,486.53
(h) Lease liabilities	52	554.08	566.01
(i) Other financial liabilities	28	53,516.37	50,927.21
<b>Total financial liabilities</b>		<b>2,86,838.57</b>	<b>2,94,109.49</b>
<b>Non-financial liabilities</b>			
(a) Current tax liabilities (net)		249.21	173.94
(b) Provisions	29	623.96	495.40
(c) Policyholders' liabilities		66,135.11	55,288.34
(d) Deferred tax liabilities (net)	16	1,827.60	2,166.41
(e) Other non-financial liabilities	30	6,505.91	4,641.02
<b>Total non-financial liabilities</b>		<b>75,341.79</b>	<b>62,765.11</b>
<b>TOTAL LIABILITIES</b>		<b>3,62,180.36</b>	<b>3,56,874.60</b>
<b>EQUITY</b>			
(a) Equity Share capital	31	898.38	898.20
(b) Other equity	32	66,542.74	64,475.96
Equity attributable to owners of the parent		67,441.12	65,374.16
Equity attributable to Non-Controlling Interests		11,021.19	10,549.04
<b>TOTAL EQUITY</b>		<b>78,462.31</b>	<b>75,923.20</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,40,642.67</b>	<b>4,32,797.80</b>

The accompanying notes are an integral part of the Consolidated Financial Statements.

1 to 84

As per our report of even date attached

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

per Shrawan Jalan  
Partner  
Membership No: 102102



Mumbai: 26 May 2023

For and on behalf of the Board of Directors

*[Signature]*  
Rashesh Shah  
Chairman & Managing Director  
DIN: 00008322

Ananya Suneja  
Chief Financial Officer

Mumbai 26 May 2023

*[Signature]*  
Venkatchalam Ramaswamy  
Vice Chairman & Executive Director  
DIN : 00008509

Tarun Khurana  
Company Secretary



Edelweiss Financial Services Limited  
Consolidated statement of profit and loss for the year ended 31 March 2023

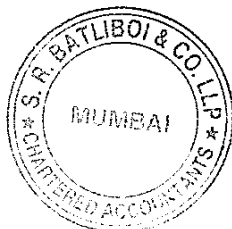
(Currency: Indian rupees in millions)	Note	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
<b>Revenue from operations</b>			
Interest income	33	29,458.64	30,454.79
Dividend income		318.86	256.47
Fee and commission income	34	12,443.43	14,438.26
Net gain on fair value changes	35	23,038.52	6,324.43
Premium from insurance business (net)		19,278.13	16,444.53
Other operating revenue	36	272.78	275.56
<b>Total revenue from operations</b>		<b>84,810.36</b>	<b>68,194.04</b>
<b>Other income</b>	37	<b>1,515.55</b>	<b>3,931.87</b>
<b>Total income</b>		<b>86,325.91</b>	<b>72,125.91</b>
<b>Expenses</b>			
Finance costs	38	25,745.63	29,841.09
Impairment on financial instruments	40	3,618.82	422.72
Change in valuation of credit impaired loans (Refer Note 62 & 63)		8,852.26	(875.72)
Employee benefits expense	39	10,651.74	10,642.69
Depreciation, amortisation and impairment on investment property	17 & 18	1,391.60	1,511.23
Change in insurance policy liability - actuarial		11,266.18	11,639.63
Policy benefits paid		6,063.94	5,125.83
Other expenses	41	16,216.43	12,451.13
<b>Total expenses</b>		<b>83,796.60</b>	<b>70,818.65</b>
<b>Profit / (loss) before share in profit of associates and tax</b>		<b>2,529.31</b>	<b>1,307.26</b>
Share in profit / (loss) of associates		1,317.94	966.54
<b>Profit / (loss) before tax</b>		<b>3,847.25</b>	<b>2,273.80</b>
<b>Tax expense:</b>	42		
Current tax		1,640.48	1,077.71
Deferred tax		(1,848.80)	(924.65)
<b>Profit / (loss) for the year</b>		<b>4,055.57</b>	<b>2,120.74</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 plans		(12.57)	(83.25)
Revaluation gain through Other Comprehensive Income		-	(513.91)
(ii) Income tax relating to items that will not be reclassified to profit or loss		3.40	155.55
<b>Subtotal (A)</b>		<b>(9.17)</b>	<b>(451.61)</b>
(B) (i) Items that will be reclassified to profit or loss			
Debt Instruments through Other Comprehensive Income		18.32	(822.03)
Exchange differences in translating the financial statements of foreign operations		162.56	81.21
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Subtotal (B)</b>		<b>180.88</b>	<b>(740.82)</b>
<b>Share in profit / (loss) of associate (C)</b>		<b>14.06</b>	<b>(1.94)</b>
<b>Other comprehensive income / (loss) (A+B+C)</b>		<b>185.77</b>	<b>(1,194.37)</b>
<b>Total comprehensive income / (loss)</b>		<b>4,241.34</b>	<b>926.37</b>
<b>Profit / (loss) for the year attributable to:</b>			
Owners of the parent		3,441.63	1,887.84
Non-controlling interests		613.94	232.90
<b>Other comprehensive income / (loss) for the year attributable to:</b>			
Owners of the parent		197.73	(732.84)
Non-controlling interests		(11.96)	(461.53)
<b>Total comprehensive income / (loss) for the year attributable to:</b>			
Owners of the parent		3,639.36	1,155.00
Non-controlling interests		601.98	(228.63)
<b>Earnings per share (Face value ₹ 1 each)</b>	44		
- Basic		3.83	2.11
- Diluted		3.83	2.11

The accompanying notes are an integral part of the Consolidated Financial Statements

1 to 64

As per our report of even date attached

For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firms Registration Number: 3010036/E300005  
Shrawan Jalan  
Partner  
Membership No: 102102



Mumbai 26 May 2023

For and on behalf of the Board of Directors

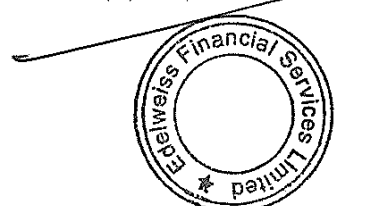
Rashesh Shah  
Chairman & Managing Director  
DIN: 00008322

Aditya Saneja  
Chief Financial Officer

Mumbai 26 May 2023

Venkatchalam Ramaswamy  
Vice Chairman & Executive Director  
DIN: 00008509

Tarun Khurana  
Company Secretary



Edelweiss Financial Services Limited  
Consolidated statement of cash flow for the year ended 31 March 2023

(Currency : Indian rupees in millions)	For the year ended	For the year ended
	31-Mar-2023	31-Mar-2022
<b>A Cash flow from operating activities</b>		
Profit / (Loss) before tax	3,847.25	2,273.80
Adjustments for:		
Depreciation, amortisation and impairment on investment property	1,381.60	1,511.23
Expense on employee stock option plans and stock appreciation rights	87.28	106.72
Derecognition of Goodwill	426.75	
Impairment on financial instruments	3,618.82	422.72
Change in valuation of credit impaired loans	8,852.26	(875.72)
Interest on income tax refund	(191.49)	(242.80)
Dividend Income	(318.86)	(256.47)
(Profit) / (loss) on sale of property, plant and equipment (net) <sup>1</sup>	3.30	25.25
(Profit) / (loss) on sale of investment property (net) <sup>1</sup>	(801.67)	
Realised fair value (gain) / loss on financial instruments	(7,744.04)	(6,705.22)
Unrealised fair value (gain) / loss on financial instruments	(15,294.48)	390.78
Provision for policyholders liability	11,266.18	11,698.63
Finance costs	8,141.03	3,637.49
Operating cash flow before working capital changes	13,273.93	11,977.41
Adjustments for:		
Decrease / (increase) in trade receivables	(4,188.00)	(871.18)
Decrease / (increase) in stock in trade	(11,707.60)	1,071.43
Decrease / (increase) in Other financial/non financial assets	(384.40)	1,402.09
Decrease / (increase) in Derivative Financial Instruments	(2,246.80)	2,779.54
Decrease / (increase) in loans	19,740.70	25,523.02
Increase / (decrease) in trade payables	1,220.90	8,036.50
Increase / (decrease) in insurance claim payable	164.50	153.30
Increase / (decrease) in other financial liabilities	414.40	6,214.57
Increase / (decrease) in Provisions	116.00	735.87
Increase / (decrease) in provision for policyholders' liabilities	(421.40)	39.40
Increase / (decrease) in other non-financial liabilities	1,865.05	1,491.48
Cash generated from / (used in) operations	17,837.28	58,501.03
Income taxes paid (net of refund)	(648.40)	(2,578.53)
Net cash generated from / (used in) operating activities - A	17,188.88	55,922.48
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangibles	(818.60)	(1,028.39)
Proceeds from sale of property, plant and equipment	46.20	471.17
(Purchase) / sale of investment property <sup>1</sup>	2,012.76	360.30
(Purchase) / sale of investments <sup>1</sup>	4,927.15	(8,703.26)
Dividend on investments	318.86	256.47
(Investment) / Maturity of Bank deposits	971.20	(1,886.40)
Net cash generated from / (used in) investing activities - B	7,457.57	(10,579.31)
<b>C Cash flow from financing activities</b>		
Proceeds from issue of shares including premium and share application money	1.65	319.44
Investment by Non Controlling Interest	-	(869.33)
Proceeds / (repayment) from Debt securities <sup>1</sup>	1,073.17	(19,881.50)
Proceeds / (repayment) from Borrowings (other than debt securities) <sup>1</sup>	(6,603.64)	(17,768.60)
Proceeds / (repayment) from Deposits <sup>1</sup>	0.65	(80.40)
Proceeds / (repayment) from Subordinated Liabilities <sup>1</sup>	(2,119.66)	398.60
Dividend	(1,376.06)	(1,315.89)
Lease payment	(38.49)	(38.50)
Effect of change in group interest	(42.56)	(1,852.88)
Finance cost paid	(8,102.54)	(3,598.59)
Proceeds/(repayment) on ESOP/SAR charge/(reversal)	124.00	106.76
Net cash generated from / (used in) financing activities - C	(17,083.48)	(64,442.09)
Net increase in cash and cash equivalents (A+B+C)	7,572.97	(19,099.52)
Cash and cash equivalents as at the beginning of the year	19,385.63	38,985.15
Cash and cash equivalents as at the end of the year	27,458.60	19,885.63

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 ₹ 29,458.64 million (Previous year ₹ 30,454.79 million) and interest paid ₹ 17,604.60 million (Previous year ₹ 26,203.60 million).
- Refer note S1 for changes in liabilities arising from financing activities.

The accompanying notes are an integral part of the Consolidated Financial Statements.

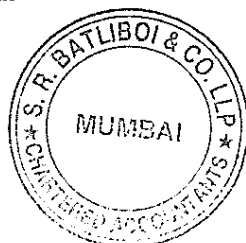
1 to 84

As per our report of even date attached

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

per Shrawan Jalan  
Partner  
Membership No: 102102

Mumbai 26 May 2023



For and on behalf of the Board of Directors

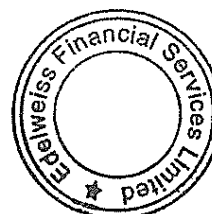
Ballesh Shah  
Chairman & Managing Director  
DIN: 00008322

Nandini Seneja  
Chief Financial Officer

Mumbai 26 May 2023

Venkatchalam Ramaswamy  
Vice Chairman & Executive Director  
DIN: 00008509

Tarun Khurana  
Company Secretary



**Edelweiss Financial Services Limited**  
**Consolidated Statement of changes in equity**  
(Currency : Indian rupees in millions)

**A Equity share capital**

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Balance at the beginning of the year	898.20	890.90
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current year	898.20	890.90
Changes in equity share capital during the year	0.18	7.30
Balance at the end of the year	898.38	898.20

1. Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Edelweiss Financial Services Limited standalone financial statements, these trusts are holding 44,896,780 number of equity shares amounting to ₹ 44.90 million (Previous year ₹ 44.90 million). These are treasury shares and deducted from total outstanding equity shares.

2. Refer note 31 for detailed quantitative information including investors holding more than 5% of equity share capital.

3. The above two Welfare Trust (s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.



**Edelweiss Financial Services Limited**  
**Consolidated Statement of changes in equity**  
(Currency: Indian rupees in millions)

**B. Other equity**

Particulars	Share application money pending allotment	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Employee Stock Option Plan (ESOP) reserve/Stock appreciation rights (SAR)	Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	Reserve under section 20C of the National Housing Bank Act, 1987	General reserve	Debiture redemption reserve	Impairment Reserve	Retained earnings	Exchange differences on translating the financial statements in a foreign operation	Revaluation Reserve through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Deb. instruments through Other Comprehensive Income	Total attributable to owners of the parent	Non-controlling interest
<b>Balance as at 31-Mar-2021</b>	170	3,456.79	187.87	29,134.23	1,153.28	6,757.98	547.80	717.15	6,765.61	1,839.25	6,067.68	117.52	4,571.09	(1,700.00)	432.78	64,890.59	17,993.36
Profit or loss	-	-	-	-	-	-	-	-	-	-	1,887.64	-	-	-	-	1,887.64	232.90
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	-	-	-	-	1,887.64	-	-	-	-	1,887.64	(481.53)
Transfers to equity shareholders	-	-	-	-	-	-	-	-	-	-	1,823.09	81.21	(345.59)	-	-	1,558.71	(226.63)
Transfers to equity shareholders	-	-	-	-	-	-	-	-	-	-	1,769.54	-	-	-	-	1,769.54	-
Transfers to securities premium on exercise of ESOP	(320.14)	-	-	-	110.75	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to securities premium on exercise of ESOP	318.44	-	-	312.84	-	-	-	-	-	-	-	-	-	-	-	-	-
Share application money received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ESOP change	-	-	-	-	83.95	-	-	-	-	-	-	-	-	-	-	83.95	-
Stock appreciation rights (SAR) change	-	-	-	-	119.64	-	-	-	-	-	-	-	-	-	-	119.64	-
Reversal on account of lapses of ESOP/SAR	-	-	-	-	(439.54)	-	-	-	-	-	-	-	-	-	-	(439.54)	-
Transfer Under 45-IC RBI	-	-	-	-	-	240.59	-	-	-	-	-	-	-	-	-	-	-
Transfer Under 20C NHB	-	-	-	-	-	-	27.02	-	-	-	-	-	-	-	-	-	-
Transfer under Impairment Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer under Debiture Redemption Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer under Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of changes in group's interest	-	(430.34)	-	-	-	-	-	-	-	-	3,221.97	-	-	-	-	-	-
<b>Balance as at 31-Mar-2022</b>	-	8,026.45	187.87	29,557.82	761.58	7,048.56	575.42	717.15	3,543.64	2,079.49	9,856.35	(37.82)	3,721.28	(1,700.00)	39.07	64,475.95	16,549.04
Profit or loss	-	-	-	-	-	-	-	-	-	-	3,441.83	-	-	-	-	3,441.83	613.34
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	-	-	-	-	3,441.83	-	-	-	-	3,441.83	(11.35)
Transfers to equity shareholders	-	-	-	-	-	-	-	-	-	-	3,447.67	162.55	-	-	-	3,610.22	601.98
Transfers to equity shareholders	-	-	-	-	-	-	-	-	-	-	3,447.67	162.55	-	-	-	3,610.22	-
Transfers to securities premium on exercise of ESOP	(1,859)	-	-	43.26	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to securities premium on exercise of ESOP	1,859	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share application money received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ESOP change	-	-	-	-	22.21	-	-	-	-	-	-	-	-	-	-	22.21	-
Stock appreciation rights (SAR) change	-	-	-	-	103.61	-	-	-	-	-	-	-	-	-	-	103.61	-
Reversal on account of lapses of ESOP/SAR	-	-	-	-	(79.94)	-	-	-	-	-	-	-	-	-	-	(79.94)	-
ESOP/SAR changes transferred to reserves	-	-	-	-	(102.65)	-	-	-	-	-	-	-	-	-	-	(102.65)	-
Transfer Under 45-IC RBI	-	-	-	-	-	415.42	-	-	-	-	-	-	-	-	-	-	-
Transfer Under 20C NHB	-	-	-	-	-	-	32.13	-	-	-	-	-	-	-	-	-	-
Transfer under Impairment Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer under Debiture Redemption Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer under Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer under Capital Redemption Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of changes in group's interest	-	-	100.00	-	-	-	-	-	-	-	-	-	-	-	-	100.00	-
<b>Balance as at 31-Mar-2023</b>	-	8,026.45	287.87	29,583.57	688.72	7,463.98	607.55	717.15	3,074.01	2,342.35	11,828.26	120.52	3,425.19	(1,700.00)	58.71	65,542.74	11,021.19

Refer note 32 for information on nature of reserves maintained at Group level

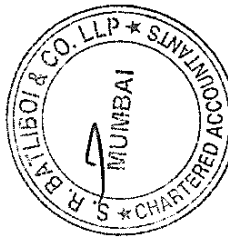
The accompanying notes are an integral part of these Consolidated Financial Statements. 1 to 54

As per our report of even date attached

For S. R. Batliboi & Co. LLP  
Chartered Accountants  
KCA Firm Registration Number: 301003/EE20005

per Shreshth Bhatnagar  
Partner  
Membership No. 001307

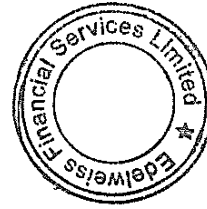
Mumbai 26 May 2023



For and on behalf of the Board of Directors  
R. D. Bhat  
Chairman & Managing Director  
DIN: 03508322

per Shreshth Bhatnagar  
Partner  
Membership No. 001307

Mumbai 26 May 2023



For and on behalf of the Board of Directors  
A. V. Venkatesh  
Chairman & Managing Director  
DIN: 00085599

per Shreshth Bhatnagar  
Partner  
Membership No. 001307

Mumbai 26 May 2023

## Notes to the consolidated financial statements

### 1. Corporate Information

Edelweiss Financial Services Limited (the Holding Company), Public Limited company domiciled in India, and incorporated on 21st 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 26 May 2023.

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.

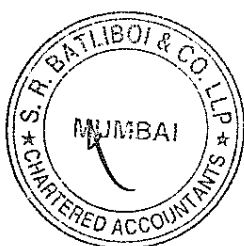
### 3. Presentation of financial statements

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) is presented in Note no. 50.

The Group generally reports financial assets and financial liabilities on gross basis in the balance sheet. They are offset and reported as net only where it is permissible by Ind AS or in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

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

<sup>1</sup> Refer note 58



## Notes to the consolidated financial statements (*Continued*)

### 4. Basis of consolidation:

The consolidated financial statements incorporate the financial statements of the Holding Company and all its subsidiaries as at 31 March 2023 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:

- 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

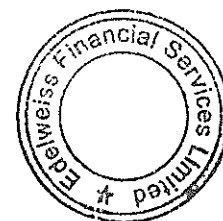
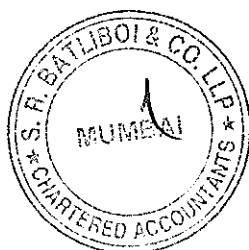
Consolidation of a subsidiary begins when the Group obtains control over the subsidiary. In the event of any change in one or more of the three elements of control, the Group reassesses nature of control and stops consolidation if it concludes that the Group has lost the control over the subsidiary. 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:

- a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill, refer note no 5.25
- c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.



## Notes to the consolidated financial statements (*Continued*)

### 4. Basis of consolidation: (*Continued*)

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. With respect to put options granted by the Group to the holders of non-controlling interests in a subsidiary, where the Group does not have a present ownership interest in the shares subject to put, till the put remains unexercised, non-controlling continues to be recognised including allocation of profit or loss, other comprehensive income and other changes in equity of the subsidiary. However, at each reporting date, the non-controlling interest is derecognised as if it were acquired at that date and a financial liability is recognised and measured at its fair value. The difference between these two amounts is recognised as an equity transaction and attributed to owners of the parent.

Given the level of judgement required regarding consolidation of structured entities, these considerations are described further in the significant accounting judgements in Note 6.1(c). Disclosures for investment in subsidiaries, and structured entities are provided in Note 58.

The financial statements of all subsidiaries incorporated outside India are converted on the following basis: (a) Income and expenses are converted at the average rate of exchange applicable for the period/year and (b) All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of period/year end translation is debited or credited as "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. Significant accounting policies

This note provides a list of the significant 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.

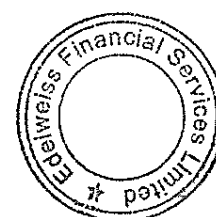
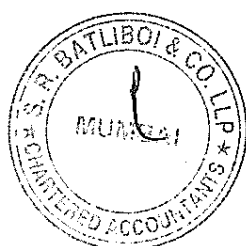
#### 5.1. Recognition of Interest, Dividend income and Donation income

##### 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.

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.





## Notes to the consolidated financial statements (*Continued*)

### 5. Significant accounting policies (*Continued*)

#### 5.1. Recognition of Interest, Dividend income and Donation income (*Continued*)

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the amortised cost 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 recognised 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

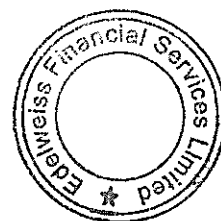
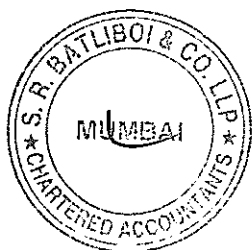
Financial assets and financial liabilities, with the exception of debt securities and borrowings are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial 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.

##### 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.



## Notes to the consolidated financial statements (*Continued*)

### 5. Significant accounting policies (*Continued*)

#### 5.3 Classification of financial instruments

##### 5.3.1 Financial assets:

The Group classifies all its financial assets based on the business model for managing the assets and the asset's contractual Terms. 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
- 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.

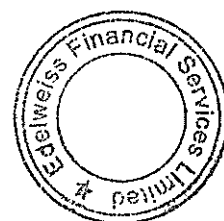
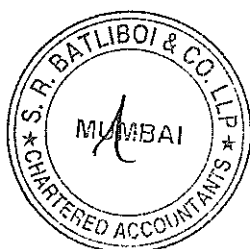
All other financial assets are initially measured at fair value and subsequently measured at FVTPL.

##### 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. Financial assets designated at FVTPL, please refer note 5.3.2.2



## Notes to the consolidated financial statements (*Continued*)

### 5. Significant accounting policies (*Continued*)

#### 5.3 Classification of financial instruments (*Continued*)

##### 5.3.1.3 Financial asset measured at FVOCI

Unrealised gains or losses on debt instruments measured at FVOCI are recognised in other comprehensive income, and on derecognition of such instrument accumulated gains or losses are recycled to profit and loss statement. Interest income on such instrument is recognised in profit and loss statements 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

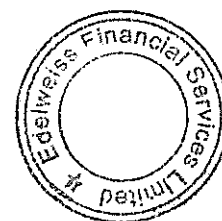
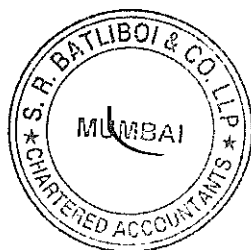
After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the instrument.

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.



## Notes to the consolidated financial statements (*Continued*)

### 5. Significant accounting policies (*Continued*)

#### 5.3 Classification of financial instruments (*Continued*)

##### 5.3.2.2 Financial assets and Financial liabilities at fair value through profit or loss (*Continued*)

Financial assets and financial liabilities 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.

##### 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

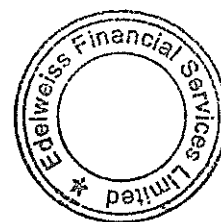
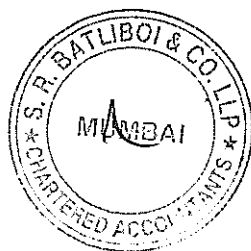
The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

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.



## Notes to the consolidated financial statements (*Continued*)

### 5. Significant accounting policies (*Continued*)

#### 5.3 Classification of financial instruments (*Continued*)

##### 5.3.3 Financial liabilities and equity instruments (*Continued*)

###### Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, foreign exchange rate, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

###### Forward Rate Agreement (FRA) and Interest Rate Futures (IRF)

The Group enters into interest rate derivative transactions i.e. Forward Rate Agreement (FRA) and Interest Rate Futures (IRF) to hedge the interest rate risk arising out of highly probable forecasted future cash inflows.

A Forward Rate Agreement ("FRA") is a forward contract to hedge the risk of movements in interest rates. In FRA contract, Group fixes the yield on the government bond for the period till the maturity of the contract. The Group has entered into FRA to hedge interest rate risk on forecasted premium receivable from already written policies at future dates.

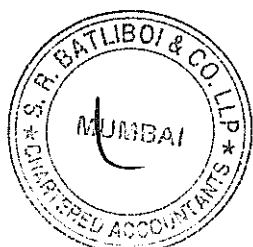
Forward Rate Agreement derivative contracts are over-the-counter (OTC) transactions, agreeing to buy notional value of a debt security at a specified future date, at a price determined at the time of the contract with an objective to lock in the price of an interest bearing security at a future date.

The Forward Rate Agreement (FRA) contract is valued at the difference between the market value of underlying bond at the spot reference yield taken from the SEBI approved rating agency and present value of contracted forward price of underlying bond including present value of intermediate coupon inflows from valuation date till FRA contract settlement date, at applicable INR-OIS rate curve.

Interest rate futures are standardized interest rate derivative contracts which are permitted by IRDAI to hedge risks on forecasted transactions. These are traded on a recognized stock exchange to buy or sell a notional security or any other interest-bearing instrument or an index of such instruments or interest rates at a specified future date, at a price determined at the time of the contract.

The instrument is classified as FVTPL securities and the net gain on fair value change is recognized in the Statement of Profit and Loss.

Derivatives Instruments are initially recognized at fair value at the date of entering into the derivative contracts and are subsequently re-measured to their fair value at the end of each reporting period. The Group follows Cash Flow Hedge accounting. Hedge effectiveness is ascertained at the inception of the hedge and periodically thereafter.



## Notes to the consolidated financial statements (*Continued*)

### 5. Significant accounting policies (*Continued*)

#### 5.3 Classification of financial instruments (*Continued*)

##### 5.3.3 Financial liabilities and equity instruments (*Continued*)

###### Forward Rate Agreement (FRA) and Interest Rate Futures (IRF) (*Continued*)

At the inception of the hedge, the Company documents the relationship between the hedging instrument and the hedged item, the risk management objective, strategy for undertaking the hedge and the methods used to assess the hedge effectiveness. Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the fair value or cash flows of the hedging instrument. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter at Balance Sheet date.

The portion of fair value gain/loss on the IRD that is determined to be an effective hedge is recognized directly in appropriate account i.e. 'Fair value gain/loss on derivatives' under the head Other Comprehensive Income and accumulated under the head of Cash Flow Hedge Reserve in the Balance Sheet and the portion of IRD fair value gain/loss that gets determined as ineffective hedge or ineffective portion of effective hedge, basis the hedge effectiveness assessment is recognized in the Statement of Profit and Loss.

The accumulated gains or losses that were recognised directly in the Hedge Reserve are reclassified into Statement of Profit and Loss, in the same period during which the income from hedged forecasted cash flows affect the Statement of Profit and Loss (such as in the periods that income on the investments acquired from underlying forecasted cashflow is recognized in the Statement of Profit and Loss). In the event that all or any portion of loss or gain, recognised directly in the Hedge Reserve is not expected to be recovered in future periods, the amount that is not expected to be recovered is reclassified to the Statement of Profit and Loss. Gains or losses arising from hedge ineffectiveness, if any, are recognised in the Statement of Profit and Loss. Costs associated with derivative contracts are considered as at a point in time cost.

#### 5.4 Reclassification of financial assets and financial liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

#### 5.5 Derecognition of financial assets and financial liabilities

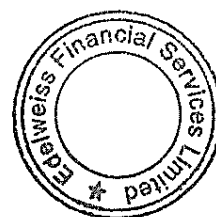
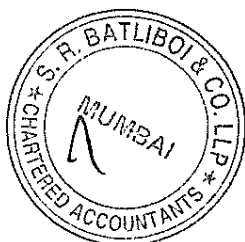
##### 5.5.1 Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, 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.



## Notes to the consolidated financial statements (*Continued*)

### 5. Significant accounting policies (*Continued*)

#### 5.5 Derecognition of financial assets and financial liabilities (*Continued*)

##### 5.5.2 Derecognition of financial assets (other than due to substantial modification)

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

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

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

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients

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

A transfer qualifies for derecognition only if either:

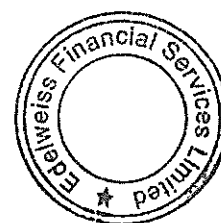
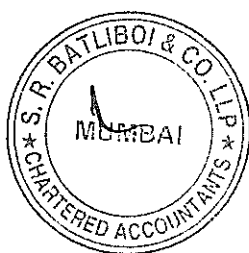
- The Group has transferred substantially all the risks and rewards of the asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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 (*Continued*)

### 5. Significant accounting policies (*Continued*)

#### 5.6 Impairment of financial assets

The Group records allowance for expected credit losses for all financial assets, other than financial assets held at FVTPL, together with loan commitment and financial guarantee contracts. Equity instruments are not 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.

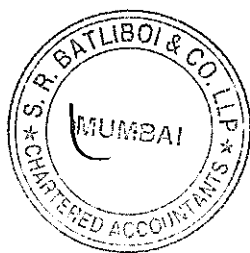
For all other financial assets, where ECL to be recognised, the Group recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk has not increased significantly since initial recognition, the Group measures 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 (*Continued*)

### 5. Significant accounting policies (*Continued*)

#### 5.7 Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. 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.

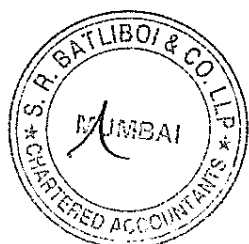
In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

#### 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 (*Continued*)

### 5. Significant 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

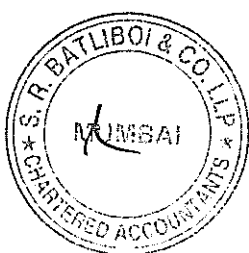
The principal or the most advantageous market must be accessible by the Group.

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 (*Continued*)

### 5. Significant accounting policies (*Continued*)

#### 5.12 Revenue from contracts with customers

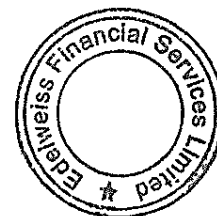
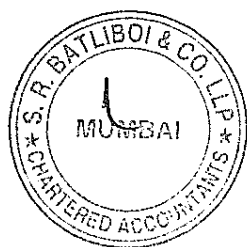
Revenue is measured at transaction price i.e. the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Group consider the terms of the contract and its customary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

- I. Identification of contract
- II. Identification of the separate performance obligation in the contract
- III. Determination of transaction price
- IV. Allocation of transaction price to separate performance obligation and
- V. Recognition of revenue when (or as) each performance obligation is satisfied

The Group recognises revenue (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.



## Notes to the consolidated financial statements (*Continued*)

### 5. Significant accounting policies (*Continued*)

#### 5.12 Revenue from contracts with customers (*Continued*)

- h. Agency commission/procurement income is recorded in pursuant to terms and conditions mentioned in scope of work or agreement.
- i. Real estate advisory fee is recognised as per the terms and conditions mentioned in the agreement.
- j. Revenue from fund management services (excluding mutual fund business) is recognised over the tenure in accordance with the terms and conditions of the investment management agreement between the Group and the Fund for which the Group acts as a fund manager.
- k. Revenue from rendering of trustee services is recognised in accordance with the terms and conditions of the Compensation Agreement between the trustee company and the fund.
- 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

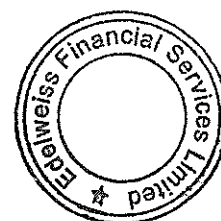
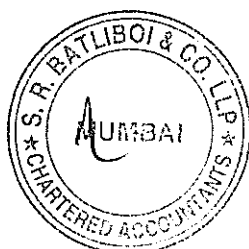
At the initial recognition, the Group measures lease liabilities at present value of all lease payments discounted, using the Group's incremental cost of borrowing, to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives 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.

##### 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.



## Notes to the consolidated financial statements *(Continued)*

### 5. Significant accounting policies *(Continued)*

#### 5.13 Leases *(Continued)*

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.

#### 5.13 Earnings per share

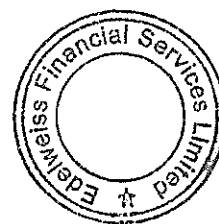
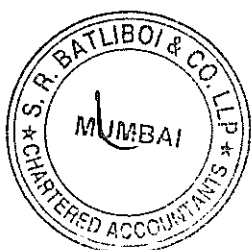
Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders of the Holding Company for the year by the weighted average number of equity shares outstanding for the year.

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.

#### 5.14 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.



## Notes to the consolidated financial statements (*Continued*)

### 5. Significant accounting policies (*Continued*)

#### 5.15 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.

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

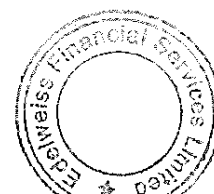
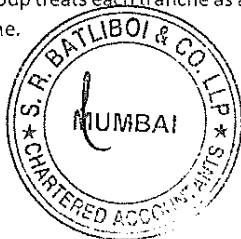
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

#### 5.16 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 include 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.



## Notes to the consolidated financial statements (*Continued*)

### 5. Significant accounting policies (*Continued*)

#### 5.17 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.

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:

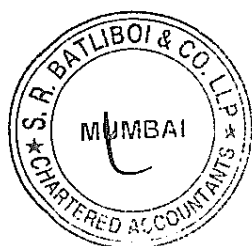
Estimated useful lives of the assets are as follows:

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 (*Continued*)

### 5. Significant 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

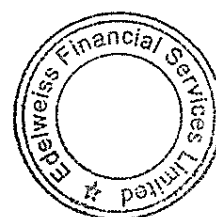
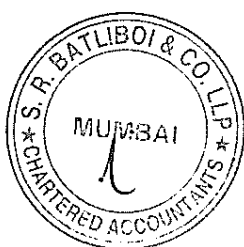
The Group assesses at each balance sheet date whether there is any indication that an asset may have been impaired based on internal/ external factors. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount 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.

#### 5.22 Provisions and other contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre- tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.





## Notes to the consolidated financial statements (*Continued*)

### 5.22 Provisions and other contingent liabilities (*Continued*)

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

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

### 5.23 Income tax

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.

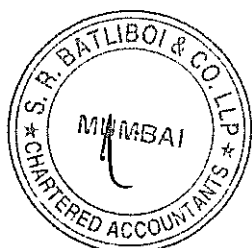
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates 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.

#### 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



## Notes to the consolidated financial statements *(Continued)*

### 5. Significant accounting policies *(Continued)*

#### 5.23 Income tax expenses *(Continued)*

##### 5.23.2 Deferred tax *(Continued)*

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.

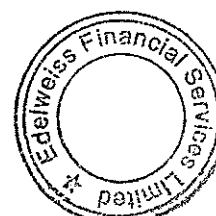
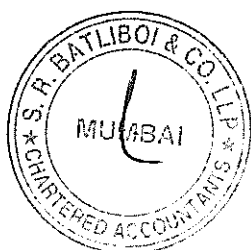
The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the subsidiaries expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.



## Notes to the consolidated financial statements (*Continued*)

### 5. Significant accounting policies (*Continued*)

#### 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.

#### 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 exists. 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.

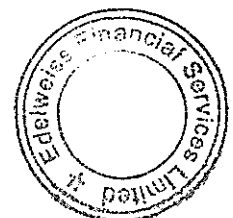
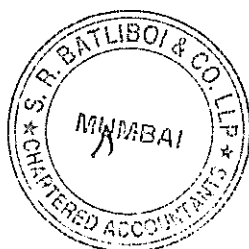
The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve.

##### a. Product classification

###### Insurance contract

Insurance contracts are those contracts when ETLIFE has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

As a general guideline, ETLIFE determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Such contract remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Contracts can be classified as insurance contracts after inception if insurance risk becomes significant.



## Notes to the consolidated financial statements (*Continued*)

### 5. Significant accounting policies (*Continued*)

#### 5.26 Significant accounting policies of life insurance business (Edelweiss Tokio Life Insurance Company Limited ("ETLIFE")): (*Continued*)

##### a. Product classification (*Continued*)

###### Investment contract

Investment contracts are those contracts which are not insurance contract. Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant. Some insurance and investment contracts contain a discretionary participation feature (DPF), which is a contractual right to receive additional benefits as a supplement to guaranteed benefits.

Insurance and investment contracts are further classified as with DPF, Linked Business and Others. Insurance contracts and investment contracts with DPF are measured and accounted under existing accounting practices at the date of transition to Ind AS which is in accordance with Ind AS 104.

##### b. Revenue recognition

###### • Premium Income

Premium income on insurance contracts and investment contracts with DPF are recognised as income when due from policyholders. For regular premium contracts, receivables are recognised at the date when payments are due.

In respect of linked business, premium income is recognised when the associated units are allotted. Top up premiums paid by unit-linked policyholders are considered as single premium and recognised as income when the associated units are created.

Where policies lapse due to non-receipt of premiums, then all the related premium income accrued but not received from the date they are deemed to have lapsed is offset against premiums. Premium on lapsed policies is recognised as income on receipt basis on reinstatement or revival of these policies.

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.

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 recognised 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.

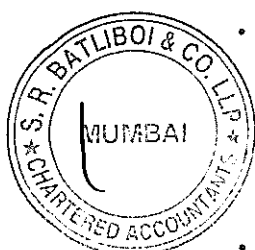
###### • Income from Unit Linked Policies

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



## Notes to the consolidated financial statements (*Continued*)

### 5. Significant accounting policies (*Continued*)

#### 5.26 Significant accounting policies of life insurance business (Edelweiss Tokio Life Insurance Company Limited ("ETLIFE")): (*Continued*)

##### c. Acquisition costs

Acquisition cost which are primarily relatable to the acquisition of insurance and investment contracts with DPF are expensed in the period in which they are incurred.

For investment contracts with or without DPF, acquisition costs that are directly attributable to securing an investment contract are deferred and amortised over the period in which the service is provided.

##### Benefits paid:

Benefits paid consists of the policy benefit and claim settlement costs, if any.

- Non-linked business

Death, rider, withdrawals and surrender claims are accounted for on receipt of intimation. Maturity, survival benefit and annuities are accounted when due.

- Linked-business

Death and rider are accounted for on receipt of intimation. Maturity claims and survival benefit are accounted for on due basis 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

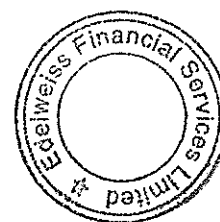
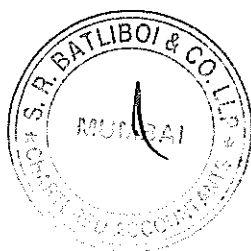
Reinsurance claims receivable are accounted for in the same period as the related claim.

##### 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 (*Continued*)

### 5. Significant accounting policies (*Continued*)

#### 5.26 Significant accounting policies of life insurance business (Edelweiss Tokio Life Insurance Company Limited ("ETLIFE")): (*Continued*)

##### e. Liability adequacy test

ETLIFE assesses at the end of each reporting period whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency shall be recognised in the statement of profit or loss.

##### f. Policyholder Liability

Insurance contract and investment contract with DPF.

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.

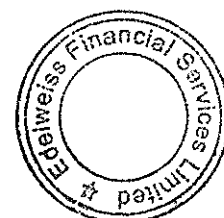
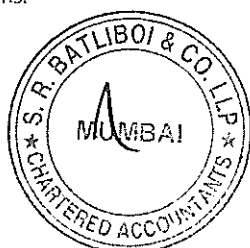
Hence, the policyholder liabilities are calculated in accordance with the accepted actuarial practice, requirements of Insurance Act, 1938 and amendments thereafter, applicable regulations notified by the Insurance Regulatory and Development Authority of India (IRDAI), and Actuarial Practice Standards 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 (Investments) Regulations, 2016 read with read along with Master Circular and guidelines amended from time to time.
- Unclaimed amount of policyholders' assets grouped under 'Other financial assets' is invested in money market instruments and / or fixed deposits of scheduled banks which are valued at amortised cost.
- Income on unclaimed amount of policyholders is credited to respective unclaimed account and is accounted for on an accrual basis.
- Amount payable on account of income earned on assets held for unclaimed amount of policyholders is accounted for on an accrual basis and is disclosed net of fund management charges.
- Unclaimed amount of policyholders' liability grouped under trade payables is determined on the basis of NAV of the units outstanding as at the valuation date.
- Amounts remaining unclaimed for a period of 10 years together with all respective accretions to the fund are deposited into the Senior Citizen Welfare Fund (SCWF) in accordance with requirement of above mentioned regulations.



## Notes to the consolidated financial statements (Continued)

### 5. Significant accounting policies (Continued)

#### 5.27 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.

- 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.

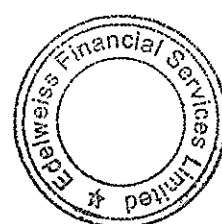
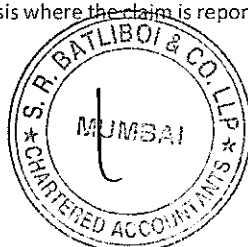
- Reserve for Unexpired Risk

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



## Notes to the consolidated financial statements (Continued)

### 5. Significant accounting policies (Continued)

#### 5.27 Significant accounting policies of General insurance business (Edelweiss General Insurance Company Limited - "EGICL") (Continued)

- Claims Incurred

Claims incurred comprise of claims paid (net of salvage and other recoveries), change in estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER). Further, claims incurred also include specific claim settlement costs comprising survey fees, legal expenses and other directly attributable costs. Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation based on internal management estimates or on estimates from surveyors/insured in the respective revenue account(s).

Estimated liability for outstanding claims at balance sheet date is recorded net of claims recoverable from / payable to co-insurers / reinsurers, salvage to the extent there is certainty of realisation and other recoveries. Estimated liability for outstanding claims is determined by the management on the basis of ultimate amounts likely to be paid on each claim, established by the management in light of past experience and progressively modified for changes as appropriate, on availability of further information and in cases where claim payment period exceeds four years based on actuarial valuation. These estimates include claim settlement costs likely to be incurred to settle outstanding claims.

IBNR reserves are provisions for claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, for claims that have been incurred but are not enough reported (IBNER). The provision for IBNR and IBNER is based on actuarial estimate duly certified by the Appointed Actuary of 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.

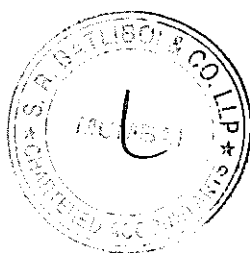
- Premium deficiency

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.

### 6. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, described in note 5, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.





## Notes to the consolidated financial statements (*Continued*)

### 6. Critical accounting judgements and key sources of estimation uncertainty (*Continued*)

#### 6.1. Critical judgements in applying accounting policies

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

a. Business model assessment

Classification and measurement of financial assets depends on the results of 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 *(Continued)*

### 6. Critical accounting judgements and key sources of estimation uncertainty *(Continued)*

#### 6.1. Critical judgements in applying accounting policies *(Continued)*

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

#### 6.2 Key sources of estimation uncertainty

The 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.

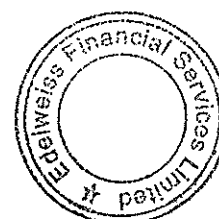
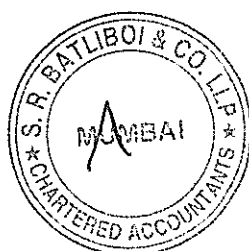
For investments made into Security receipts (SRs), Group uses discounted cash flow model, given that the SRs are less liquid instruments. Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying 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.

##### b. Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

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

- PD calculation includes historical data, assumptions and expectations of future conditions.



## Notes to the consolidated financial statements *(Continued)*

### 6. Critical accounting judgements and key sources of estimation uncertainty *(Continued)*

#### 6.2 Key sources of estimation uncertainty *(Continued)*

##### b. Impairment of financial assets *(Continued)*

- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

##### c. Effective interest rate method

The Group's EIR methodology, as explained in Note 5.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

##### d. Accounting for deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

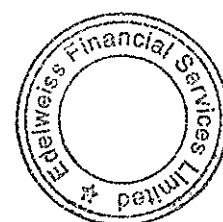
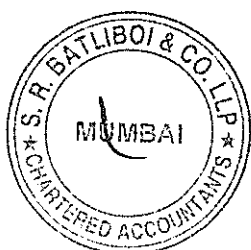
The Group has recognised deferred tax assets on carried forward tax losses with respect to certain subsidiaries where the Group believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried forward to the years in which the Group expects that there will be sufficient taxable profits to offset these losses.

##### e. Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

##### f. Asset liability management

Management has made an assessment of its ability to continue and is satisfied that it has the resources to continue in business for the foreseeable future.



## Notes to the consolidated financial statements (*Continued*)

### 7. Standards issued but not yet effective

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

#### (i) Amendment to Ind AS 8 - Definition of Accounting Estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

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

#### (ii) Amendment to Ind AS 1- Disclosure of Accounting Policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Consequential amendments have been made in Ind AS 107.

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

#### (iii) Amendment to Ind AS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

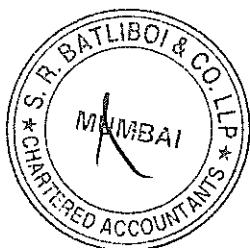
The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

Consequential amendments have been made in Ind AS 101.

The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Group is currently assessing the impact of the amendments.



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 8. Cash and cash equivalents

Particulars	31-Mar-2023	31-Mar-2022
Cash in hand	34.86	31.97
Cheques in hand	189.74	295.91
Balances with banks: (refer note 1 below)		
-in Current accounts	20,891.69	16,590.97
-in fixed deposits with original maturity less than 3 months	6,146.31	2,966.76
<b>Total</b>	<b>27,458.60</b>	<b>19,885.63</b>

#### Note 1:

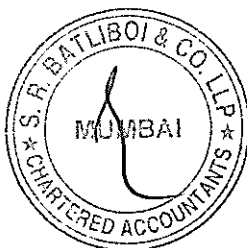
Pledged bank balance/fixed deposits aggregating to ₹ 5,053.82 million ( previous year ₹ 3,271.32 million) against debt securities issued.

### 9. Bank Balance other than cash and cash equivalents

Particulars	31-Mar-2023	31-Mar-2022
Fixed deposits with original maturity less than 3 months at amortised cost (refer Note 1 below) (held as margin money or security against borrowings, debt securities and guarantees)	9,522.32	10,494.74
Unpaid dividend accounts	9.81	8.60
<b>Total</b>	<b>9,532.13</b>	<b>10,503.34</b>

#### Note 1:

- Pledged fixed deposit aggregating to ₹ 2,326.63 million (previous year ₹ 3,484.44 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 ₹ 66.09 million (previous year ₹ 72.66 million) with VAT, CST and excise authorities.
- Pledged fixed deposit aggregating to ₹ 16.29 million (previous year ₹ 41.88 million) with agriculture produce market committee for obtaining Mandi license.

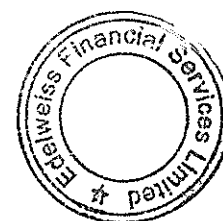


# Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

## 10. Derivative financial instruments

31-Mar-2023	Notional amount (Units)	Fair value of asset (₹ in millions)	Notional amount (Units)	Fair value of liability (₹ in millions)
(i) Currency derivatives				
Currency Futures	2,50,000	0.03	73,82,069	485.42
Options purchased	11,14,01,000	56.48	-	-
Options sold	-	-	13,93,27,000	49.88
Less: amounts offset (refer note 10.1)	(2,50,000)	(0.03)	(12,54,57,069)	(533.45)
Subtotal (i)		56.48		1.85
(ii) Interest rate derivatives				
Forwards and Interest Rate Swaps	31,42,52,63,200	140.62	7,50,00,00,000	23.96
Futures	-	-	1,62,20,000	1.42
Less: amounts offset (refer note 10.1)	-	-	(1,62,20,000)	(1.42)
Subtotal (ii)		140.62		23.96
(iii) Equity linked derivatives				
Stock Futures	75,11,845.00	82.37	54,44,117	54.55
Options purchased	23,76,300.00	1.53	32,09,700	16.77
Options sold (written)	-	-	2,25,000	1.88
Less: amounts offset (refer note 10.1)	(75,11,845)	(82.37)	(54,44,117)	(54.55)
Subtotal (iii)		1.53		18.65
(iv) Index linked derivatives				
Index Futures	70,849.19	46.27	21,700	6.74
Options purchased	6,24,47,310.00	105.23	73,700	5.35
Options sold (written)	-	-	5,51,58,385	293.75
Less: amounts offset (refer note 10.1)	(70,349)	(46.27)	(5,35,48,000)	(18.37)
Subtotal (iv)		105.23		287.47
(v) Embedded derivatives				
In market linked debentures	-	475.14	79,46,00,000	443.79
Subtotal (v)		475.14		443.79
(vi) Commodity derivatives				
Options purchased	-	-	21,100	0.27
Less: amounts offset (refer note 10.1)	-	-	(21,100)	(0.27)
Subtotal (vi)		-		-
Total		779.00		775.72



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

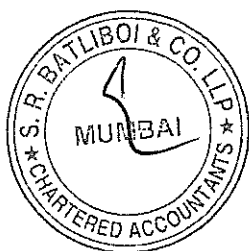
10. Derivative financial instruments (Continued)

31-Mar-2022	Notional amount (Units)	Fair value of asset (₹ in millions)	Notional amount (Units)	Fair value of liability (₹ in millions)
(i) Currency derivatives				
Currency Futures	2,03,36,139	58.71	72,34,000	3.13
Options purchased	16,89,42,000	158.73	-	-
Options sold	-	-	23,82,04,000	173.39
Less: amounts offset (refer note 10.1)	(2,03,36,139)	(58.71)	(24,54,38,000)	(176.52)
Sub total (i)		158.73		-
(ii) Interest rate derivatives				
Forwards and Interest Rate Swaps	12,65,00,00,000	53.61	20,85,25,21,074	267.16
Futures	2,45,96,000	1.23	1,39,72,000	0.48
Less: amounts offset (refer note 10.1)	(2,45,96,000)	(1.23)	(1,39,72,000)	(0.48)
Subtotal (ii)		53.61		267.16
(iii) Equity linked derivatives				
Stock Futures	2,48,46,97,540	47.70	1,25,60,87,136	39.10
Options purchased	10,87,825	71.97	-	-
Options sold (written)	-	-	15,49,875	15.15
Less: amounts offset (refer note 10.1)	(2,48,46,97,540)	(47.70)	(1,25,60,87,136)	(39.10)
Subtotal (iii)		71.97		15.15
(iv) Index linked derivatives				
Index Futures	21,00,00,35,811	44.92	16,050	(4.51)
Options purchased	93,85,32,93,550	380.11	2,79,400	32.71
Options sold (written)	-	-	93,70,28,54,250	492.69
Less: amounts offset (refer note 10.1)	(21,00,00,35,811)	(44.92)	(18,56,000)	(99.72)
Subtotal (iv)		380.11		421.17
(v) Embedded derivatives				
In market linked debentures	-	20.80	43,15,80,00,000	1,556.41
Subtotal (v)		20.80		1,556.41
(vi) Commodity derivatives				
Commodity Futures	13,000	0.00	800	0.02
Less: amounts offset (refer note 10.1)	(13,000)	(0.00)	(800)	(0.02)
Subtotal (vi)		-		-
Total		685.22		2,259.89

0.00 million indicates amount less than ₹ 0.01 million

**Notes**

- 1 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.
- 2 Group has designed a risk based strategy to cover exposure on issued Benchmark Linked Debentures, by entering into a derivative contracts either to minimise the loss or to earn a minimum committed income by entering into a combination of derivative contracts (say for example purchased call and put options) with a wide range of strike prices. Above strategy has been approved by the risk committee of respective subsidiary Companies in the Group and ensures that risk is fully or partially covered, which supports to reduce the risk exposure.



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 10.1 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 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*	Net asset recognised in balance sheet	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised in the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial assets	907.67	128.67	779.00	23.96	59.40	814.44	-	779.00	814.44
Margin placed with broker	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	Amount offset*	Net liability recognised in balance sheet	Financial assets	Collateral paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial liabilities	1,383.78	608.06	775.72	23.96	-	751.76	-	775.72	751.76

As at 31 March 2022:

Financial assets subject to offsetting	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised in the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial assets	742.92	152.56	590.36	51.34	71.55	610.57	94.86	685.22	705.43
Margin placed with broker	537.15	(2.36)	539.51	-	-	539.51	-	539.51	539.51

Financial liabilities subject to offsetting	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total liabilities	Maximum Exposure to Risk
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets	Collateral paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial liabilities	2,496.41	315.84	2,180.57	51.34	-	2,129.23	79.32	2,259.89	2,208.55

\*As at the reporting date the amount of cash margin received that has been offset against gross derivative assets ₹ 128.67 million (Previous year ₹ 152.56 million). As at the reporting date the amount of cash margin paid that has been offset against gross derivative liability ₹ 608.06 million (Previous year ₹ 315.84 million).





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

**11. Stock in trade (Securities held for trading) at FVTPL**

Particulars	31-Mar-2023	31-Mar-2022
Government Securities	25,757.12	10,085.12
Mutual Fund	1,061.96	1,377.90
Debt securities	136.37	133.65
Equity Shares	38.60	3,521.42
<b>Total</b>	<b>26,994.05</b>	<b>15,118.11</b>
Investments in India	26,994.05	14,431.80
Investments outside India	-	686.29
<b>Total</b>	<b>26,994.05</b>	<b>15,118.11</b>

Note: Stock in trade pledged with exchange is amounting to ₹ 98.67 million (previous year ₹ 1,404.19 million).

**12. Trade Receivables**

Particulars	31-Mar-2023	31-Mar-2022
Receivables considered good - secured	-	0.03
Receivables considered good - unsecured	2,276.88	2,210.47
Receivables which have significant increase in credit risk	381.86	434.21
Receivables - credit impaired	2,629.59	3,575.42
<b>Gross receivables</b>	<b>5,288.33</b>	<b>6,520.13</b>
Provision for impairment - unsecured	(129.40)	(20.12)
Allowance for expected credit losses - Receivables which have significant increase in credit risk	(45.78)	(52.19)
Provision for impairment - credit impaired	(980.07)	(1,756.11)
<b>Total receivables net of provision</b>	<b>4,133.08</b>	<b>4,691.71</b>

**12.1 Trade receivables ageing schedule**

As at 31 March 2023	Outstanding for following periods from due date of receipt					
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	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)	(63.48)	(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>

As at 31 March 2022	Outstanding for following periods from due date of receipt					
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	2,208.09	2.17	0.22	0.02	-	2,210.50
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	241.91	188.37	3.75	0.18	-	434.21
(iii) Undisputed Trade Receivables - credit impaired	106.58	300.15	472.68	448.50	2,544.86	3,872.77
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	2.65	-	2.65
<b>Gross receivables (A)</b>	<b>2,556.58</b>	<b>490.69</b>	<b>476.65</b>	<b>451.35</b>	<b>2,544.86</b>	<b>6,520.13</b>
(i) Undisputed Trade receivables - considered good	(19.81)	(0.07)	(0.23)	(0.02)	-	(20.12)
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	(26.76)	(21.50)	(3.75)	(0.18)	-	(52.19)
(iii) Undisputed Trade Receivables - credit impaired	(40.05)	(53.41)	(90.72)	(37.31)	(1,481.77)	(1,756.11)
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	(2.65)	-	(2.65)
<b>Total ECL Provision on receivables (B)</b>	<b>(86.62)</b>	<b>(74.98)</b>	<b>(94.69)</b>	<b>(90.36)</b>	<b>(1,481.77)</b>	<b>(1,828.42)</b>
<b>Total receivables net of provision = (A)-(B)</b>	<b>2,469.96</b>	<b>415.71</b>	<b>381.96</b>	<b>360.99</b>	<b>1,063.09</b>	<b>4,691.71</b>

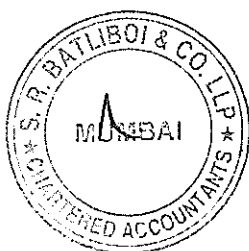
There are no unbilled or not due trade receivables as at 31 March 2023 and 31 March 2022.

Trade receivables are generally on terms 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.

**12.2 Reconciliation of impairment allowance on trade receivables:**

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as on 31-Mar-2021	2,166.40
Add/(less): asset originated or acquired or recovered (net)	(337.98)
Impairment allowance as on 31-Mar-2022	1,828.42
Add/(less): asset originated or acquired or recovered (net)	(673.17)
Impairment allowance as on 31-Mar-2023	1,155.25



**Notes to the consolidated financial statements (Continued)**

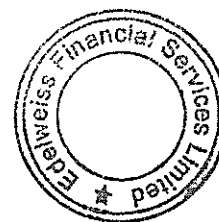
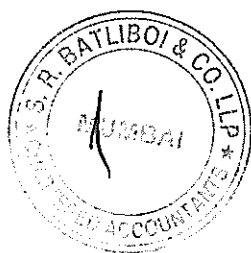
(Currency - Indian rupees in millions)

**13. Loans**

Loans	at amortised cost	31-Mar-2023 at FVTPL	Total	at amortised cost	31-Mar-2022 at FVTPL	Total
<b>Term Loans</b>						
Corporate and Retail Credit	2,03,763.10	2,645.09	2,06,408.19	2,26,097.34	3,361.92	2,29,459.26
Distressed Credit	17,966.05	-	17,966.05	12,587.17	-	12,587.17
Other Credit	974.94	-	974.94	911.69	-	911.69
<b>Total Gross (A)</b>	<b>2,22,722.99</b>	<b>2,645.09</b>	<b>2,24,768.08</b>	<b>2,39,676.20</b>	<b>3,361.92</b>	<b>2,42,238.02</b>
Less: Impairment loss allowance <sup>1</sup>	51,231.80	-	51,231.80	41,261.96	-	41,261.96
<b>Total (Net) (A)</b>	<b>1,70,891.19</b>	<b>2,645.09</b>	<b>1,73,536.28</b>	<b>1,97,614.24</b>	<b>3,361.92</b>	<b>2,00,976.16</b>
Secured by tangible assets (Property including land, building and project receivables)	1,98,929.98	2,645.09	2,01,575.07	2,16,640.45	3,361.92	2,19,402.77
Secured by inventories, fixed deposits and other marketable securities	6,565.91	-	6,565.91	6,839.83	-	6,839.83
Unsecured	16,627.10	-	16,627.10	15,995.92	-	15,995.92
<b>Total Gross (B)</b>	<b>2,22,122.99</b>	<b>2,645.09</b>	<b>2,24,768.08</b>	<b>2,38,376.20</b>	<b>3,361.92</b>	<b>2,42,238.02</b>
Less: Impairment loss allowance <sup>1</sup>	51,231.80	-	51,231.80	41,261.96	-	41,261.96
<b>Total (Net) (B)</b>	<b>1,70,891.19</b>	<b>2,645.09</b>	<b>1,73,536.28</b>	<b>1,97,614.24</b>	<b>3,361.92</b>	<b>2,00,976.16</b>
<b>Loans in India</b>						
Public sector	-	-	-	-	-	-
Others	2,22,122.99	2,645.09	2,24,768.08	2,38,376.12	3,361.92	2,42,237.94
<b>Total Gross (C)</b>	<b>2,22,122.99</b>	<b>2,645.09</b>	<b>2,24,768.08</b>	<b>2,38,376.12</b>	<b>3,361.92</b>	<b>2,42,237.94</b>
Less: Impairment loss allowance <sup>1</sup>	51,231.80	-	51,231.80	41,261.86	-	41,261.86
<b>Total (Net) (C) (I)</b>	<b>1,70,891.19</b>	<b>2,645.09</b>	<b>1,73,536.28</b>	<b>1,97,614.26</b>	<b>3,361.92</b>	<b>2,00,976.08</b>
<b>Loans outside India</b>						
Less: Impairment loss allowance	-	-	-	0.08	-	0.08
<b>Total (Net) (C) (II)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.08</b>	<b>-</b>	<b>0.08</b>
<b>Total (C) (I) and (C) (II)</b>	<b>1,70,891.19</b>	<b>2,645.09</b>	<b>1,73,536.28</b>	<b>1,97,614.34</b>	<b>3,361.92</b>	<b>2,00,976.16</b>

<sup>1</sup>Refer note 62

Note: Loans including Installment and Interest outstanding due from the directors amounts to ₹ Nil million (Previous year ₹ Nil million)



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

**13. Loans (Continued)**  
**13.1 Credit Quality**

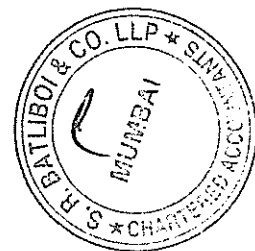
The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal grading and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 57.7 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 57.7.

**Loans at amortised cost**

Particulars	31-Mar-2023					31-Mar-2022				
	Stage I	Stage II	Stage III <sup>1</sup>	POCI	Total	Stage I	Stage II	Stage III <sup>1</sup>	POCI	Total
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount
Performing	47,843.81	-	-	-	47,843.81	59,434.99	-	-	-	59,434.99
High grade	-	24,765.98	-	-	24,765.98	5.92	43,462.84	-	-	43,468.76
Standard grade	-	-	-	-	-	-	-	-	-	-
Non-performing	-	-	1,31,547.15	17,966.05	1,49,513.20	-	-	1,23,685.28	12,587.17	1,36,272.45
In impaired	-	-	-	-	-	-	-	-	-	-
Total	47,843.81	24,765.98	1,31,547.15	17,966.05	1,49,513.20	59,434.99	43,462.84	1,23,685.28	12,587.17	1,36,272.45
Gross carrying amount and corresponding ECL reconciliation - Loans										
Particulars	Non-credit impaired					Credit impaired				
	Stage I	Stage II	Stage III	POCI	Total	Stage I	Stage II	Stage III	POCI	Total
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount
Balance at 31 March 2021	86,761.80	1,280.31	47,862.60	4,394.27	1,17,037.45	36,554.26	13,223.15	2,64,885.00	42,228.84	
Effect of acquisitions made during the year										
Transfers:										
Transfers to 12 Month ECL (Stage 1)	3,496.24	290.86	(2,936.03)	(210.39)	(560.21)	(80.47)	-	-	-	-
Transfers to lifetime ECL (Stage 2)	(5,232.67)	(271.72)	10,655.01	721.39	(5,122.34)	(649.67)	-	-	-	-
Transfers to lifetime ECL - Credit impaired (Stage 3)	(1,374.39)	(34.11)	(1,527.55)	(129.17)	2,901.94	163.48	-	-	-	-
Net re-measurement of ECL arising from transfer of stage	-	1204.64	-	112.72	-	843.56	-	-	-	751.64
Net new and further lending/(repayments) (including write-off) and sale to ARC / AIF <sup>2</sup>	(24,210.07)	(474.16)	(10,691.19)	(1,091.15)	9,728.44	(153.31)	(635.98)	(25,308.80)	(1,718.62)	
Balance at 31 March 2022	59,440.91	586.54	43,162.84	3,797.47	1,23,685.28	36,877.85	12,587.17	2,38,876.20	41,261.86	
Effect of acquisitions made during the year										
Transfers:										
Transfers to 12 Month ECL (Stage 1)	1,272.03	107.24	(828.06)	(47.53)	(443.97)	(60.21)	-	-	-	-
Transfers to lifetime ECL (Stage 2)	(5,649.80)	(86.43)	6,142.63	157.87	(492.75)	(71.44)	-	-	-	-
Transfers to lifetime ECL - Credit impaired (Stage 3)	(638.02)	(7.78)	(3,772.95)	(1,092.35)	9,910.97	1,100.13	-	-	-	-
Net re-measurement of ECL arising from transfer of stage	-	(80.59)	-	900.52	-	1,580.24	-	-	-	2,490.17
Net new and further lending/(repayments) (including write-off) and sale to ARC / AIF <sup>2</sup>	(6,501.23)	107.96	(20,438.48)	(1,615.55)	4,807.62	9,987.34	(5,378.88)	(16,753.21)	7,479.77	
Balance at 31 March 2023	47,843.81	527.46	24,765.98	2,190.43	1,31,547.15	48,413.91	17,966.05	2,22,122.99	51,231.80	

<sup>1</sup>This also includes stage III assets in EARC on distressed assets back, interest accrued on non-performing assets and stage III assets held by Group entities other than NBFCs on trade and per eal purpose advances

<sup>2</sup>Allowance under this category also includes provision on assets as mentioned in note 1 above  
Refer Note 77 & 62



# Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

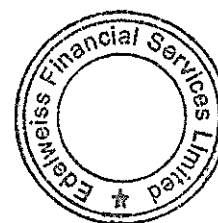
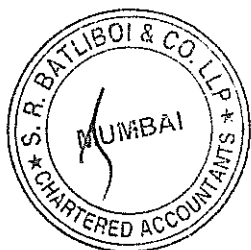
## 14. Investments

31-Mar-2023	Amortised cost	FVOCI	FVTPL	Designated at FVTPL	At Cost (Associates & Others)	Total
Security Receipts	-	-	21,089.05	-	-	21,089.05
Government Securities	-	18,751.02	1,411.99	11,078.42	-	31,241.43
Equity Shares <sup>1</sup>	-	-	40,438.93	-	-	40,438.93
Debt securities	175.91	5,976.24	8,478.29	3,349.90	-	17,980.34
AIF Fund	-	-	16,437.39	-	-	16,437.39
Mutual Fund	-	-	4,581.48	-	-	2,581.48
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>1,03,213.57</b>	<b>15,139.30</b>	<b>-</b>	<b>1,45,251.82</b>
Investments in India	2,171.69	24,727.26	99,378.43	15,139.30	-	1,41,416.68
Investments outside India	-	-	3,835.14	-	-	3,835.14
<b>Total</b>	<b>2,171.69</b>	<b>24,727.26</b>	<b>1,03,213.57</b>	<b>15,139.30</b>	<b>-</b>	<b>1,45,251.82</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>1,02,593.40</b>	<b>15,139.30</b>	<b>-</b>	<b>1,44,628.19</b>

<sup>1</sup>Refer note 62

31-Mar-2022	Amortised cost	FVOCI	FVTPL	Designated at FVTPL	At Cost (Associates & Others)	Total
Security Receipts	-	-	33,412.56	-	-	33,412.56
Government Securities	-	15,472.21	2,127.50	9,839.45	-	27,439.16
Equity Shares	-	-	16,296.63	-	20,215.69	36,512.32
Debt securities	1,195.63	5,091.71	5,023.67	2,731.65	-	14,042.66
AIF Fund	-	-	9,142.67	-	-	9,142.67
Mutual Fund	-	-	2,539.08	-	-	2,539.08
Preference Shares	-	-	1,142.22	-	-	1,142.22
Others	668.03	-	1,259.90	923.07	-	2,850.90
<b>Total</b>	<b>1,863.66</b>	<b>20,563.92</b>	<b>70,944.13</b>	<b>13,494.17</b>	<b>20,215.69</b>	<b>1,27,081.57</b>
Investments in India	1,863.66	20,563.92	70,647.88	13,494.17	20,215.69	1,26,785.32
Investments outside India	-	-	296.25	-	-	296.25
<b>Total</b>	<b>1,863.66</b>	<b>20,563.92</b>	<b>70,944.13</b>	<b>13,494.17</b>	<b>20,215.69</b>	<b>1,27,081.57</b>
Less : Impairment Loss allowance	-	-	805.63	-	-	806.63
<b>Total</b>	<b>1,863.66</b>	<b>20,563.92</b>	<b>70,137.45</b>	<b>13,494.17</b>	<b>20,215.69</b>	<b>1,26,274.89</b>

Note: Investments pledged with bank, exchange, brokers and against debts securities issued is amounting to ₹ 30,893.41 million (previous year ₹ 48,717.19 million)



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 14. Investments (Continued)

#### 14.1 Investments measured at FVOCI

##### Credit quality of assets

The table below shows the gross carrying amount of the Group's investments measured at FVOCI by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 57.7

31-Mar-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>

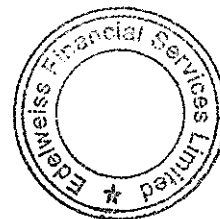
31-Mar-2022				
Particulars	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 2)	Gross carrying amount (Stage 3)	Gross carrying amount Total
High grade	19,018.93	-	-	19,018.93
Standard grade	1,544.99	-	-	1,544.99
Individually impaired	-	-	-	-
<b>Total</b>	<b>20,563.92</b>	<b>-</b>	<b>-</b>	<b>20,563.92</b>

##### Reconciliation of gross carrying amount and corresponding ECL for investments measured at FVOCI

31-Mar-2023				
Particulars	Gross Carrying Amount (Stage 1)	12 months ECL allowance (Stage 1)	Gross Carrying Amount (Stage 3)	12 months ECL allowance (Stage 3)
Gross carrying amount - opening balance	20,563.92	-	-	-
New assets originated or purchased	15,775.49	-	-	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon) net	(13,995.57)	-	-	-
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>

##### Reconciliation of gross carrying amount and corresponding ECL for investments measured at FVOCI

31-Mar-2022				
Particulars	Gross Carrying Amount (Stage 1)	12 months ECL allowance (Stage 1)	Gross Carrying Amount (Stage 3)	12 months ECL allowance (Stage 3)
Gross carrying amount - opening balance	16,183.92	-	674.27	-
New assets originated or purchased	9,777.99	-	0.13	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon) net	(6,684.00)	-	(674.40)	-
Interest income during the year	1,286.01	-	-	-
Foreign Exchange	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Impact of year end ECL of exposures transferred between stages during the year	-	-	-	-
<b>Gross carrying amount - closing balance</b>	<b>20,563.92</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 14. Investments (Continued)

#### 14.2 Investments measured at amortised cost

The table below shows the gross carrying amount of the Group's investments measured at amortised cost by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note S7.7

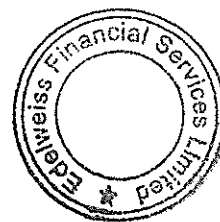
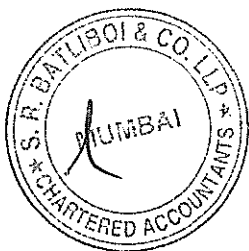
31-Mar-2023				
Particulars	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 2)	Gross carrying amount (Stage 3)	Gross carrying amount Total
High grade	2,148.75	-	-	2,148.75
Standard grade	-	-	-	-
Individually impaired	-	-	22.94	22.94
<b>Total</b>	<b>2,148.75</b>	<b>-</b>	<b>22.94</b>	<b>2,171.69</b>

31-Mar-2022				
Particulars	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 2)	Gross carrying amount (Stage 3)	Gross carrying amount Total
High grade	1,863.66	-	-	1,863.66
Standard grade	-	-	-	-
Individually impaired	-	-	-	-
<b>Total</b>	<b>1,863.66</b>	<b>-</b>	<b>-</b>	<b>1,863.66</b>

Reconciliation of gross carrying amount for investments measured at amortised cost

31-Mar-2023				
Particulars	Gross carrying amount (Stage 1)	12 months ECL allowance (Stage 1)	Gross carrying amount (Stage 3)	12 months ECL allowance (Stage 3)
Gross carrying amount - opening balance	1,863.66	-	-	-
New assets originated or purchased	3,99,240.29	-	-	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	(3,99,023.86)	-	-	-
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>

31-Mar-2022				
Particulars	Gross carrying amount (Stage 1)	12 months ECL allowance (Stage 1)	Gross carrying amount (Stage 3)	12 months ECL allowance (Stage 3)
Gross carrying amount - opening balance	1,305.81	-	-	-
New assets originated or purchased	2,47,632.65	-	-	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	(2,47,076.31)	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	1.51	-	-	-
Amounts written off	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
<b>Gross carrying amount - closing balance</b>	<b>1,863.66</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 15. Other financial assets

Particulars	31-Mar-2023	31-Mar-2022
Receivable from Trust	2,780.92	32.58
Receivable from exchange / clearing house (net)	285.33	1,994.41
Deposits placed with/ for exchange/ depositories	168.95	111.86
Margin placed with broker	2,601.13	5,142.77
Rental deposits	130.95	134.99
Deposits- others	439.52	91.96
Reinsurance receivables	1,061.37	577.21
Unclaimed amount of policyholders	62.80	28.67
Receivable on account of sale of investments (Refer note 1 below)	-	590.66
Others	1,656.08	2,330.12
<b>Total</b>	<b>9,187.09</b>	<b>11,035.23</b>

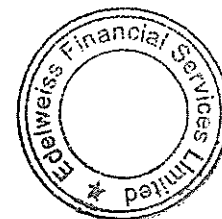
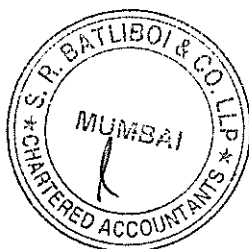
Refer Note 1:-

During the F.Y. 2021-22 Company had sold its controlling stake in the insurance broking business (Edelweiss Gallagher Insurance Broking Limited) to its joint venture partner Arthur J Gallagher & Co. The Company has received appropriate approval including Insurance Regulatory and Development Authority (IRDA) for selling its investment in Edelweiss Insurance Broking business. Based on sale agreement, contingent consideration will be received over a period of time based on revenue achievement. Accordingly, an amount of ₹ 590.66 million recorded as receivables on account of such sale as per terms of the agreement, the said amount has been received in F.Y. 2022-23.

### 16. Deferred tax assets and liabilities

Deferred tax assets (net)	31-Mar-2023	31-Mar-2022
Provision for expected credit losses	1,925.77	2,310.64
Unused tax losses / credits	10,407.66	8,848.33
Employee benefits obligations	67.72	59.55
Fair valuation of Financial Assets	1,019.16	734.02
Fair valuation of Derivatives	(31.91)	(22.50)
Property, Plant and Equipment and Intangible assets	(939.70)	(1,000.22)
Adjustment of effective interest rate on Borrowings	(333.05)	(284.21)
<b>Total</b>	<b>12,115.65</b>	<b>10,645.61</b>

Deferred tax liabilities (net)	31-Mar-2023	31-Mar-2022
Provision for expected credit losses	106.37	95.14
Employee benefits obligations	(19.44)	(18.06)
ESOP Perquisite	(4.01)	(4.01)
Fair valuation of Financial Assets	410.00	683.62
Property, Plant and Equipment and Intangible assets	1,227.57	1,305.43
Adjustment of effective interest rate on Borrowings	0.45	3.27
Special Reserve u/s 36(1)(viii)	106.66	101.02
<b>Total</b>	<b>1,827.60</b>	<b>2,166.41</b>



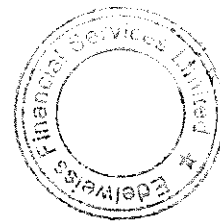
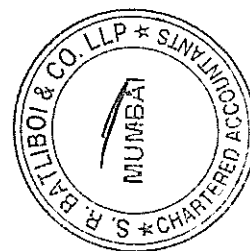
## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 17. Investment property

Particulars	Gross Block				Depreciation and impairment			Net Block	
	As at 01-Apr-22	Additions during the year	Deductions/ adjustments during the year	As at 31-Mar-22	As at 01-Apr-22	Charge for the year	Deductions/ adjustments during the year	As at 31-Mar-22	As at 31-Mar-23
<b>Investment Property</b>									
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	1.06	-	487.09	1,630.71
<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>1.06</b>	<b>18.27</b>	<b>487.09</b>	<b>1,822.13</b>
Particulars	Gross Block				Depreciation and impairment			Net Block	
	As at 01-Apr-21	Additions during the year	Deductions/ adjustments during the year	As at 31-Mar-22	As at 01-Apr-21	Charge for the year	Deductions/ adjustments during the year	As at 31-Mar-22	As at 31-Mar-23
<b>Investment Property</b>									
Land	1,408.62	-	-	1,408.62	18.27	-	-	18.27	1,390.35
Real Estate	2,676.00	240.03	649.59	2,266.44	671.72	0.89	-	622.53	1,643.91
<b>Total</b>	<b>4,084.62</b>	<b>240.03</b>	<b>649.59</b>	<b>3,675.06</b>	<b>689.99</b>	<b>0.89</b>	<b>-</b>	<b>640.80</b>	<b>3,034.26</b>
<b>Fair value of investment property</b>									
<b>Property</b>								<b>31-Mar-23</b>	<b>31-Mar-22</b>
Land								<b>1,213.88</b>	<b>2,256.90</b>
Real estate property								<b>2,610.88</b>	<b>3,120.13</b>
<b>Total</b>								<b>3,824.76</b>	<b>5,377.03</b>

These above fair valuation are based on valuations performed by an duly independent valuer.

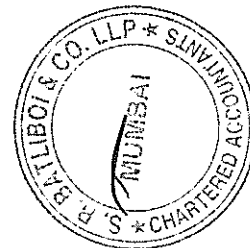
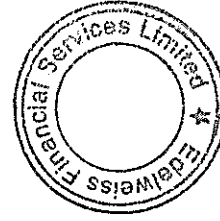




**Notes to the consolidated financial statements (Continued)**  
(Currency : Indian rupees in millions)

**18. Property, plant and equipment and intangibles**

Particulars	Gross Block			Depreciation and amortisation					Net Block	
	As at 01-Apr-2022	Additions/adjust- ments during the year	Revaluation adjustment, if any	Deductions/a adjustments during the year	As at 31-Mar-2023	As at 01-Apr-2022	Charge for the year	Impairment/(re- versal) of impairment	As at 31-Mar-2023	As at 31-Mar-2023
a) Property, Plant and Equipments										
Land*	236.79	-	-	-	236.79	-	-	-	-	236.79
Flat and Building*	11,312.42	6.39	-	-	11,318.81	1,305.27	764.18	-	2,069.45	9,249.36
Leasehold Premises	62.66	9.09	-	12.46	59.29	40.58	11.43	-	38.80	20.49
Plant and Equipment	303.27	28.31	-	26.59	304.99	180.71	86.05	-	242.64	62.35
Furniture and Fixtures	279.90	40.06	-	6.25	313.71	151.03	33.72	-	179.12	134.59
Vehicles	11.87	6.00	-	3.22	14.65	7.27	3.11	-	9.20	5.45
Office equipment	235.71	13.83	-	41.51	208.03	202.33	15.61	-	39.03	178.91
Vessel (Boat)	4.84	-	-	-	4.84	1.27	0.45	-	0.66	4.18
Computers	442.13	104.77	-	137.86	409.04	413.79	3.73	-	127.31	290.21
Solar Power Equipment	62.03	-	-	-	62.03	39.18	4.14	-	43.32	18.71
Total (A)	12,951.62	208.45	-	227.89	12,932.18	2,341.43	922.42	-	3,052.31	9,879.87
b) Intangibles										
Software	2,048.73	478.17	-	10.53	2,516.37	1,503.61	383.32	-	1,880.36	636.01
Trademark/ Design and Copyright/Asset Management Rights	709.05	-	-	-	709.05	50.00	10.00	-	60.00	649.05
Total (B)	2,757.78	478.17	-	10.53	3,225.42	1,553.61	393.32	-	1,940.36	1,285.06
c) Right to use (ROU) assets	1,349.56	218.06	-	33.49	1,534.13	887.98	201.30	-	1,086.00	448.13
Total (A+B+C)	17,058.96	904.68	-	271.91	17,691.73	4,783.02	1,517.04	-	6,078.67	11,613.06



# Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

## 18. Property, plant and equipment and intangibles (Continued)

Particulars	Gross Block				Depreciation and amortisation				Net Block	
	As at 01-Apr-2021	Additions/adjust- ments during the year	Revaluation adjustment, if any	Deductions/a djustments during the year	As at 31-Mar-2022	As at 01-Apr-2021	Charge for the year	Impairment/(rev ersal) of impairment year	As at 31-Mar-2022	As at 31-Mar-2022
a) Property, Plant and Equipments										
Land*	236.79	-	-	-	236.79	-	-	-	-	236.79
Flat and Building*	11,575.19	424.61	(504.22)	183.16	11,312.42	609.57	716.03	(4.20)	1,305.27	10,007.15
Leasehold Premises	60.31	14.70	-	12.35	62.66	38.24	10.36	-	8.02	22.08
Plant and Equipment	343.71	20.53	-	60.97	303.27	198.95	38.01	-	56.25	122.56
Furniture and Fixtures	259.39	53.92	-	33.41	279.90	150.19	26.38	-	25.54	151.03
Vehicles	42.84	2.73	-	33.70	11.87	30.85	3.22	-	26.84	7.27
Office equipment	303.04	8.71	-	76.04	235.71	244.34	24.42	-	66.43	33.38
Vessel (Boat)	4.85	-	-	0.01	4.84	0.98	0.29	-	1.27	3.57
Computers	491.86	52.95	-	102.68	442.13	449.15	55.47	-	90.87	28.34
Solar Power Equipment	62.07	-	-	0.04	62.03	33.87	5.33	-	39.18	22.85
Total (A)	13,380.05	578.15	(504.22)	502.36	12,951.62	1,756.22	879.51	(4.20)	2,341.43	10,610.19
b) Intangibles										
Software	1,565.01	283.46	-	199.74	2,048.73	1,240.64	412.94	-	149.97	1,502.61
Trademark/ Design and Copyright/Asset Management Rights	750.87	-	-	31.82	719.05	47.50	50.00	-	47.50	659.05
Total (B)	2,315.88	283.46	-	231.56	2,757.78	1,288.14	462.94	-	197.47	1,553.61
c) Right to use (ROU) assets	1,360.66	178.50	-	189.60	1,349.56	703.22	217.97	-	33.21	887.98
Total (A+B+C)	17,496.59	1,040.11	(504.22)	973.52	17,058.96	3,747.58	1,560.42	(4.20)	520.78	12,275.94
pledged against debt securities and borrowings.										

### Notes

- The Group management approved revaluation of owned flats and buildings classified under property, plant and equipment after assessing the valuation made by duly appointed independent valuer. These valuations are determined basis open market values of similar property and its intrinsic value. Accordingly, the Group has recognised the revaluation loss of ₹ Nil million (net of tax) (Previous year ₹ 385.14 million (net of tax)) in other comprehensive income.
- The Group has provided one time accelerated depreciation of ₹ 220 million on land and building during the year ended 31 March 2023.



# Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

## 19. Capital Work in Progress (CWIP)

Description of Assets	CWIP			
	As at 01-Apr-2022	Additions	Capitalisation	As at 31-Mar-2023
CWIP	0.57	7.09	0.57	7.09
Total	0.57	7.09	0.57	7.09

Description of Assets	CWIP			
	As at 01-Apr-2021	Additions	Capitalisation	As at 31-Mar-2022
CWIP	7.93	-	7.36	0.57
Total	7.93	-	7.36	0.57

## (a) CWIP ageing schedule

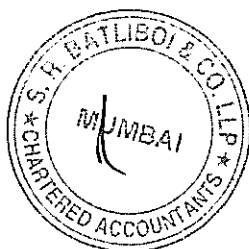
As at 31 March 2023

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	-	-	-	-	-
Total	7.09	-	-	-	7.09

As at 31 March 2022

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	0.57	-	-	-	0.57
Projects temporarily suspended	-	-	-	-	-
Total	0.57	-	-	-	0.57

## (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 (Continued)

(Currency : Indian rupees in millions)

## 20. Intangible assets under development

Description of Assets	Intangible assets under development			
	As at 01-Apr-2022	Additions	Capitalisation	As at 31-Mar-2023
Intangible assets under development	195.70	143.74	98.84	240.60
Total	195.70	143.74	98.84	240.60

Description of Assets	Intangible assets under development			
	As at 01-Apr-2021	Additions	Capitalisation	As at 31-Mar-2022
Intangible assets under development	124.17	82.44	10.91	195.70
Total	124.17	82.44	10.91	195.70

## (a) Intangible assets under development ageing schedule

### 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	-	-	-	-	-
Total	229.30	11.30	-	-	240.60

### As at 31 March 2022

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	138.34	57.36	-	-	195.70
Projects temporarily suspended	-	-	-	-	-
Total	138.34	57.36	-	-	195.70

## (b) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan:

### As at 31 March 2023

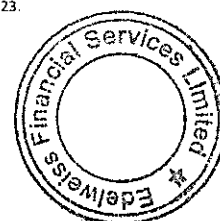
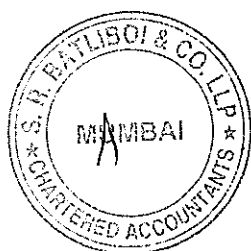
Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Total	-	-	-	-	-

### As at 31 March 2022

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Digital Lending Platform (DLP)*	125.00	-	-	-	125.00
Total	125.00	-	-	-	125.00

FY 2021-22

\*The subsidiary of the Company is developing a Digital Lending Platform (DLP) for automation of retail loan origination process. The original projected cost of the software was estimated at ₹ 95.00 million with a variation of 10%. During the development phase, Co - Lending Model (CLM) module was identified as an additional module for development, accordingly the project cost is revised and estimated to be ₹ 125.00 million. Further, timeline for completion of the project has been revised from November 2021 to end of financial year 2023. This is capitalised during the financial year 2022-23.



**Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

**21. Goodwill on consolidation**

Particulars	31-Mar-23	31-Mar-22
Balance at the beginning of the year	663.35	663.35
Add: Goodwill arising on acquisitions	-	-
Less: Goodwill derecognised / impaired*	(426.75)	-
Balance at the end of year	236.60	663.35

\*Goodwill derecognised on account of loss of significant influence of associate - Refer note 62.

The recoverable amount of subsidiaries/associates is based on its value in use. The value in use is estimated using discounted cash flows. Cash flows is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using pre-tax discount rate. Operating margins and growth rates for the five year cash flow projections have been estimated based on past experience and after considering the financial budgets/forecasts provided by the management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry and have been based on historical data from both external and internal sources.

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount.



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 22. Other non-financial assets

Particulars	31-Mar-23	31-Mar-22
Input tax credit	2,568.88	1,972.00
Prepaid expenses	4,049.25	1,911.60
Vendor Advances	288.75	211.12
Advances to employees	11.34	9.38
Deposits	18.86	18.06
Other assets	181.34	343.55
<b>Total</b>	<b>7,118.42</b>	<b>4,466.51</b>

### 23. Trade Payables

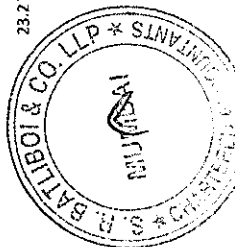
Particulars	31-Mar-23	31-Mar-22
Total outstanding dues of micro enterprises and small enterprises (MSME)	25.96	17.51
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,096.20	12,883.76
<b>Total</b>	<b>14,122.16</b>	<b>12,901.27</b>

### 23.1 Trade payables ageing schedule

As at 31 March 2023	Outstanding for following periods from due date of payment					
Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) Total outstanding dues of micro enterprises and small enterprises	0.72	-	25.24	-	-	-
(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
(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>

As at 31 March 2022	Outstanding for following periods from due date of payment					
Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	17.50	0.01	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,966.64	-	10,776.53	31.74	81.00	27.85
(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>1,966.64</b>	<b>-</b>	<b>10,794.03</b>	<b>31.75</b>	<b>81.00</b>	<b>27.85</b>
						<b>12,901.27</b>

23.2 Trade Payables includes ₹ 25.96 million (Previous Year ₹ 17.51 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 ₹ 0.15 million (Previous year: ₹ Nil million). The aforementioned is based on the responses received by the Group to its inquiries with suppliers with regard to applicability under the said Act.



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 24. Debt securities

Particulars	31-Mar-23	31-Mar-22
Non-Convertible Debentures (at amortised cost)	1,30,046.73	1,30,203.34
Compulsory Convertible Debentures (at amortised cost) (refer Note 1 b/c/pw)	7,350.18	9,450.18
Non-Convertible Debentures (designated at fair value through profit or loss)	6,282.80	7,987.85
Commercial paper (at amortised cost)	10,350.63	7,515.57
Total (refer Note 1 b/c/pw)	1,54,030.34	1,55,157.04
(i) Debt securities in India	1,54,030.34	1,55,057.04
(ii) Debt securities outside India	-	-
Total	1,54,030.34	1,55,057.04

#### Note:

- The conversion option in the Compulsory convertible debentures (CCD) issued to Caisse de dépôt et placement du Québec (CDPQ) has been determined as an embedded derivative based on Ind AS 109 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013. ECL Finance Limited (ECLF), a subsidiary of the company had performed a fair valuation of the embedded derivative based on the conversion formula agreed in the CCD agreement and had accordingly recorded a fair value gain of ₹ 1,740 million during the year ended 31 March 2021. Management has further reviewed fair valuation of such embedded derivative during the year ended 31 March 2023 and has determined that there is further fair value gain on CCD of ₹ 2,100 million.
- Out of the above, ₹ 19,832.92 million as at 31 March 2023 (Previous Year ₹ 19,088.20 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 2023

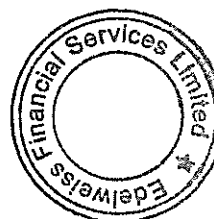
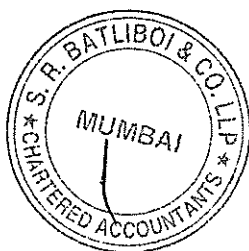
Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
8.00 - 8.99%	1,607.97	771.12	1,649.14	4,028.23
9.00 - 9.99%	26,382.99	12,744.90	23,861.82	62,989.71
10.00 - 10.99%	1,784.34	4,264.66	10,305.79	16,354.79
11.00 - 11.99%	11,250.00	-	-	11,250.00
19.00 - 19.99%	210.00	2,370.00	-	2,580.00
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
Total*	52,809.95	35,040.20	50,220.39	1,46,690.16

\* Compulsory Convertible Debentures amounting to ₹ 7,350.18 million not considered for maturity pattern.

#### Debt Securities - as at 31 March 2022

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
8.00 - 8.99%	7,549.16	22.10	7,657.86	15,229.12
9.00 - 9.99%	2,371.59	18,242.67	17,496.14	38,110.40
10.00 - 10.99%	4,393.97	3,817.03	9,331.14	16,543.29
11.00 - 11.99%	11,250.00	-	-	11,250.00
14.00 - 14.99%	-	6,500.00	-	6,500.00
19.00 - 19.99%	210.00	462.50	2,117.50	2,790.00
Zero Coupon Debentures	1,036.06	655.31	59.84	1,751.21
Various (benchmark linked)	19,831.69	13,105.66	9,528.06	42,465.41
Accrued Interest and EIR	-	-	-	10,227.00
Total*	35,392.87	53,736.25	46,250.74	1,45,606.86

\* Compulsory Convertible Debentures amounting to ₹ 9,450.18 million not considered for maturity pattern.



# Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

## 25. Borrowings (other than debt securities) at amortised cost

Particulars	31-Mar-23	31-Mar-22
<b>Secured</b>		
Term loans		
(Secured against investments, stock in trade (securities held for trading), charge on receivables of financing business, cash and cash equivalents and other assets)		
from banks	20,196.92	19,993.63
from other parties	2,209.09	1,023.31
Bank overdrafts/Cash credit lines	1,799.38	2,492.22
(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)	18,958.39	4,511.54
Working capital demand loan (secured by charge on receivables from financing business, cash and cash equivalents and property, plant and equipments)	6,700.00	8,030.00
<b>Unsecured</b>		
Loans repayable on demand - from other parties	83.33	-
	49,947.02	56,550.66
<b>Borrowings in India</b>	49,947.02	56,550.66
<b>Borrowings outside India</b>	-	-
<b>Total</b>	49,947.02	56,550.66

Following is the repayment terms of term loans:

### 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>	11,509.75	7,146.54	1,645.53	20,196.92

### Term loans from Banks - Secured as at 31 March 2022

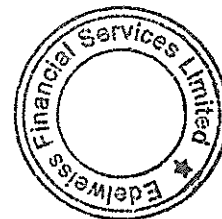
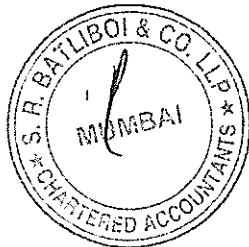
Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
7.00 - 7.99%	461.74	538.85	-	1,000.59
8.00 - 8.99%	5,906.53	5,875.12	219.88	12,001.53
9.00 - 9.99%	12,978.28	5,561.99	100.00	18,640.27
10.00 - 10.99%	5,432.46	2,156.77	56.75	7,645.43
11.00 - 11.99%	193.75	-	-	193.75
12.00 - 12.99%	-	515.00	-	515.00
Accrued Interest and EIR	-	-	-	(102.59)
<b>Total</b>	24,972.76	14,647.68	376.13	39,996.57

### 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
5.00 - 5.99%	5.80	3.85	-	9.65
6.00 - 6.99%	132.78	255.35	202.91	591.04
7.00 - 7.99%	-	125.00	-	125.00
8.00 - 8.99%	250.00	100.00	-	350.00
9.00 - 9.99%	750.00	75.00	-	825.00
Accrued Interest and EIR	-	-	-	(8.05)
<b>Total</b>	1,297.62	716.52	202.91	2,209.09

### Term loans from Others - Secured as at 31 March 2022

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
4.00 - 4.99%	119.29	298.32	57.00	474.61
5.00 - 5.99%	5.13	11.10	-	16.23
6.00 - 6.99%	60.61	105.94	291.30	457.85
7.00 - 7.99%	59.31	118.91	115.12	293.34
8.00 - 8.99%	299.00	-	-	299.00
Accrued Interest and EIR	-	-	-	1.22
<b>Total</b>	543.53	614.12	464.12	1,621.77





# Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

## 26. Deposits (at amortised cost)

Particulars	31-Mar-23	31-Mar-22
Inter Corporate Deposits	16.25	15.60
<b>Total</b>	<b>16.25</b>	<b>15.60</b>
Inter Corporate Deposits in India	16.25	15.60
Inter Corporate Deposits outside India	-	-
<b>Total</b>	<b>16.25</b>	<b>15.60</b>

## 27. Subordinated liabilities (at amortised cost)

Particulars	31-Mar-23	31-Mar-22
Unsecured		
Non convertible subordinated debt	12,303.56	14,316.31
Perpetual debt	1,042.89	1,150.58
Preference share capital	20.42	19.64
<b>Total</b>	<b>13,366.87</b>	<b>15,486.53</b>
Subordinated liabilities in India	13,366.87	15,486.53
Subordinated liabilities outside India	-	-
<b>Total</b>	<b>13,366.87</b>	<b>15,486.53</b>

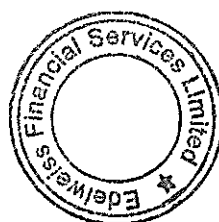
Terms and condition related to subordinate liabilities:

### 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>

### Subordinated Liabilities – 31 March 2022

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
9.00 - 9.99%	-	-	2,699.74	2,699.74
10.00 - 10.99%	-	200.00	3,230.51	3,430.51
11.00 - 11.99%	500.00	3,498.00	125.54	4,123.54
14.00 - 14.99%	-	19.64	-	19.64
Various (benchmark linked)	-	2,735.80	550.00	3,285.80
Accrued Interest and EIR	-	-	-	1,927.30
<b>Total</b>	<b>500.00</b>	<b>6,453.44</b>	<b>6,605.79</b>	<b>15,486.53</b>



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 28. Other financial liabilities (at amortised cost unless otherwise specified)

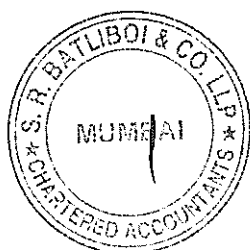
Particulars	31-Mar-23	31-Mar-22
Payable to exchange / clearing house (net)	22.34	269.71
Bank overdraft	4.64	85.29
Accrued salaries and benefits	3,133.98	3,405.77
Provision for short sale at fair value	-	889.70
Reinsurance payable	1,779.68	692.42
Rental deposits	305.59	156.44
Retention money payable	12.37	12.60
Unclaimed dividends	9.81	8.60
Security receipts held by outsiders	6,977.38	1,825.64
Derivative liability	2,585.26	2,290.53
Payable on account of securitisation and assignment	10,648.92	10,056.89
Financial liability associated to financial assets that are not derecognised	23,042.00	23,682.88
Other liabilities	4,994.40	7,550.74
<b>Total</b>	<b>53,516.37</b>	<b>50,927.21</b>

### 29. Provisions

Particulars	31-Mar-23	31-Mar-22
<b>Provision for employee benefits and related costs</b>		
Gratuity	202.40	222.47
Compensated absences	105.77	110.33
Others	315.79	162.60
<b>Total</b>	<b>623.96</b>	<b>495.40</b>

### 30. Other non-financial liabilities

Particulars	31-Mar-23	31-Mar-22
Income received in advance	3,584.60	2,997.86
Statutory dues	947.24	822.17
Advances from customers	0.92	11.32
Proposal deposit from insurance business	240.06	226.19
Others	1,733.09	583.48
<b>Total</b>	<b>6,505.91</b>	<b>4,641.02</b>



31. Equity share capital

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	No of shares	Amount	No of shares	Amount
<b>Authorised :</b>				
Equity Shares of ₹ 1 each	1,23,00,00,000	1,230.00	1,23,00,00,000	1,230.00
Preference shares of ₹ 5 each	40,00,000	20.00	40,00,000	20.00
	<b>1,23,40,00,000</b>	<b>1,250.00</b>	<b>1,23,40,00,000</b>	<b>1,250.00</b>
<b>Issued, Subscribed and Paid up:</b>				
Equity Shares of ₹ 1 each	94,32,75,276	943.28	94,30,97,965	943.10
Less: Shares held by Edelweiss Employees Incentives and Welfare Trust (Refer note 1)	(73,01,510)	(7.30)	(73,01,510)	(7.30)
Less: Shares held by Edelweiss Employees Welfare Trust (Refer note 1)	(3,75,95,270)	(37.60)	(3,75,95,270)	(37.60)
	<b>89,83,78,496</b>	<b>898.38</b>	<b>89,82,01,185</b>	<b>898.20</b>
<b>A. Reconciliation of number of shares (Before deducting treasury shares)</b>				
	<b>As at 31-Mar-2023</b>	<b>As at 31-Mar-2022</b>		
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	94,30,97,965	943.10	93,57,98,077	935.80
Shares issued during the year:				
-Under Employee Stock Options Plans (ESOPs)	1,77,311	0.18	72,99,888	7.30
Outstanding at the end of the year	<b>94,32,75,276</b>	<b>943.28</b>	<b>94,30,97,965</b>	<b>943.10</b>

Note :

1. 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.
2. 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.

C. Details of shares held by promoters in the Company

As at 31-Mar-2023

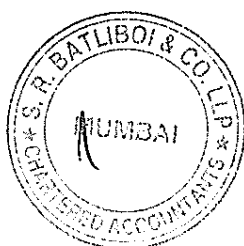
Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Rashesh Chandrakant Shah	14,56,01,730	-	14,56,01,730	15.44%	0.00%
Venkatchalam A Ramaswamy	5,81,26,560	-	5,81,26,560	6.16%	0.00%
Vidya Rashesh Shah	3,10,31,200	-	3,10,31,200	3.29%	0.00%
Aparna T Chandrashekar	1,22,10,000	-	1,22,10,000	1.29%	0.00%
Kaavya Venkat Arakoni	1,17,90,000	-	1,17,90,000	1.25%	0.00%
Neel Rashesh Shah	20,00,000	-	20,00,000	0.21%	0.00%
Sneha Sripad Desai	10,25,000	-	10,25,000	0.11%	0.00%
Shilpa Urwish Mody	9,50,000	-	9,50,000	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)	3,87,50,000	-	3,87,50,000	4.11%	0.00%
Spire Investment Advisors LLP	32,00,000	-	32,00,000	0.34%	0.00%
Sejal Premal Parekh	9,50,000	-	9,50,000	0.10%	0.00%
Avanti Rashesh Shah	20,00,000	-	20,00,000	0.21%	0.00%
<b>Total</b>	<b>30,76,84,490</b>	<b>-</b>	<b>30,76,84,490</b>	<b>32.62%</b>	<b>0.00%</b>

As at 31-Mar-2022

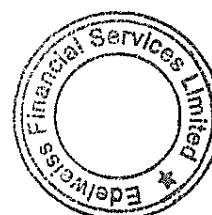
Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Rashesh Chandrakant Shah	14,56,01,730	-	14,56,01,730	15.44%	0.00%
Venkatchalam A Ramaswamy	5,81,26,560	-	5,81,26,560	6.16%	0.00%
Vidya Rashesh Shah	3,10,31,200	-	3,10,31,200	3.29%	0.00%
Aparna T Chandrashekar	1,22,10,000	-	1,22,10,000	1.29%	0.00%
Kaavya Venkat Arakoni	1,17,90,000	-	1,17,90,000	1.25%	0.00%
Neel Rashesh Shah	20,00,000	-	20,00,000	0.21%	0.00%
Sneha Sripad Desai	10,25,000	-	10,25,000	0.11%	0.00%
Shilpa Urwish Mody	9,50,000	-	9,50,000	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)	3,87,50,000	-	3,87,50,000	4.11%	0.00%
Spire Investment Advisors LLP	32,00,000	-	32,00,000	0.34%	0.00%
Sejal Premal Parekh	9,50,000	-	9,50,000	0.10%	0.00%
Avanti Rashesh Shah	20,00,000	-	20,00,000	0.21%	0.00%
<b>Total</b>	<b>30,76,84,490</b>	<b>-</b>	<b>30,76,84,490</b>	<b>32.62%</b>	<b>0.00%</b>

D. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Rashesh Shah  
Venkatachalam Ramaswamy  
Bih Sa



As at 31-Mar-2023		As at 31-Mar-2022	
No of shares	% holding	No of shares	% holding
14,56,01,730	15.44%	14,56,01,730	15.44%
5,81,26,560	6.16%	5,81,26,560	6.16%
4,56,34,784	4.84%	4,82,57,748	5.12%
<b>24,93,63,074</b>	<b>26.44%</b>	<b>25,19,86,038</b>	<b>26.72%</b>



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 32. Other equity

Particulars	31-Mar-23	31-Mar-22
Capital reserve	8,026.45	8,026.45
Capital redemption reserve	287.87	187.87
Securities premium reserve	29,582.57	29,557.82
ESOP/SAR reserve	698.72	761.58
Special reserve under section 45-IC of the Reserve Bank of India Act, 1934	7,463.98	7,048.56
Reserve under section 29C of the National Housing Bank Act, 1987	607.55	575.42
General reserve	717.15	717.15
Debenture redemption reserve	3,074.01	3,543.64
Impairment reserve	2,342.26	2,079.49
Retained earnings	11,628.26	9,955.45
Foreign exchange translation reserve	120.52	(37.82)
Revaluation reserve through other comprehensive income	3,625.19	3,721.28
Equity instruments through other comprehensive income	(1,700.00)	(1,700.00)
Debt instruments through other comprehensive income	68.21	39.07
	66,542.74	64,475.96

#### Nature and Purpose

#### 32.1 Capital reserve

Capital reserve represents the gains of capital nature which is not freely available for distribution.

#### 32.2 Capital redemption reserve

The Group has recognised capital redemption reserve on buy back of equity share capital.

#### 32.3 Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

#### 32.4 ESOP/SAR reserve

ESOP and SAR options outstanding represents the amount transferred to reserves pursuant to the "ESOP 2011" and "SAR 2019" schemes.

#### 32.5 Statutory reserve u/s 45-IC of The Reserve Bank of India Act, 1934

Every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

#### 32.6 Statutory reserve u/s 29C of The National Housing Bank Act, 1987

In terms of Section 29C of the National Housing Bank Act, 1987 every housing finance institution which is a company is required to create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account before any dividend is declared. Housing Finance Companies (HFCs), are permitted to withdraw from the said reserve fund, the excess amount credited (in excess of the statutory minimum of 20%) in the previous years for any business purposes subject to suitable disclosure in the balance sheet and in the case of HFCs which have transferred only the statutory minimum in the previous years to selectively permit them to withdraw from the reserve fund only for the purpose of provisioning for non-performing assets subject to the conditions that there is no debit balance in the profit and loss account and that the reason for such withdrawal are stated explicitly in the balance sheet.

#### 32.7 General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the 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.

#### 32.8 Debenture redemption reserve

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The 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.

#### 32.9 Impairment reserve

RBI notification on Implementation of Indian Accounting Standards, dated 13 March 2020 requires NBFC/ARC subsidiaries within Group are to recognise impairment reserves where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning)

#### 32.10 Retained earnings

Retained earnings comprises of the Group's undistributed earnings after taxes.

#### 32.11 Foreign exchange translation reserve

The exchange differences arising out of year end translation of Group entities having functional currency other than Indian Rupees is debited or credited to this reserve.

#### 32.12 Revaluation Reserve through other comprehensive income

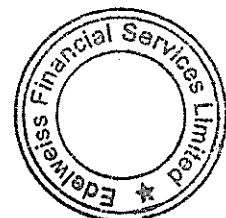
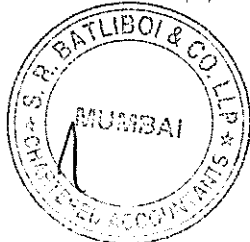
For a class of Fixed asset (i.e. flats and building) Group has adopted revaluation model of accounting over cost model. The Revaluation Reserve represents the cumulative gains and losses arising from the revaluation of these assets as at the end of the reporting period.

#### 32.13 FVOCI equity investments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments within equity. The Group reclassified this reserve to retained earnings on derecognition of concerned equity securities.

#### 32.14 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.



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 33. Interest income

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>

For the year ended 31 March 2022

Particulars	Amortised cost	FVTPL	FVOCI	Total
Interest on loans	22,133.27	519.28	-	22,652.55
Interest income from investments	1,592.88	3,648.01	1,256.52	6,497.41
Interest on deposits with banks	825.09	-	-	825.09
Other interest income	479.74	-	-	479.74
<b>Total</b>	<b>25,030.98</b>	<b>4,167.29</b>	<b>1,256.52</b>	<b>30,454.79</b>

### 34. Fee and commission income

Particulars	2022-23	2021-22
Income from broking	16.04	14.24
Advisory and other fees	12,427.39	14,424.02
<b>Total</b>	<b>12,443.43</b>	<b>14,438.26</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	2022-23	2021-22
Service transferred at a point in time	2,034.18	2,014.15
Service transferred over time	10,409.25	12,424.11
<b>Total revenue from contract with customers</b>	<b>12,443.43</b>	<b>14,438.26</b>

Geographical Markets	2022-23	2021-22
India	11,648.42	13,679.91
Outside India	795.01	758.35
<b>Total revenue from contract with customers</b>	<b>12,443.43</b>	<b>14,438.26</b>

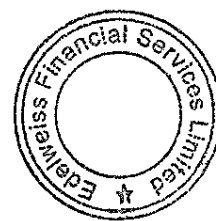
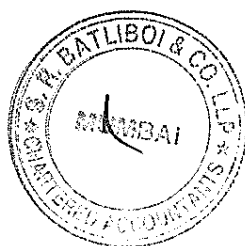
### 35. Net gain on fair value changes

Particulars	2022-23	2021-22
<b>Net gain/(loss) on financial instruments at fair value through profit or loss</b>		
On trading portfolio		
Investment at FVTPL <sup>1</sup>	12,326.66	1,661.29
Derivatives at FVTPL	4,954.99	4,389.83
Others		
Other financial instruments	5,756.87	273.31
<b>Total Net gain/(loss) on fair value changes</b>	<b>23,038.52</b>	<b>6,324.43</b>

Fair Value changes:

Realised gain/(loss)	7,744.04	6,705.22
Unrealised gain/(loss)	15,294.48	(380.79)
<b>Total</b>	<b>23,038.52</b>	<b>6,324.43</b>

<sup>1</sup>Refer note 62



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 36. Other operating revenue

Particulars	2022-23	2021-22
Warehousing income	-	54.68
Income from training centre	61.56	23.32
Rental income	211.22	197.56
<b>Total</b>	<b>272.78</b>	<b>275.56</b>

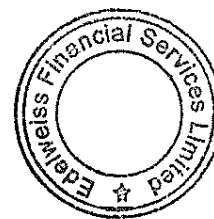
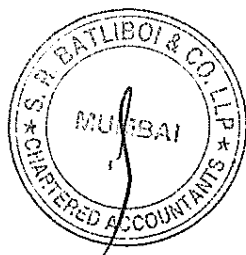
### 37. Other income

Particulars	2022-23	2021-22
Donation income	393.97	222.20
Interest on income tax refund	191.49	242.80
Profit on sale of subsidiaries (net)	-	3,072.37
Miscellaneous income <sup>1</sup>	930.09	394.50
<b>Total</b>	<b>1,515.55</b>	<b>3,931.87</b>

<sup>1</sup>Includes profit of ₹ 760 million on account of sale of investment property during the year ended 31 March 2023.

### 38. Finance cost (at amortised cost unless otherwise stated)

Particulars	2022-23	2021-22
Interest on deposits	89.12	11.46
Interest on borrowings (other than debt securities)	5,377.94	7,745.72
Interest on debt securities	16,835.84	18,358.31
Interest on debt securities (at fair value through profit or loss)	1,089.69	1,026.37
Interest on subordinated liabilities	1,328.47	1,072.23
Other interest expense	1,024.57	1,627.00
<b>Total</b>	<b>25,745.63</b>	<b>29,841.09</b>



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 39. Employee benefits expense

Particulars	2022-23	2021-22
Salaries and wages (Refer note 1 below)	9,892.36	9,982.70
Contribution to provident and other funds	506.58	437.16
Expense on employee stock option scheme/stock appreciation rights	87.28	120.73
Staff welfare expenses	165.52	102.10
<b>Total</b>	<b>10,651.74</b>	<b>10,642.69</b>

Note 1:- The Group has provided ₹ 1,090 million towards incremental performance bonus cost for employees for the year ended 31 March 2023.

### 40. Impairment on financial instruments

Particulars	2022-23	2021-22
On loans <sup>1</sup>	3,327.59	844.44
On investments	333.97	(327.26)
On trade receivables	(42.74)	(94.46)
<b>Total</b>	<b>3,618.82</b>	<b>422.72</b>

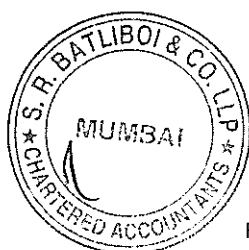
<sup>1</sup>Refer note 62

### 41. Other expenses

Particulars	2022-23	2021-22
Advertisement and business promotion	2,086.06	1,952.85
Auditors' remuneration (Refer note 41(a))	109.98	115.92
Commission and brokerage	2,844.94	2,073.67
Communication	192.39	170.65
Computer software and other expenses	1,103.84	751.52
Commission to non-executive directors	15.50	14.00
Contribution towards donations and corporate social responsibility	610.88	265.03
Dematerialisation charges and stock exchange expenses	293.83	77.22
Directors' sitting fees	26.65	13.46
Insurance	28.24	37.10
Legal and professional fees	5,128.79	3,114.70
Membership and subscription	267.58	106.26
Mutual fund expenses	95.18	117.73
Office expenses	372.12	300.43
Printing and stationery	52.90	29.60
Rates and taxes	924.91	788.01
Rent and electricity charges	207.68	193.18
Repairs and maintenance - others	142.01	72.45
Security transaction tax	191.35	381.69
Seminar and conference expenses	192.00	44.76
Stamp duty	133.99	122.08
Travelling and conveyance	375.53	239.70
Warehousing charges	4.64	55.00
Selling and distribution expenses	421.98	648.89
Miscellaneous expenses	390.16	739.98
Loss on sale/ write-off of property, plant and equipments (net)	3.30	25.25
<b>Total</b>	<b>16,216.43</b>	<b>12,451.13</b>

#### 41. (a) Auditors' remuneration

Particulars	2022-23	2021-22
As Auditors	107.97	114.69
Towards reimbursement of expenses	2.01	1.23
<b>Total</b>	<b>109.98</b>	<b>115.92</b>



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 42. Income tax

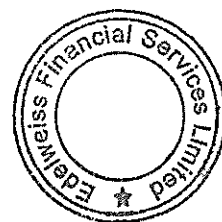
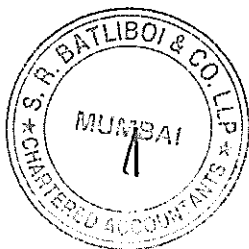
The components of income tax expense recognised in profit or loss for the years ended 31 March 2023 and 31 March 2022 are:

Particulars	2022-23	2021-22
Current tax	1,617.24	1,084.60
Adjustment in respect of current income tax of prior years	23.24	(6.89)
Deferred tax relating to origination and reversal of temporary differences	(1,848.80)	(924.65)
<b>Total tax expense</b>	<b>(208.32)</b>	<b>153.06</b>
<b>Total current tax</b>	<b>1,640.48</b>	<b>1,077.71</b>
<b>Total deferred tax</b>	<b>(1,848.80)</b>	<b>(924.65)</b>

#### 42.1. Reconciliation of the total tax expense

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

Particulars	2022-23	2021-22
Profit / (Loss) before tax	2,529.31	1,307.26
Tax rate	25.17%	25.17%
Income tax expense calculated based on above tax rate	636.58	329.04
Adjustment in respect of income tax of prior years	23.24	(6.89)
Effect of income not subject to tax	(1,819.33)	(81.69)
Effect of non-deductible expenses	(300.98)	116.06
Impact of certain items being taxed at different rates	(87.45)	(1,412.28)
Impact of tax rate changes	4.05	271.31
Write-down / reversal of write down of deferred tax assets on unused tax credits and unused tax losses (net)	215.58	(1,709.19)
Effect of non-recognition of deferred tax asset on current-year losses	1,786.37	2,635.76
Different tax rates of subsidiaries	(362.78)	23.99
Others	(303.60)	(13.05)
<b>Tax expense recognised in profit and loss</b>	<b>(208.32)</b>	<b>153.06</b>





## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

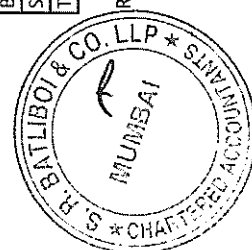
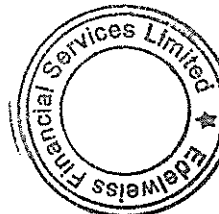
### 43. Components of deferred tax

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

31-Mar-23	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total Movement	Closing deferred tax asset/(liability)
Provision for expected credit losses	2,215.50	(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)
Total	8,479.20	1,848.80	3.40	-	(43.35)	1,808.85	10,288.05

31-Mar-22	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total Movement	Closing deferred tax asset/(liability)
Provision for expected credit losses	2,620.99	(386.21)	0.12	-	(19.40)	(405.49)	2,215.50
Unused tax losses / credits	7,854.43	993.90	-	-	-	993.90	8,848.33
Employee benefits obligations	77.88	(13.27)	20.38	-	(7.38)	(0.27)	77.61
ESOP Perquisite	4.01	-	-	-	-	-	4.01
Fair valuation of Financial Assets	(19.37)	68.50	1.27	-	-	69.77	50.40
Fair valuation of Derivatives	5.34	(27.84)	-	-	-	(22.50)	(22.50)
Property, Plant and Equipment and Intangible assets	(2,565.26)	127.42	133.78	-	(1.59)	259.61	(2,305.65)
Adjustment of effective interest rate on Borrowings	(451.95)	164.47	-	-	-	164.47	(287.48)
Special Reserve u/s 36(1)(viii)	(98.70)	(2.32)	-	-	-	(2.32)	(101.02)
Total	7,427.37	924.65	155.55	-	(28.37)	1,051.83	8,479.20

Recognition of deferred taxes are evaluated by Board in respective board meetings of Group companies.



# Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

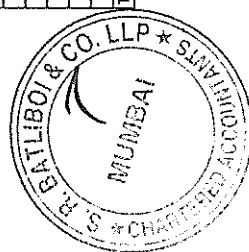
43.1. Deductible temporary differences, unused tax losses and unused tax credits on which deferred tax asset is not recognised in balance sheet

As at 31-Mar-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 business losses		Total	MAT Credit	
			Amount	Expiry year- financial year	Amount	Expiry year- financial year	Amount	Expiry year- financial year		Amount	Expiry year- financial year
FY 2022-23	1,083.73	Not applicable	111.48	No expiry	1,599.95	FY 2030-31	6,138.43	FY 2030-31	7,849.86	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	4,203.57	FY 2028-29	5,860.68	FY 2028-29	10,226.18	23.59	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	-	-
Total	13,328.22	-	962.37	-	5,850.76	-	34,158.51	-	40,971.64	236.29	-

As at 31-Mar-2022

Financial Year to which the loss related to	Deductible temporary differences		Unused tax losses						Unused tax credits		
	Amount	Expiry year- financial year	Unabsorbed depreciation		Unabsorbed long term capital losses		Unabsorbed business losses		Total Amount	MAT Credit : Expiry, year- financial year	
			Amount	Expiry year- financial year	Amount	Expiry year- financial year	Amount	Expiry year- financial year			
FY 2021-22	416.26	Not applicable	53.64	No expiry	-	-	5,550.13	FY 2019-30	5,703.77	No exp -7	57.49
FY 2021-22	-	-	-	-	-	-	25.32	FY 2026-27	25.32	-	-
FY 2020-21	9,914.55	Not applicable	47.65	No expiry	4,203.57	FY 2028-29	5,884.09	FY 2028-29	10,135.31	No exp -7	23.59
FY 2019-20	1,773.80	Not applicable	37.45	No expiry	-	-	22.45	FY 2025-26	22.45	-	-
FY 2019-20	-	-	-	-	-	-	5,102.15	FY 2027-28	5,139.60	No exp -7	-
FY 2018-19	55.32	Not applicable	45.81	No expiry	-	-	13.76	FY 2024-25	13.76	-	-
FY 2018-19	-	-	-	-	-	-	3,401.02	FY 2026-27	3,446.83	-	-
FY 2018-19	-	-	-	-	-	-	10.37	FY 2023-24	10.37	-	-
FY 2017-18	84.56	Not applicable	16.07	No expiry	-	-	398.65	No expiry	398.65	-	-
FY 2017-18	-	-	-	-	-	-	2,708.44	FY 2025-26	2,724.51	-	-
FY 2016-17	-	-	0.82	No expiry	-	-	167.53	No expiry	167.53	-	-
FY 2016-17	-	-	-	-	-	-	2,162.11	FY 2024-25	2,162.93	-	-
FY 2015-16	-	-	0.87	No expiry	-	-	-	FY 2021-22	-	-	-
FY 2014-15	-	-	-	-	-	-	1,686.29	FY 2023-24	1,687.16	-	-
FY 2013-14	-	-	-	-	-	-	604.13	FY 2022-23	604.13	-	-
	-	-	-	-	-	-	-	FY 2021-22	-	-	-
Total	12,244.49		202.31		4,203.57		27,836.44		32,242.32		99.98



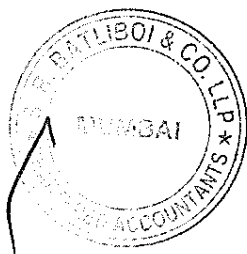
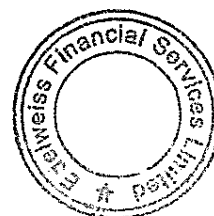
## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 44. Earnings per share (EPS)

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

Particulars	2022-23	2021-22
Profit/(loss) for the year attributable to owners of the parent	3,441.63	1,887.84
Number of equity shares for calculating basic EPS	89,83,78,496	89,82,01,185
Weighted average number of shares outstanding at the end of the year	89,82,07,466	89,39,81,653
Number of dilutive potential equity shares	1,15,119	7,92,995
Weighted average number of equity shares for calculating diluted EPS	89,83,22,585	89,47,74,648
Earnings per share (EPS) (Face value ₹ 1 each)		
Basic earnings share (in ₹)	3.83	2.11
Dilutive earning per share (in ₹)	3.83	2.11



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 45. 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-Mar-23

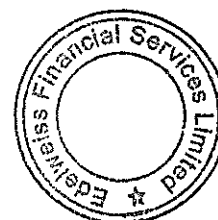
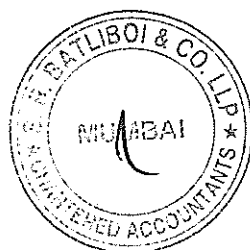
Particulars	Agency	Capital based	Insurance business	Asset reconstruction business	Treasury	Unallocated	Total
Segment Revenue <sup>1</sup>	10,030.14	31,833.63	23,876.59	14,631.06	6,414.74	857.69	87,643.85
Inter Segment Revenue	(314.10)	1,171.26	-	-	(658.90)	(198.26)	-
Revenue from External Customers	9,716.04	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	2,23,247.75	85,062.28	66,878.71	28,324.76	22,616.99	4,40,642.67
Segment liabilities	6,953.14	2,15,738.00	76,545.17	39,224.53	21,347.02	2,372.50	3,62,180.36

31-Mar-22

Particulars	Agency	Capital based	Insurance business	Asset reconstruction business	Treasury	Unallocated	Total
Segment Revenue <sup>1</sup>	5,789.21	27,177.78	21,943.30	10,232.70	7,371.24	578.22	73,092.45
Inter Segment Revenue	(231.41)	(108.18)	-	-	464.66	(125.07)	-
Revenue from External Customers	5,557.80	27,069.60	21,943.30	10,232.70	7,835.90	453.15	73,092.45
Segment Expenditure	4,701.60	29,082.10	25,051.80	6,575.50	4,877.50	530.15	70,818.65
Segment results (Profit/(loss) before tax)	856.20	(2,012.50)	(3,108.50)	3,657.20	2,958.40	(77.00)	2,273.80
Tax expense							153.06
Net profit / (loss) for the year							2,120.74
Segment assets	7,202.50	2,40,190.70	70,850.60	60,955.90	32,688.80	20,909.30	4,32,797.80
Segment liabilities	3,912.10	2,26,211.80	63,307.50	37,100.70	23,604.90	2,737.60	3,56,874.60

1. Segment revenue includes share in profit/(loss) in associates.

2. Non-cash expenditure aggregated to ₹ 10,338.41 million for the year ended 31 March 2023 (Previous Year ₹ 13,245.36 million)



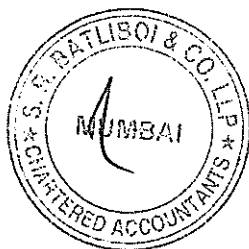
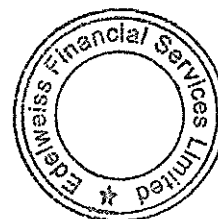
## Notes to the consolidated financial statements (Continued)

(Currency - Indian rupees in millions)

### 46. Transfer of Financials Asset

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

Particulars	2022-23	2021-22
Securitisations		
Carrying amount of transferred assets measured at amortised cost (Held as collateral )	15,278.21	9,691.07
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	14,194.38	9,376.04
Fair value of assets	14,790.02	10,256.62
Fair value of associated liabilities	13,308.22	9,529.05
Net position at fair value	1,481.80	727.57



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 47. Unconsolidated structured entities

The Group has exposure to certain unconsolidated structured entities being securitisation trusts, alternative investment funds and similar funds. The Group is involved in setting up of these structured entities and generally, acts as the investment manager. However, the Group can be removed by certain specified majority of the investors. Further, the Group does not have significant exposure to variability of returns and its remuneration is commensurate to the services provided. Therefore, these structured entities are not consolidated by the Group.

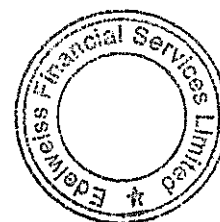
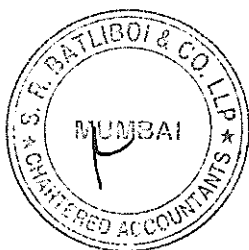
The following tables show the carrying amount of the Group's recorded interest in its consolidated balance sheet as well as the maximum exposure to risk (as defined in below) due to these exposures in the unconsolidated structured entities:

Particulars	31-Mar-23			
	Securitisation trusts	Alternative Investment Funds	Total	Maximum exposure <sup>1</sup>
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	-	10,133.37	10,133.37	10,133.37
Size of the structured entity <sup>1</sup>	3,16,671.81	3,33,047.32	6,49,719.13	-
Income from the structured entity	3,425.71	2,594.00	6,019.71	-

Particulars	31-Mar-22			
	Securitisation trusts	Alternative Investment Funds	Total	Maximum exposure <sup>1</sup>
Loans	918.28	-	918.28	918.28
Trade Receivables	3,996.28	609.81	4,606.09	4,606.09
Investments	36,776.04	2,991.06	39,767.10	39,767.10
<b>Total Assets</b>	<b>41,690.60</b>	<b>3,600.87</b>	<b>45,291.47</b>	<b>45,291.47</b>
Off-balance sheet exposure	-	662.00	662.00	662.00
Size of the structured entity <sup>1</sup>	3,92,910.96	3,17,696.58	7,10,607.54	-
Income from the structured entity	3,267.58	3,098.32	6,365.90	-

<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 (Continued)

(Currency : Indian rupees in millions)

### 48. Disclosure of interest in other entities:

#### 1. Details of non wholly owned subsidiaries that have material non-controlling interests.

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests held by non-controlling interests	Profit/(loss) allocated to non-controlling interests	
			31-Mar-23	31-Mar-22
Edelweiss Asset Reconstruction Company Limited	India	40.18%	1,279.30	1,014.73
Edelweiss Tokio life insurance Company Limited	India	24.92%	(589.32)	(948.07)

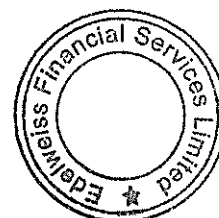
Summarised financial information in respect of each of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

Edelweiss Asset Reconstruction Company Limited	As at 31-Mar-2023	As at 31-Mar-2022
Financial assets	58,716.35	60,210.54
Non-financial assets	752.68	577.91
Financial liabilities	29,674.63	33,653.68
Non-financial liabilities	1,853.12	2,378.22
Equity attributable to owners of the company	16,714.49	17,099.89
Non-controlling interest	11,226.79	7,656.66

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations	10,006.99	8,992.70
Total income	10,006.99	8,992.70
Total expenses	5,716.46	5,563.07
Profit / (loss) before tax	4,290.53	3,429.63
Tax expense	1,106.60	902.91
Profit / (loss) for the year	3,183.93	2,526.72
Total comprehensive income / (loss)	3,181.73	2,523.20
Profit / (loss) for the year attributable to owners of the parent	1,904.63	1,511.99
Profit / (loss) for the year attributable non-controlling interests	1,279.30	1,014.73
Cash flows (used) / generated from operating activities	5,273.32	9,905.03
Cash flows (used) / generated from investing activities	5,152.25	(877.07)
Cash flows (used) / generated from financial activities	(8,231.74)	(7,256.37)
Net cash inflow/(outflow)	2,193.83	1,771.59

Edelweiss Tokio life insurance Company Limited	As at 31-Mar-2023	As at 31-Mar-2022
Financial assets	71,956.42	60,448.75
Non-financial assets	4,187.66	4,707.40
Financial liabilities	4,229.74	4,371.77
Non-financial liabilities	65,133.48	54,590.19
Equity attributable to owners of the company	5,091.07	4,088.17
Non-controlling interest	1,689.79	2,106.02

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations	19,992.04	19,008.52
Total income	19,999.93	19,027.24
Total expenses	21,990.82	21,086.81
Profit / (loss) before tax	(1,990.89)	(2,059.57)
Tax expense	-	-
Profit / (loss) for the year	(1,990.89)	(2,059.57)
Total comprehensive income / (loss)	(1,922.79)	(3,010.04)
Profit / (loss) for the year attributable to owners of the parent	(1,401.57)	(1,111.50)
Profit / (loss) for the year attributable non-controlling interests	(589.32)	(948.07)
Cash flows (used) / generated from operating activities	5,673.17	5,452.67
Cash flows (used) / generated from investing activities	(7,850.16)	(9,059.31)
Cash flows (used) / generated from financial activities	2,402.19	3,683.05
Net cash inflow/(outflow)	225.20	76.41

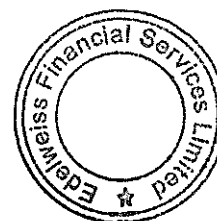
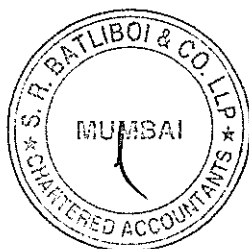


48. Disclosure of interest in other entities (continued):

2. Details of associate\*

Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited - (Consolidated upto 30 March 2023))		
	As at 30-Mar-2023	As at 31-Mar-2022
Financial assets	1,24,257.73	1,01,999.97
Non-financial assets	5,310.19	3,982.55
Financial liabilities	1,05,781.16	85,832.60
Non-financial liabilities	1,229.04	1,021.44
Total equity	22,557.72	19,128.48
Share of commitments and contingent liabilities	5,891.51	1,311.62
Particulars	For the period ended 30 March 2023	For the year ended 31 March 2022
Revenue from operations	22,023.89	17,731.84
Total income	22,154.00	17,833.08
Total expenses	18,141.12	14,808.34
Profit / (loss) before tax	4,012.88	3,024.74
Other exceptional items	9.40	6,326.35
Profit / (loss) before tax and after exceptional items	4,022.28	9,351.09
Tax expense	1,000.96	779.76
Profit / (loss) for the year	3,021.32	8,571.33
Total comprehensive income / (loss)	3,053.44	8,571.53
Share in profit / (loss) of associates	1,317.94	966.54
Share in profit / (loss) of associates in other comprehensive income	14.06	(1.94)
Cash flows (used) / generated from operating activities	(17,483.30)	(14,252.50)
Cash flows (used) / generated from investing activities	(1,792.46)	(821.79)
Cash flows (used) / generated from financial activities	18,844.73	21,385.21
Change in foreign exchange translation reserve	47.81	16.67
Net cash inflow/(outflow)	(383.22)	6,327.59

\*Refer Note 58 & 62





## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 49. Retirement benefit plan

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

Amount of ₹ 389.00 million (Previous year: ₹ 341.89 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	2022-23	2021-22
Current service cost	87.89	81.38
Interest on defined benefit obligation	7.63	5.43
Past service cost	(1.69)	-
Exchange rate adjustment	0.18	0.11
<b>Total included in 'Employee benefits expense'</b>	<b>94.01</b>	<b>86.92</b>

##### Movement in Other Comprehensive Income:

Particulars	2022-23	2021-22
Balance at start of year (Loss)/ Gain		
Rc measurements on define benefit obligation (DBO)	(87.22)	(31.48)
a. Actuarial (Loss)/ Gain from changes in financial assumptions	33.79	(1.53)
b. Actuarial (Loss)/ Gain from experience over the past year	(25.68)	(35.86)
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	(4.41)	12.49
Effect of acquisition/ (divestiture)	-	1.56
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)	(14.94)	(32.40)
<b>Balance at end of year (Loss)/ Gain</b>	<b>(98.46)</b>	<b>(87.22)</b>

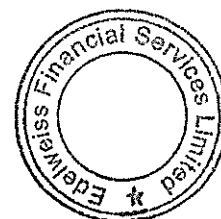
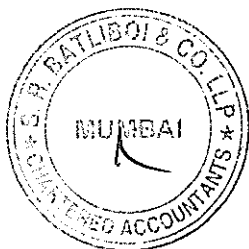
##### Balance sheet

##### Reconciliation of defined benefit obligation (DBO) :

Particulars	2022-23	2021-22
Present value of DBO at the beginning of the year	538.84	488.67
Acquisition/ (Divestiture)	-	(1.04)
Interest cost	28.85	23.91
Current service cost	87.89	81.38
Benefits paid	(88.83)	(92.21)
Past service cost	(1.69)	-
Actuarial (gain)/loss	(37.20)	37.39
Transfer (out)/in	0.42	0.63
Exchange Rate Adjustment	0.18	0.11
<b>Present value of DBO at the end of the year</b>	<b>528.46</b>	<b>538.84</b>

##### Reconciliation of fair value of plan assets:

Particulars	2022-23	2021-22
Fair value of plan assets at the beginning of the year	453.11	434.78
Contributions by Employer	128.66	76.00
Benefits paid	(88.83)	(91.06)
Interest income	26.13	20.90
Acquisition/ (Divestiture)/Curtailment	-	-
Return on plan asset excluding amount included in net interest on the net defined benefit liability/ (asset)	(9.78)	12.49
<b>Fair value of plan assets at the end of the year</b>	<b>509.29</b>	<b>453.11</b>



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 49 Retirement benefit plan (Continued)

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

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

Particulars	2023	2022
Present value of DBO	(528.46)	(538.84)
Fair value of plan assets at the end of the year	509.29	453.11
Net Liability	(19.17)	(85.73)
Less: Effect of limiting net assets to asset ceiling	(102.98)	(83.01)
Liability recognised in the balance sheet	(122.15)	(168.74)

##### Experience adjustments:

Particulars	2023	2022	2021	2020	2019
On plan liabilities: loss / (gain)	25.68	35.86	6.74	(34.66)	18.12

##### Principal actuarial assumptions at the balance sheet date:

Particulars	2022-23	2021-22
Discount rate	7.1%	5.9%
Salary escalation	7.0%	7.0%
Employees attrition rate	16.0%	16.0%
Mortality Rate	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)

##### Percentage Break-down of Total Plan Assets

	2022-23	2021-22
Investment Funds with Insurance Company and Cash	99%	98%
Cash and cash equivalents	1%	2%
Total	100%	100%

##### Sensitivity Analysis for 2023:

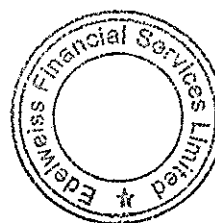
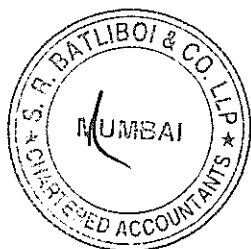
Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit obligation	(21.18)	22.71	22.46	(21.36)

##### Sensitivity Analysis for 2022:

Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Impact on defined benefit obligation	(23.84)	25.07	25.49	(23.77)

##### Maturity profile

The weighted average duration of the obligation is 4 years (March 31, 2022 : 4 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.



## Notes to the consolidated financial statements (Continued)

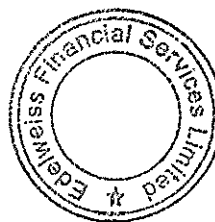
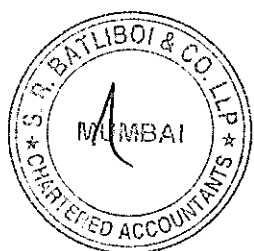
(Currency : Indian rupees in millions)

### 50. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the effective interest rate. Issued debt reflect the contractual coupon amortisations.

Particulars	As at 31-Mar-2023			As at 31-Mar-2022		
	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	27,458.60	-	27,458.60	19,885.63	-	19,885.63
(b) Bank balances other than cash and cash equivalents	6,165.20	3,366.93	9,532.13	7,427.14	3,076.20	10,503.34
(c) Derivative financial instruments	779.00	-	779.00	685.22	-	685.22
(d) Stock in trade (securities held for trading)	26,971.88	22.17	26,994.05	15,100.07	18.04	15,118.11
(e) Trade Receivables	3,637.40	495.68	4,133.08	2,895.67	1,806.04	4,691.71
(f) Loans	54,795.57	1,18,740.71	1,73,536.28	59,488.45	1,41,487.71	2,00,976.16
(g) Investments	38,564.80	1,06,063.39	1,44,628.19	38,155.80	88,119.09	1,26,274.89
(h) Other financial assets	7,840.83	1,346.26	9,187.09	6,912.51	4,122.72	11,035.23
<b>Total financial assets (A)</b>	<b>1,66,213.28</b>	<b>2,30,035.14</b>	<b>3,96,248.42</b>	<b>1,50,540.49</b>	<b>2,38,629.80</b>	<b>3,89,170.29</b>
<b>Non-financial assets</b>						
(a) Reinsurance assets	-	3,013.36	3,013.36	-	3,432.77	3,432.77
(b) Current tax assets (net)	188.32	8,039.02	8,227.34	520.88	8,391.92	8,912.80
(c) Deferred tax assets (net)	-	12,115.65	12,115.65	0.20	10,645.41	10,645.61
(d) Investment property	-	1,822.13	1,822.13	-	3,034.26	3,034.26
(e) Property, Plant and Equipment	2.81	10,325.19	10,328.00	8.96	11,062.81	11,071.77
(f) Capital work in progress	1.63	5.46	7.09	0.57	-	0.57
(g) Intangible assets under development	43.20	197.40	240.60	36.33	159.37	195.70
(h) Goodwill	-	236.60	236.60	-	663.35	663.35
(i) Other intangible assets	10.46	1,274.60	1,285.06	124.48	1,079.69	1,204.17
(j) Other non-financial assets	1,913.29	5,205.13	7,118.42	1,574.44	2,892.07	4,466.51
<b>Total non-financial assets (B)</b>	<b>2,159.71</b>	<b>42,234.54</b>	<b>44,394.25</b>	<b>2,265.86</b>	<b>41,361.65</b>	<b>43,627.51</b>
<b>TOTAL ASSETS (C = A+B)</b>	<b>1,68,372.99</b>	<b>2,72,269.68</b>	<b>4,40,642.67</b>	<b>1,52,806.35</b>	<b>2,79,991.45</b>	<b>4,32,797.80</b>

Particulars	As at 31-Mar-2023			As at 31-Mar-2022		
	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	775.72	-	775.72	2,044.07	215.82	2,259.89
(b) Trade Payables	13,820.78	301.38	14,122.16	12,760.67	140.60	12,901.27
(c) Insurance claims payable	509.76	-	509.76	345.28	-	345.28
(d) Debt securities	55,559.95	98,470.39	1,54,030.34	35,392.87	1,19,664.17	1,55,057.04
(e) Borrowings (other than debt securities)	40,255.14	9,681.88	49,937.02	40,550.03	16,000.63	56,550.66
(f) Deposits	16.25	-	16.25	15.60	-	15.60
(g) Subordinated liabilities	1,430.40	11,936.47	13,366.87	500.00	14,826.53	15,486.53
(h) Other financial liabilities	9,475.44	44,595.01	54,070.45	13,327.54	38,165.68	51,493.22
<b>Total financial liabilities (D)</b>	<b>1,21,853.44</b>	<b>1,64,985.13</b>	<b>2,86,838.57</b>	<b>1,04,936.06</b>	<b>1,89,173.43</b>	<b>2,94,109.49</b>
<b>Non-financial liabilities</b>						
(a) Current tax liabilities (net)	223.18	26.03	249.21	147.85	26.09	173.94
(b) Provisions	279.56	344.40	623.96	178.93	316.47	495.40
(c) Provision for policyholders' liabilities	-	66,135.11	66,135.11	-	55,288.34	55,288.34
(d) Deferred tax liabilities (net)	-	1,827.60	1,827.60	-	2,166.41	2,166.41
(e) Other non-financial liabilities	6,350.23	155.68	6,505.91	4,403.27	237.75	4,641.02
<b>Total non-financial liabilities (E)</b>	<b>6,852.97</b>	<b>68,488.82</b>	<b>75,341.79</b>	<b>4,730.05</b>	<b>58,035.06</b>	<b>62,765.11</b>
<b>TOTAL LIABILITIES (F = D+E)</b>	<b>1,28,706.41</b>	<b>2,33,473.95</b>	<b>3,62,180.36</b>	<b>1,09,666.11</b>	<b>2,47,208.49</b>	<b>3,56,874.60</b>
<b>NET TOTAL ASSETS / (LIABILITIES) (C-F)</b>	<b>39,666.58</b>	<b>38,795.73</b>	<b>78,462.31</b>	<b>43,140.24</b>	<b>32,782.96</b>	<b>75,923.20</b>



# Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

## 51. Changes in liabilities arising from financing activities

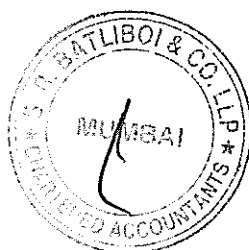
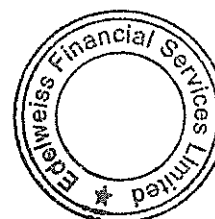
Particulars	01-Apr-22	Cash flows	Changes in fair values	Exchange difference	Others**	31-Mar-23
Borrowings*	2,27,675.84	(15,790.51)	-	-	6,029.23	2,17,914.56
Total liabilities from financing activities	2,27,675.84	(15,790.51)	-	-	6,029.23	2,17,914.56

Particulars	01-Apr-21	Cash flows	Changes in fair values	Exchange difference	Others**	31-Mar-22
Borrowings*	2,85,160.71	(60,889.19)	-	-	3,404.32	2,27,675.84
Total liabilities from financing activities	2,85,160.71	(60,889.19)	-	-	3,404.32	2,27,675.84

\* 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 (Continued)

(Currency : Indian rupees in millions)

### 52. Contingent liabilities, commitments and leasing arrangements:

#### 52.1 Contingent liabilities and commitments

##### a) Contingent liabilities

- o Taxation matters in respect of which appeal is pending ₹ 1,108.10 million (Previous year: ₹ 1,079.99 million).
- o Litigation pending against Group amounts to ₹ 347.63 million (Previous year: ₹ 326.67 million).
- o Claims not acknowledged as debt ₹ Nil million (Previous year: ₹ 2.54 million).

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

Note - The Group's pending litigations mainly comprise of claims against the Group pertaining to proceedings pending with Income Tax, Excise, Custom, Sales/VAT tax / GST and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Group believes that the outcome of these proceedings will not have a materially adverse effect on the Group financial position and results of operations.

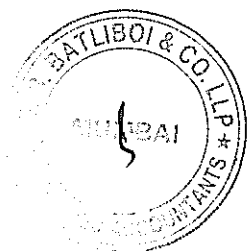
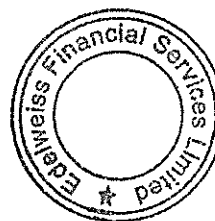
Corporate/other guarantee not acknowledged as debt:

Corporate/other guarantee given by the Company on behalf of its associate companies and to third party which is outstanding as at 31 March 2023 and 31 March 2022 is given below:

Particulars	As at 31 March 2023	As at 31 March 2022
Guarantee to trustees and others for non convertible debentures and other borrowings	138.27	139.80
Guarantee for meeting margin requirements	4,000.00	8,950.00
Total	4,138.27	9,089.80

##### b) Commitments

- o Undrawn committed credit lines subject to meeting of conditions, ₹ 2,611.20 million as at balance sheet date (Previous year: ₹ 1,303.43 million)
- o Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 96.25 million (Previous year: ₹ 261.37 million).
- o Uncalled liabilities on investments ₹ 11,196.11 million (Previous year: ₹ 3,860.55 million).



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 52.2. Leases

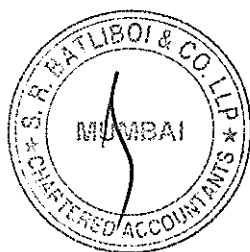
- 1) This note provides information for leases where the group is a lessee. Group has not given any property on lease

Set out below are the carrying amounts of lease liabilities and the movements	As at March 31, 2023	As at March 31, 2022
Opening balance as at	566.01	800.22
Addition / disposal during year	174.63	60.78
Accretion of interest	70.40	69.27
Lease payment for the year	(256.96)	(364.26)
Closing balance as at	554.08	566.01

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

Particulars	Mar-23	Mar-22
Depreciation on ROU of assets	201.30	217.97
Reversal of lease pre-closure	(7.79)	(131.23)
Interest cost	70.39	69.64
Expenses related to short term lease	125.42	76.32

The maturity analysis of lease liability is disclosed in other financial liabilities in note 50.



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 53. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”:

#### (A) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise

Mr. Rashesli Shah  
Mr. Venkatchalam Ramaswamy  
Ms. Vidya Shah  
Ms. Aparna T.C.

#### (B) Key Management Personnel

Mr. Rashesli Shah - Chairman  
Mr. Venkatchalam Ramaswamy - Vice Chairman & Executive Director  
Mr. Himanshu Kaji - Executive Director  
Mr. Rujan Panjwani - Executive Director (upto 2 September 2022)  
Ms. Ananya Suneja - Chief Financial Officer (from 01 March 2022)  
Mr. Tarun Khurana

#### (C) Relatives of individuals exercising significant influence and relatives of KMP, with whom transactions have taken place

Ms. Kaavya Venkat  
Ms. Shilpa Mody  
Ms. Sejal Premal Parekh  
Mr. A V Ramaswamy  
Ms. Sneha Sripad Desai  
Mr. Neel Shah  
Ms. Avanti Shah  
Ms. Shabnam Panjwani

#### (D) Enterprises over which Promoter / KMPs / Relatives exercise significant influence, with whom transactions have taken place

Spire Investment Advisors LLP  
Mabella Investment Adviser LLP  
Shah Family Discretionary Trust  
Kenai Advisors LLP

#### (E) Associates with whom transactions have taken place (upto 30th March 2023) (Refer note 62):

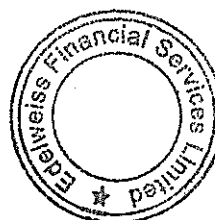
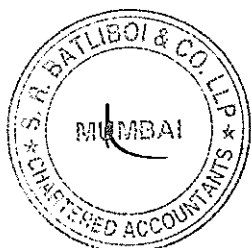
Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)

**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  
Mr. Kunnasagaran Chinniah (till September 2, 2022)  
Mr. Navtej S. Nandra (till September 2, 2022)  
Mr. P N Venkatachalam (till September 2, 2022)  
Mr. Ashok Kini  
Dr. Ashima Goyal  
Mr. Shiva Kumar (w.e.f August 04, 2022)



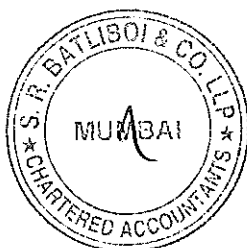
## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 53. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure” (Continued):

#### Transactions and balances with Related Parties:

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
1	Short term loans given to	Ms. Aparna T. C.	21.40	178.01
		Mabella Investment Advisor LLP	12.81	291.29
		Kenai Advisors LLP	314.16	44.51
2	Short term loans given repaid by	Ms. Aparna T. C.	244.47	197.81
		Mabella Investment Advisor LLP	238.09	562.28
		Kenai Advisors LLP	358.66	0.01
3	Dividend paid on Equity Shares	Mr. Rashesh Shah	211.12	211.12
		Mr. Venkatchalam Ramaswamy	84.28	84.28
		Ms. Vidya Shah	45.00	45.00
		Shah Family Discretionary Trust	56.19	56.19
		Spire Investment Advisors LLP	4.64	4.64
		Ms. Aparna T. C.	17.70	17.70
		Ms. Kaavya Venkat	17.10	17.10
		Mr. Rujan Panjwani	14.34	16.97
		Mr. Himanshu Kaji	4.31	4.28
		Ms. Sneha Sripad Desai	1.49	1.49
		Ms. Shilpa Mody	1.38	1.38
		Ms. Sejal Premal Parekh	1.38	1.38
		Ms. Shabnam Panjwani	0.19	0.93
		Mr. A V Ramaswamy	0.07	0.07
		Mr. Navtej S. Nandra	1.99	11.56
		Ms. Avanti Shah	2.90	2.90
		Mr. P. N. Venkatachalam	0.07	0.39
		Mr. Neel Shah	2.90	2.90
		Mr. Tarun Khurana	0.09	0.09
		Mr. Kunnasagaran Chinniah	0.05	0.29
		Mr. B. Renganathan	-	0.08
4	Interest income on loan from	Ms. Aparna T. C.	12.31	24.21
		Mabella Investment Advisor LLP	5.80	31.59
		Kenai Advisors LLP	5.93	0.31
5	Remuneration to	Mr. Rashesh Shah	80.01	86.77
		Mr. Rujan Panjwani	38.24	62.06
		Mr. Himanshu Kaji	32.50	41.59
		Mr. Venkatchalam Ramaswamy	64.42	65.58
		Ms. Shabnam Panjwani	-	2.83
		Ms. Vidya Shah	-	31.21
		Mr. Sarju Simaria	-	18.42
		Mr. Tarun Khurana	11.11	7.50
		Ms. Ananya Suneja	25.11	21.99
		Mr. B. Renganathan	-	2.64
6	Sitting fees paid to	Mr. Berjis Desai	-	0.28
		Mr. Biswamohan Mahapatra	1.95	0.98
		Mr. Kunnasagaran Chinniah	0.60	2.74
		Mr. Navtej S. Nandra	0.44	1.08
		Mr. P N Venkatachalam	1.04	2.14
		Mr. Dr. Ashima Goyal	0.48	0.12
		Mr. Ashok Kini	1.21	0.12
		Mr. Shiva Kumar	2.06	-





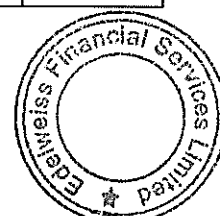
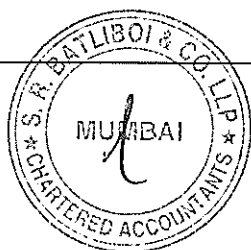
## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 53. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure” (Continued):

Transactions and balances with Related Parties:

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
7	Commission paid to	Mr. Berjis Desai	-	2.00
		Mr. Biswamohan Mahapatra	2.00	2.00
		Mr. Kunnasagaran Chinniah	2.00	4.50
		Mr. Navtej S. Nandra	2.00	4.50
		Mr. P N Venkatachalam	3.00	3.00
		Dr. Ashima Goyal	2.00	2.00
		Mr. Ashok Kini	2.00	2.00
		Ms. Vidya Shah	2.00	2.00
8	Branding fees received from	Nuvama Wealth Management Limited	40.11	40.48
9	Commission and brokerage paid to	Nuvama Wealth Management Limited	13.07	384.59
		Nuvama Wealth and Investment Limited	767.52	132.34
10	Other service charges paid to	Nuvama Clearing Services Limited	130.45	308.85
		Nuvama Wealth Management Limited	0.00	0.05
		Nuvama Wealth and Investment Limited	99.90	-
11	Shared Premises Cost paid to	Nuvama Wealth and Investment Limited	0.11	2.10
		Nuvama Clearing Services Limited	-	13.19
12	Commission and brokerage received from	Nuvama Wealth Finance Limited	16.04	14.24
13	Insurance Premium Income	Nuvama Wealth and Investment Limited	74.49	65.99
		Nuvama Clearing Services Limited	4.68	5.56
		Nuvama Wealth Finance Limited	13.18	11.76
		Nuvama Capital Services (IFSC) Limited	0.23	0.23
		Nuvama Wealth Management Limited	17.19	17.06
		Nuvama Asset Management Limited	3.42	2.94
		Nuvama Financial Services Inc.	0.03	-
14	Business support service charges from	Nuvama Wealth and Investment Limited	3.52	2.97
		Nuvama Clearing Services Limited	0.14	0.26
		Nuvama Wealth Finance Limited	0.71	0.87
		Nuvama Wealth Management Limited	244.73	268.18
		Nuvama Asset Management Limited	0.03	0.04
15	Investments in Debt securities	Nuvama Wealth and Investment Limited	-	504.19
		Nuvama Asset Management Limited	475.52	64.63
		Nuvama Wealth Finance Limited	-	0.29
16	Purchase of Securities	Nuvama Wealth Finance Limited	456.47	860.08
		Nuvama Wealth Management Limited	-	1,958.44
17	Redemption of investment	Nuvama Wealth Finance Limited	338.90	219.97
		Nuvama Wealth and Investment Limited	1,713.63	-
18	Corporate Guarantee support fee income	Nuvama Wealth Finance Limited	1.41	1.44
		Nuvama Wealth and Investment Limited	0.85	-
19	Rating Support Fees Income	Nuvama Wealth and Investment Limited	-	0.02
		Nuvama Clearing Services Limited	-	0.03
		Nuvama Wealth Finance Limited	-	0.13
		Nuvama Wealth Management Limited	-	0.03
20	Rental income from	Nuvama Wealth and investment Limited	1.44	2.61
		Nuvama Clearing Services Limited	173.78	166.89
		Nuvama Wealth Finance Limited	0.17	0.23
		Nuvama Wealth Management Limited	12.57	12.93
		Nuvama Asset Management Limited	0.01	-



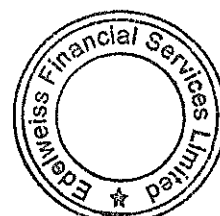
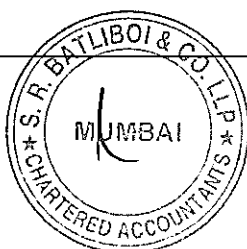
## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 53. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure” (Continued):

#### Transactions and balances with Related Parties:

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
21	Cost reimbursement received from	Nuvama Wealth and Investment Limited	8.45	5.44
		Nuvama Clearing Services Limited	14.14	9.68
		Nuvama Wealth Finance Limited	0.37	1.75
		Nuvama Wealth Management Limited	4.84	22.08
		Nuvama Asset Management Limited	0.04	0.10
		Nuvama Investment Advisors Private Limited	8.93	17.35
22	Cost reimbursement paid to	Nuvama Wealth and Investment Limited	412.87	405.46
		Nuvama Clearing Services Limited	173.27	26.86
		Nuvama Wealth Management Limited	209.93	396.46
		Nuvama Wealth Finance Limited	0.09	0.96
		Nuvama Asset Management Limited	13.12	-
23	Equity segment payin	Nuvama Wealth Management Limited	138.26	49,791.67
		Nuvama Wealth Finance Limited	31,100.54	17,178.40
24	Equity segment payout	Nuvama Wealth Management Limited	-	47,856.85
		Nuvama Wealth Finance Limited	32,515.43	15,522.07
25	ESOP/SAR charges received from	Nuvama Clearing Services Limited	-	-
		Nuvama Wealth Management Limited	-	-
		Nuvama Asset Management Limited	-	-
		Nuvama Wealth Finance Limited	-	1.00
		Nuvama Investment Advisors Private Limited	1.65	0.65
26	ESOP/SAR charges paid to	Nuvama Clearing Services Limited	1.24	1.02
		Nuvama Wealth Management Limited	5.81	114.30
		Nuvama Asset Management Limited	1.50	0.24
		Nuvama Wealth and Investment Limited	17.87	6.96
		Nuvama Wealth Finance Limited	1.57	-
		Nuvama Financial Services Inc.	0.08	-
27	Fee & commission expenses paid to	Nuvama Wealth and Investment Limited	241.79	189.33
		Nuvama Financial Services Inc.	90.54	163.78
		Nuvama Wealth Management Limited	34.50	25.20
		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	-
28	Financial charges paid to	Nuvama Wealth and Investment Limited	897.05	1,164.32
		Nuvama Asset Management Limited	53.52	-
		Nuvama Wealth Management Limited	47.35	-
29	Purchase of property, plant and equipments	Nuvama Wealth and Investment Limited	0.00	0.12
		Nuvama Clearing Services Limited	0.01	0.15
		Nuvama Wealth Finance Limited	0.00	1.93
		Nuvama Wealth Management Limited	1.04	1.05
30	Sale of property, plant and equipments	Nuvama Wealth and Investment Limited	0.04	0.59
		Nuvama Wealth Management Limited	0.00	7.69
		Nuvama Wealth Finance Limited	0.00	1.25
		Nuvama Investment Advisors Private Limited	-	0.12
		Nuvama Asset Management Limited	-	0.14
31	Donation received from	Nuvama Clearing Services Limited	27.88	30.10
		Nuvama Wealth Finance Limited	6.72	3.23
		Nuvama Wealth Management Limited	2.50	3.35
		Nuvama Wealth and Investment Limited	6.91	-



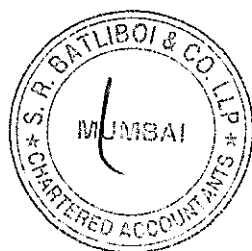
# Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

## 53. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure” (Continued):

### Transactions and balances with Related Parties:

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
32	Interest income on loan from	Nuvama Wealth and Investment Limited	11.36	43.86
		Nuvama Wealth Finance Limited	-	162.73
33	Interest income on margin placed with	Nuvama Clearing Services Limited	10.72	18.12
34	Interest income on debt & securities	Nuvama Wealth Finance Limited	-	20.83
35	Interest expense on debt & securities	Nuvama Wealth Finance Limited	0.53	4.18
		Nuvama Wealth Management Limited	2.71	-
36	Loans and advances given that are repaid	Nuvama Wealth and Investment Limited	1,000.00	2,200.00
		Nuvama Wealth Finance Limited	-	3,355.00
37	Loans and advances given during the year	Nuvama Wealth and Investment Limited	1,000.00	2,200.00
38	Margin placed with	Nuvama Clearing Services Limited	69,910.64	73,319.06
		Nuvama Wealth and Investment Limited	-	480.54
		Nuvama Wealth Management Limited	-	100.50
39	Margin repaid by	Nuvama Clearing Services Limited	70,136.58	73,509.70
		Nuvama Wealth and Investment Limited	-	479.48
		Nuvama Wealth Management Limited	-	86.00
40	Margin repaid to	Nuvama Wealth Finance Limited	257.93	106.64
		Nuvama Clearing Services Limited	0.15	0.47
41	Sale of securities to	Nuvama Wealth Finance Limited	483.91	3,971.87
		Nuvama Wealth and Investment Limited	-	630.38
42	Security deposit received from	Nuvama Clearing Services Limited	-	148.87
		Nuvama Wealth Management Limited	-	7.33
43	Security deposit repaid to	Nuvama Clearing Services Limited	-	64.43



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 53. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure” (Continued):

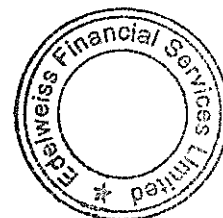
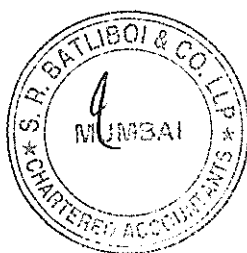
#### Transactions and balances with Related Parties:

Sr No.	Nature of Transaction	Related Party Name	31 Mar 23	31 Mar 22
	<b>Balances with Related Parties</b>			
1	Short Term Loan Given to	Ms. Aparna I. C.	-	223.06
		Mabella Investment Advisor LLP	-	225.16
		Kenai Advisors LLP	-	44.50
2	Non convertible debentures held by	Nuvama Wealth and Investment Limited	-	550.00
		Nuvama Wealth Finance Limited	-	176.39
3	Investment in Equity Shares of	Nuvama Wealth Management Limited	-	2,428.59
4	Investments in Debt securities	Nuvama Wealth Finance Limited	-	1.77
5	Accrued interest income on margin placed with	Nuvama Clearing Services Limited	-	6.59
6	Accrued interest expenses on debentures issued to	Nuvama Wealth Finance Limited	-	0.04
7	Contract liability	Nuvama Wealth and Investment Limited	-	92.77
8	Contract Asset	Nuvama Financial Services Inc.	-	515.92
9	Corporate guarantee given to	Nuvama Clearing Services Limited	-	8,950.00
		Nuvama Wealth Finance Limited	-	139.77
10	Margins receivable from clients	Nuvama Clearing Services Limited	-	1,277.96
		Nuvama Wealth Management Limited	-	0.10
11	Trade & other payable to	Nuvama Wealth and Investment Limited	-	362.26
		Nuvama Clearing Services Limited	-	279.67
		Nuvama Wealth Finance Limited	-	1,841.51
		Nuvama Financial Services Inc.	-	0.45
		Nuvama Capital Services (IFSC) Limited	-	0.03
		Nuvama Wealth Management Limited	-	129.49
		Nuvama Asset Management Limited	-	1.00
12	Trade and other receivable from	Nuvama Wealth and Investment Limited	-	27.25
		Nuvama Clearing Services Limited	-	23.31
		Nuvama Wealth Finance Limited	-	1.91
		Nuvama Financial Services (UK) Limited	-	0.02
		Nuvama Investment Advisors Private Limited	-	0.70
		Nuvama Wealth Management Limited	-	64.63
		Nuvama Asset Management Limited	-	2.74

0.00 million indicates amount less than ₹ 0.01 million

#### Notes:

Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and provision made for bonus which are provided for group of employees on an overall basis. These are included on cash basis.



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 54. Capital management

The Group manages the capital structure by a balanced mix of debt and equity. The Group's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The Group maintains sound capitalisation both from an economic and regulatory perspective. The Group continuously monitors and adjusts overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives. These perspectives include specific capital requirements from rating agencies.

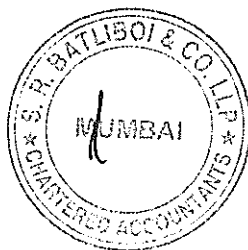
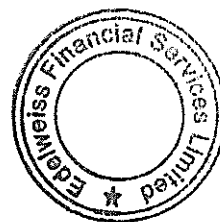
Capital structure includes infusion in the form of equity and structured debt from strategic business partners in certain of Group's subsidiaries to fund expansion and assist in achieving expected growth in the competitive market.

No changes were made in the objectives, policies or processes during the financial years ended 31 March 2023 and 31 March 2022.

This framework is adjusted based on underlying the macro-economic factors affecting business environment, financial market conditions and interest rates environment. Group monitors capital using debt-equity ratio, which is total debt divided by total equity.

Particulars	31-Mar-23	31-Mar-22
Total Debt	2,17,360.48	2,27,109.83
Equity	78,462.31	75,923.20
Net Debt to Equity	2.77	2.99

Total debt = Debt securities + Borrowings (other than debt securities) + Deposits + Subordinated Liabilities



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 55. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans

Edelweiss Financial Services Limited ("EFSL" hereafter), has recognised share based payment expenses for the years ended 31 March 2023 and 31 March 2022 based on fair value as on the grant date calculated as per option pricing model. The grants represent equity settled options under the Employee Stock Option Plans and Stock Appreciation Rights Plans (hereafter referred to as, "ESOP 2011" and "SAR 2019" or "ESOPs" "SARs").

The EFSL has granted ESOPs under the two plans viz., ESOP 2011 & SAR 2019 to its employees on an equity settled basis as tabulated below. The ESOPs/SARs provide a right to its holders (i.e., Edelweiss group employees) to purchase one EFSL share for each option at a pre-determined strike price on the expiry of the vesting period. The ESOP/SAR hence represents an European call option that provides a right but not an obligation to the employees of the Edelweiss group to exercise the option by paying the strike price at any time on completion of the vesting period, subject to an outer boundary on the exercise period.

EFSL has granted stock options to employees of the Edelweiss group on an equity settled basis as tabulated below:

Particulars	SAR 2019	ESOP 2011
Dates of grant	Varying	Varying
Option Type	Equity settled	Equity settled
No. of outstanding options at 31 March 2023	80,57,420	45,92,500
No. of outstanding options at 31 March 2022	1,09,14,200	71,82,488
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 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

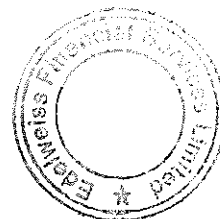
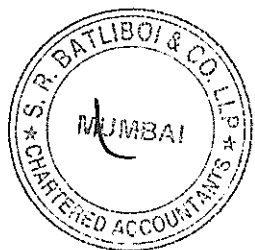
#### Movement of number of Options for FY 2022-23 and 2021-22

Number of options	31-Mar-23			31-Mar-22		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Outstanding at the start of the year	1,09,14,200	71,82,488	1,80,96,688	1,67,80,500	1,82,60,651	3,50,41,151
Granted during the year*	-	-	-	-	-	-
Exercised during the year	(10,34,220)	(25,000)	(10,59,220)	-	(66,27,263)	(66,27,263)
Lapsed/ cancelled during the year	(18,22,560)	(25,64,988)	(43,87,548)	(58,66,300)	(44,50,900)	(1,03,17,200)
Outstanding at the end of the year*	80,57,420	45,92,500	1,26,49,920	1,09,14,200	71,82,488	1,80,96,688
Exercisable at the end of the year	-	32,63,050	32,63,050	-	40,30,525	40,30,525

\*Includes, SAR 2019 345,050, ESOP 2011 Nil approved but not granted

#### Weighted Average Exercise Price for FY 2022-23 and 2021-22

Weighted Average Exercise Price (₹)	31-Mar-23		31-Mar-22	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Outstanding at the start of the year	123.38	172.77	132.90	132.00
Granted during the year	-	-	-	-
Exercised during the year	61.00	60.75	-	44.70
Lapsed/ cancelled during the year	104.55	184.47	150.57	196.21
Outstanding at the end of the year	136.20	166.84	123.38	172.77
Exercisable at the end of the year	NA	187.44	NA	191.57
Weighted Average Share price at the exercise date	58.85	58.98	NA	44.81



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

**55. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (Continued)**

**Outstanding Options as at 31 March 2023 and 31 March 2022**

Particulars	31-Mar-23		31-Mar-22	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options outstanding	80,57,420	45,92,500	1,09,14,200	71,82,488
Weighted average strike price (₹)	136.20	166.84	123.38	172.77
Weighted average remaining lifetime of options (in years)	1.65	0.16	2.33	0.39
Number of employees covered under the scheme	122	166	152	210

**Options granted during FY 2022-23 and 2021-22**

Particulars	31-Mar-23		31-Mar-22	
	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

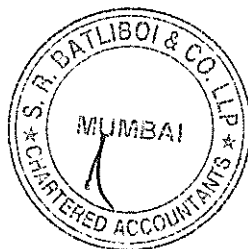
**Assumptions for Fair Value for FY 2022-23 and 2021-22**

Particulars	31-Mar-23		31-Mar-22	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Weighted average share price (in ₹)	136.33	169.52	123.12	175.10
Weighted average strike price (in ₹)	136.20	166.84	123.38	172.77
Weighted average remaining lifetime of options (in years)	1.65	0.16	2.33	0.39
Expected volatility (% p.a.)	56% p.a. - 72% p.a.	41% p.a. - 72% p.a.	56% p.a. - 72% p.a.	35% 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.	4.3% 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-Mar-23			31-Mar-22		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Charges during the year due to share based payments *	71.17	16.11	87.28	81.64	39.09	120.73
Liability due for share based payments	343.65	355.07	698.72	264.88	496.70	761.58
Intrinsic value of the liability above	4.83	20.36	25.19	2.50	16.06	18.56

\* includes all group companies including associates



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 56 Fair Value Measurement

#### 56.1. Valuation Principles :

Fair value is the price that would be received 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 56.4

#### 56.2. Valuation governance :

The Group's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Group including the risk and finance functions.

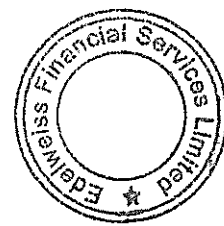
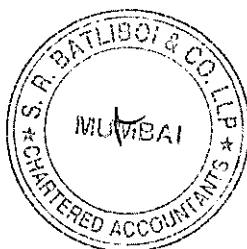
Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However Finance department is responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards

#### 56.3. Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy. Exchange traded and OTC derivatives are at gross amount i.e. before offsetting margin money. The impact of offsetting is explained in note 10.1.

Particulars	31-Mar-23			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
Derivative financial instruments (assets)				
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>
Stock-in-trade				
Government Securities	25,757.12	-	-	25,757.12
Debt Securities	128.32	7.46	0.59	136.37
Mutual Fund	1,061.96	-	-	1,061.96
Equity Instruments	37.42	-	1.18	38.60
<b>Stock-in-trade</b>	<b>26,984.82</b>	<b>7.46</b>	<b>1.77</b>	<b>26,994.05</b>
Investments				
Government securities	-	31,241.43	-	31,241.43
Debt securities	-	13,161.94	4,642.49	17,804.43
Mutual fund units	2,581.48	-	-	2,581.48
Security receipts	-	-	21,089.05	21,089.05
Units of AIF	-	743.52	15,520.25	16,263.77
Equity instruments	14,169.71	1,196.73	35,082.63	50,449.07
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>17,795.03</b>	<b>47,224.83</b>	<b>77,440.10</b>	<b>1,42,459.96</b>
Loans and other financial assets measured at fair value	-	-	2,645.09	2,645.09
Property, Plant and equipment	-	-	11,780.83	11,780.83
<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>1,84,787.60</b>
<b>31-Mar-22</b>				
Particulars	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
Derivative financial instruments (assets)				
Exchange-traded derivatives	466.91	100.70	-	567.61
OTC derivatives	-	249.37	-	249.37
Embedded derivatives in market-linked debentures issued	-	-	20.80	20.80
<b>Total derivative financial instruments (assets)</b>	<b>466.91</b>	<b>350.07</b>	<b>20.80</b>	<b>837.78</b>
Stock-in-trade				
Government Securities	10,085.12	-	-	10,085.12
Debt Securities	124.07	7.81	1.77	133.65
Mutual Fund	1,377.90	-	-	1,377.90
Equity Instruments	1,063.39	-	2,458.05	3,521.44
<b>Stock-in-trade</b>	<b>12,650.48</b>	<b>7.81</b>	<b>2,459.82</b>	<b>15,118.11</b>
Investments				
Government securities	9.28	27,429.88	-	27,439.16
Debt securities	-	9,824.99	3,022.04	12,847.03
Mutual fund units	2,539.08	-	-	2,539.08
Security receipts	-	-	33,406.65	33,406.65
Units of AIF	-	340.06	8,629.24	8,969.30
Equity instruments	13,287.93	1,763.96	617.34	15,669.23
Preference Shares	-	-	1,142.22	1,142.22
Others	1,190.22	928.78	63.87	2,182.87
<b>Total investments measured at fair value</b>	<b>17,026.51</b>	<b>40,287.67</b>	<b>46,881.36</b>	<b>1,04,195.54</b>
Loans and other financial assets measured at fair value	-	-	3,361.82	3,361.82
Property Plant and equipment	-	-	10,871.00	10,871.00
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>30,143.90</b>	<b>40,645.55</b>	<b>63,594.80</b>	<b>1,34,384.25</b>





## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 56.3 Assets and liabilities by fair value hierarchy (Continued)

Particulars	31-Mar-23			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments (liabilities):				
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	-	-	-	-
Total financial liabilities measured at fair value on a recurring basis	315.11	624.88	6,726.59	7,666.58

Particulars	31-Mar-22			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	548.18	46.82	-	595.00
OTC derivatives	-	424.32	-	424.32
Embedded derivative liabilities in market-linked debentures	-	-	1,556.41	1,556.41
Non convertible debentures issued	-	-	7,887.95	7,887.95
Short sales	889.70	-	-	889.70
Total financial liabilities measured at fair value on a recurring basis	1,437.88	471.14	9,444.36	11,353.38

### 56.4. 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.

#### 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.

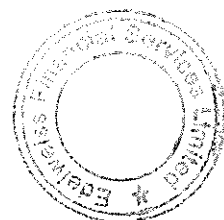
#### Exchange traded derivatives

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

#### 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.



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

**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 2023 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets and other financial liabilities is not significant in each of the years presented.

Particulars	31-Mar-23				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Loans	1,70,891.19	1,74,548.09	-	-	1,74,548.09
<b>Financial liabilities</b>					
Debt securities	1,47,747.54	1,50,265.12	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

Particulars	31-Mar-22				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Loans	1,97,614.34	2,02,353.75	-	-	2,02,353.75
<b>Financial liabilities</b>					
Debt securities	1,47,169.03	1,47,297.65	43,931.97	92,514.16	10,851.52
Borrowing (other than debt securities)	56,550.66	56,547.01	2,348.81	16,253.96	37,944.24
Subordinated liabilities	15,485.53	14,771.71	-	14,771.71	-
<b>Off-balance sheet items</b>					
Loan commitments	3,317.84	2,562.86	-	-	2,562.86

**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 56.4.

**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**

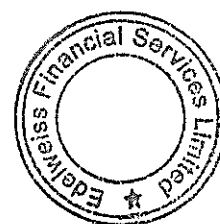
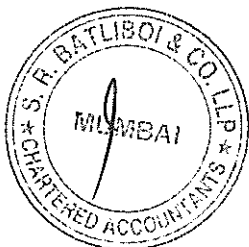
The fair value of issued debt is estimated using discounted cash flow model.

**56.8. Movement in level 3 financial instruments measured at fair value**

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value.

Particulars	Financial assets							Financial liabilities	
	Security Receipts	Equity & Preference	Debt Securities	AIFs	Loans classified as FVTPL	Derivative financial assets	Others	Derivative financial liabilities	Non-convertible debentures issued
<b>As at 31-Mar-2022</b>	33,406.65	4,217.61	3,023.81	8,679.24	3,361.82	20.80	63.87	1,556.41	7,887.95
Purchases	50,197.90	8,125.43	2,258.09	12,309.87	426.27	-	-	-	-
Sales*	(51,623.42)	(2,617.90)	(632.77)	(6,955.74)	(1,564.60)	-	-	-	-
Issuance	-	-	-	-	-	434.03	-	168.79	-
Settlements	(10,151.30)	-	-	(235.48)	-	(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-Mar-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
<b>As at 31-Mar-2021</b>	37,472.98	2,406.87	1,614.91	8,075.93	2,089.30	23.79	226.48	1,373.35	8,750.76
Purchases	22,710.86	2,290.84	2,378.78	3,796.52	1,590.71	-	63.88	-	-
Sales*	(26,504.20)	(976.39)	(798.00)	(4,000.51)	(971.51)	-	(226.49)	-	-
Issuance	-	-	-	-	-	20.78	-	104.41	-
Settlements	(3,526.56)	-	-	-	-	(15.78)	-	(543.73)	(927.86)
Gain / Loss	3,253.57	496.29	(171.88)	757.30	653.32	(7.99)	-	622.38	65.06
<b>As at 31-Mar-2022</b>	33,406.65	4,217.61	3,023.81	8,679.24	3,361.82	20.80	63.87	1,556.41	7,887.95
Unrealised Gain / Loss	(1,135.68)	526.63	(171.88)	1,220.86	427.69	(7.99)	-	343.50	1,614.23

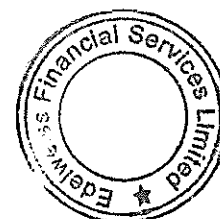
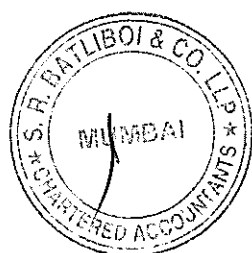
\*includes financial assets derecognised



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 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	₹ 699 to ₹ 1500 per security receipt	5%	808.44	5%	(808.44)
	Discounted projected cash flow	Cash Flow	₹ 349.615.97 million	5%	638.02	5%	(1,487.80)
		Discount rates	12% to 39.74%	50 basis point	(695.70)	50 basis point	(741.51)
Investments in units of AIF	Net Asset approach	Fair value of underlying	₹ 11028.46 million	5%	551.42	5%	(551.42)
		NAV per unit ₹ 10.4 - ₹ 195704.00		5%	11.15	5%	(11.15)
		NAV per unit ₹ 508.52 - ₹ 107,284.00		5%	68.00	5%	(68.60)
		₹ 26 to ₹ 28 per Unit		5%	6.56	5%	(6.56)
					451.13		(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	5%	0.79	5%	(0.79)
		₹ 42.85 per share		5%	9.03	5%	(9.03)
		₹ 188 to ₹ 157,330 per share		5%	25.76	5%	(25.76)
		₹ 1 to ₹ 161 per share		5%	0.00	5%	(0.00)
		₹ 1 to ₹ 157,330 per share		5%	29.52	5%	(29.52)
		₹ 100 to ₹ 215,000 per share		5%	20.39	5%	(20.39)
		₹ 1817 to ₹ 2,239 per share		5%	324.45	5%	(324.45)
		₹ 3,121 per unit		5%	9.61	5%	(9.61)
		₹ 2,238 per unit		5%	1,381.75	5%	(1,381.75)
		₹ 1,020 per share		5%	0.05	5%	(0.05)
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 as FVTPL	Discounted cash flow	Expected future cash flows	₹ 376.333 to ₹ 10,000,000 per NCD	5%	224.82	5%	(224.82)
	Comparable transaction and P/E	Fair value per instrument	₹ 6.667 to ₹ 10,000 per NCD	5%	2.75	5%	(2.75)
	Fair value of index	Price per debenture	₹ 169 to ₹ 215,000 per debenture	5%	4.56	5%	(4.56)
	Fair value of index	Index levels		5%	8.66	5%	(8.66)
Embedded derivatives in market linked debentures issued (Assets/ liability) (net)	Fair value using Black Scholes model as Market Data approach based on	Volatility level	₹ 7,9212.00 million	5%		5%	
Debt Securities (Liability)	Discounted projected cash flow	Cash Flow	₹ 96,571 million	12%	0.50%	0.50%	
		Discount rates					

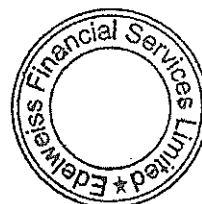
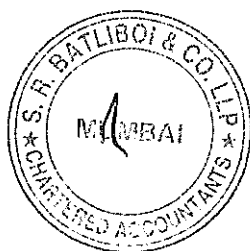


56.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data.

As at 31 March 2022

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Investments in security receipts	Net asset value method	NAV per security receipt	₹ 842 to ₹ 945 per security receipt	5%	89.59	5%	(89.59)
	Discounted projected cash flow	Cash Flow	₹ 437,584 million	5%	2,181.06	5%	(4,436.55)
		Discount rates	12% to 22%	50 basis point	(1,354.66)	50 basis point	3,072.79
Investments in units of AIF	Net Asset approach	Fair value of underlying	₹ 9,074.67 million	5%	453.73	5%	(453.73)
		NAV per unit ₹ 685.60 - ₹ 10,773		5%	7.63	5%	(7.63)
		NAV per unit ₹ 1,142.04 - ₹ 12,292.40		5%	11.47	5%	(11.47)
		₹ 177 to ₹ 1,441,892 per Unit		5%	158.18	5%	(158.18)
		₹ 29 to ₹ 36 per Unit		5%	10.39	5%	(10.39)
					212.95		(212.95)
Investments in unquoted equity shares and preference shares categorised at Level 3	Comparable transaction and P/E	Fair value per share	₹ 216.133 per share	5%	1.08	5%	(1.08)
		₹ 42.85 per share		5%	5.37	5%	(5.37)
		₹ 69 to ₹ 216.133 per share		5%	28.66	5%	(28.66)
		₹ 8 to ₹ 120 per share		5%	0.00	5%	(0.00)
		₹ 8 to ₹ 216.132 per share		5%	20.95	5%	(20.95)
		₹ 4,802 per unit		5%	14.79	5%	(14.79)
		₹ 9,168 per shares		5%	122.90	5%	(122.90)
		₹ 2 to ₹ 12,240 per share		5%	14.47	5%	(14.47)
					0.05		(0.05)
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
Warrants	Comparable transaction and P/E	Fair value of underlying investments		5%		5%	
Debt investments classified at FVTPL	Discounted cash flow	Expected future cash flows	₹ 376,333 to ₹ 10,004,509 per NCD	5%	143.82	5%	(143.82)
	Comparable transaction and P/E	Fair value per instrument	₹ 10,000 per NCD	5%	3.00	5%	(3.00)
	Fair value of index	Price per debenture	₹ 120,834 to ₹ 164,682 per debenture	5%	0.09	5%	(0.09)
Embedded derivatives in market linked debentures issued (Asset/Liability) (net)	Fair value of index	Index levels		5%	(52.38)	5%	52.38
	Fair value using Black Scholes model or Monte Carlo approach based on	Nifty level	₹ 17,454.75 million	5%	121.50	5%	(111.40)
		Risk-adjusted discount rate	4.50% to 6%	1%	11.90	1%	(11.90)
Debt Securities (Liability)	Discounted projected cash flow	Cash Flow	₹ 118,118.32 million	5.905.92	20.66	(5,905.92)	(20.66)
		Discount rates	12%	0.50%	(4.31)	0.50%	4.31
Land, Flats and Buildings	Discounted projected cash flow	Cash Flow		5%		5%	
		Discount rates	12%	50 basis point		50 basis point	

0.00 indicates amount less than ₹ 0.01 million



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

**57. Risk Management**

**57.1. Introduction and risk profile**

The Edelweiss Group ("The Group") provides a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. The Group's products and services span multiple asset classes and customer segments across domestic and global geographies. The Group's key lines of business can broadly be classified as below:

- o Capital
- o Agency
- o Insurance (Life and General)
- o Asset reconstruction
- o Treasury

The Group's diversified businesses 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.

**57.2. Risk management strategy:**

The strategy at an execution level is supported by:

1. Three tiered risk management structure to manage and oversee risks
2. Board and Executive Level Committees to review and approve risk exposures
3. Risk Management framework to ensure each risk the Group is exposed to is given due importance and managed through a well-defined framework and guidelines
4. Standard Operating Procedures and Product approval framework to ensure risks are mitigated at operational level
5. Adequate segregation of duties to ensure multi-layered checks and balances
6. Exception reporting framework to ensure process and policy deviations are adequately addressed

**57.3. Risk management structure**

To support the risk strategy and ensure effective risk management, the Group has a "Three-tiered risk management structure" to ensure that there are enough defences are available to control all types of risk issues. The risk structure is enumerated below:

1. **Three lines of defence** - for accountability, oversight, and assurance
  - o **Respective Businesses** - the first line of defence; they own and manage risks and are responsible for implementation of the risk management framework
  - o **Business Risk teams** - the second line of defence; they are responsible for overseeing risk events and defining the risk management framework
  - o **Internal audit** - the third line of defence; they provide independent assurance of risk management framework implementation
2. **Board and Executive Level Committees** - for overseeing the risk management. The current Risk Management Committees are
  - o Board Risk Committee
  - o Investment and Credit Committees

The Board Risk Committee is the overseeing body for Risk Management. The Committee meets at regular intervals to review the risk profile of the Company.

The Investment and Credit Committee serve as the nodal bodies for all credit related decisions. Respective businesses have formulated its own Investment and Credit Committees depending upon the scale of the exposure.

**Risk management framework**

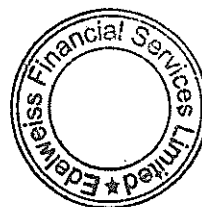
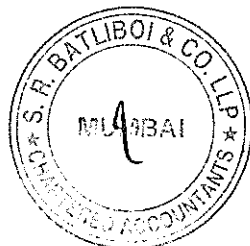
The businesses in the Group have a Risk Framework, which describes the risk management approach and provides clear accountability for managing risk considered appropriate for the business. The framework is subject to continuous evaluation based on existing internal as well external environment.

The current risk framework covers:

- o Business Risk
- o Credit Risk
- o Market Risk
- o Liquidity Risk
- o Regulatory Risk
- o Reputation Risk
- o Technology Risk
- o Operational and Process Risk
- o Fraud Risk
- o People Risk
- o Physical Infrastructure Risk

The Businesses in the Group use different types of tools and techniques for mitigating risk, depending upon the type of risk and quantum. For example:

- o Financial risks are mitigated through counterparty and client assessment before any exposure is taken, and defined product/program level risk limits to ensure exposure does not exceed risk appetite. The Committee based approval mechanism is adopted to ensure that high exposures are approved with adequate representation and that there is no bias in approvals.
- o Non financial risks viz. technology, operational, fraud, etc. are mitigated through process documentation defining clear ownership for each activity, having adequate system/process level controls like maker checker, reconciliation, testing and reviews.
- o Enterprise level risks viz. reputation, compliance, regulatory, etc. are controlled through policies and framework, educating employees through training and risk socialisation sessions.



**Notes to the consolidated financial statements (Continued)**  
(Currency - Indian rupees in millions)

**57.4. 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.
- 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/CDU/CG/100/05/2016 dated 18 May 2016 has issued Guidelines on Corporate Governance for the Insurance Sector. Basis the circular, the following committees form part of the overall risk governance framework:

- o Risk Management Committee
- o Audit Committee
- o Investment Committee
- o Policyholder protection Committee

The Risk Management Committee is responsible for periodic review of the risk management process to ensure that the process initiatives are aligned to the desired objectives. 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:

- o Underwriting Policy
- o Investment Policy
- o Asset Liability Management Policy
- o Reinsurance Program
- o Information Security Policy
- o Outsourcing Policy
- o Anti Fraud Policy
- o Financial authority Matrix

**Regulatory framework**

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the 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.

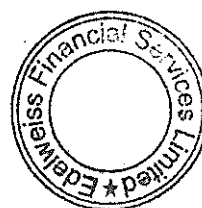
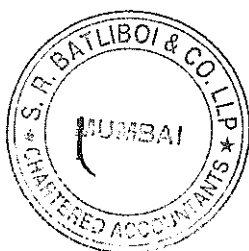
**Asset liability management (ALM) framework**

The ALM policy adopted by ZGIL helps in:

- o Understanding all risks requiring the coordination of assets and liabilities
- o Quantify interest rate risks and equity risks
- o Quantify the extent of mismatch between the assets and liabilities and thereby prescribe appropriate measures to bridge the gap

**Asset Valuation:**

The analysis is carried out at an LDB level as per the IRDAI guidelines. If reserves held under any line of business fall below 5% of the total reserves as at the given valuation date the corresponding line of business is excluded for the ALM exercise.



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

**57.4. Risk management framework of General Insurance (Zuno General Insurance Limited "ZGIL") (Continued)**

**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.

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, reinsurance 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.

EGIL 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 (Continued)**  
(Currency - Indian rupees in millions)

**57.5. Risk management framework of Life Insurance business ("ETLIFE")**

**a. Governance framework**

The primary objective of the ETLIFE's risk and financial management framework is to protect the ETLIFE's shareholders as well as policyholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

ETLIFE has an effective Risk Management Framework in place which provides for risk identification, risk assessment and evaluation, monitoring, tracking and feedback mechanism framework to identify, evaluate business risks and opportunities.

ETLIFE has a risk balancing approach and follows the process of risk evaluation, monitoring and control. ETLIFE has structured and uniform method of risk monitoring and control through the Risk and Control Self-Assessment (RCSA) Framework.

ETLIFE continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors has overall responsibility for the establishment and oversight of ETLIFE's risk management framework. This is supplemented with the clear organizational structure and documented delegated authorities and responsibilities from the board of directors to various executive management committees.

**b. Capital management objectives, policies and approach**

The primary source of capital used by ETLIFE is Equity. ETLIFE's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analysis. The process is ultimately subject to approval by the Board.

ETLIFE has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To comply with the insurance capital requirements that the IRDAI require. In this respect, the IRDAI has prescribed minimum solvency ratio of 150% (refer note on Capital Management for solvency ratio);
- To maintain the required level of stability of ETLIFE, thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders.
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities, taking account of risks inherent in the business.
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

In reporting, financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. ETLIFE's Capital Management Policy for its business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives and maintain a healthy 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.

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-Tied 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 selection of the underwriting strategy, re-insure a part of the risk with various reinsurers, diversification of all insurance contracts and acquiring business from all parts of the Country.

**b. Life Insurance Contracts and Investment Contracts with and without Discretionary Participation Features:**

Ind AS 104 'Insurance Contracts' requires ETLIFE to separate the Financial Instruments (investment contracts) from insurance contracts under specified conditions.

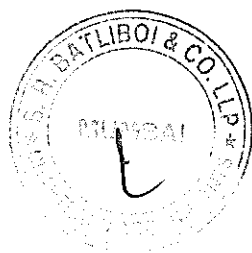
Insurance contracts are those contracts where ETLIFE has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. Insurance and investment contracts are further classified as being either with or without DPF. DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are likely to be a significant portion of the total contractual benefits.

As a general guideline by IRDAI, ETLIFE classifies contract under insurance contract and investment contracts with DPF, if the benefit payable on death is higher by at least 5% of the premium at any time during the life of the contract for other than unit linked products.

All other contracts are classified under investment Contracts.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Investment contracts, however, can be reclassified as insurance contracts after inception if insurance risk becomes significant.





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

**57.5. Risk management framework of Life Insurance business ("ETLIFE") (Continued)**

**c. The main Insurance Risks that ETLIFE is exposed to are as follows:**

- Persistency Risk** - Risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected
- Mortality Risk** - Risk of loss arising due to policyholder mortality experience being different than expected
- Investment Risk** - Risk of loss arising from actual returns being different than expected
- Expense Risk** - Risk of loss arising from expense experience being different than expected
- 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
- Concentration Risk** - ETLIFE faces concentration Risk by selling business to specific geography or by writing only single line business etc

**Control Measures:**

ETLIFE has set up Risk Management framework to continuously monitor the ETLIFE's experience with regard to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal. Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into re-insurance agreements with multiple re-insurers. ETLIFE has entered into a separate agreement with reinsurers to cover the catastrophic risks under Individual and Group business to hedge against catastrophic events leading to higher than expected claim payouts.

ETLIFE has been taking efforts so as to mitigate concentration risk through diversification however ETLIFE may still be exposed to channel concentration risk as company is in 12th year of operation and all the channels are not yet fully developed. ETLIFE has been acquiring business from all the parts of India and thus has little geographical concentration. It also insulates ETLIFE from impact of catastrophic risk. ETLIFE has a Board approved Risk Management Policy covering underwriting, claims and reserving for policy liabilities. ETLIFE has a detailed claims processing manual in place.

The large claims are referred to ETLIFE's Claims Committee

**Operational risks:**

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The ETLIFE, cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the ETLIFE is able to manage the risks. Controls include effective segregation of duties, access controls, authentication 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

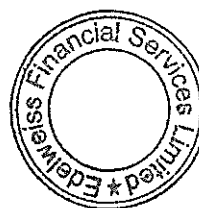
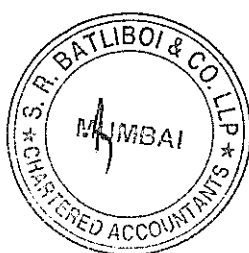
- Fraud
- Execution, delivery and process management
- Business disruption and system failures
- Clients, products and business practices
- Damage to physical assets
- Employment practices and workplace safety

Risk control and mitigation plan forms important part of the risk management processes within the ETLIFE. The ETLIFE's management ensures oversight on the risks by reviewing data, processes and by performing model checks at regular frequencies. The Operational risk impact within the ETLIFE is rated basis frequency and severity matrix. Frequency and severity matrix is further utilized for evaluation of the risk which in turn helps in prioritization. The ETLIFE, to ensure that complete data is being processed, reconciles number of policies, premium and sum assured. The same is done by comparing Data Conversion System (DCS) output and on-off movement data as obtained from policy administration system. The risk management team conducts an independent root cause analysis of operational risk incidents. Root cause analysis is followed by actual and potential risk exposure assessment. The root cause analysis helps to identify inadequacies in the control measures for known risks or identify new risks which need to be addressed. The resultant learning is then used to improve processes systematically.

**57.6. Excessive risk concentration**

The relevant businesses in the Group have diversified business model 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



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 57.7. Credit risk

Credit risk is the risk of financial loss the Group may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial /contractual obligations. Credit risk also covers the possibility of losses associated with deterioration 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.

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 business.

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.

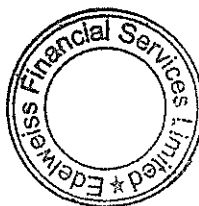
Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls) discounted at the original EIR (or credit adjusted EIR for purchased or originated credit impaired financial assets). Expected Credit Loss computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- o An unbiased and probability weighted amount that evaluates a range of possible outcomes.
- o Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions.
- o The time value of money.

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
Performing		
High grade	0 dpd and 1 to 30 dpd	Stage I
Standard grade	31 to 90 dpd	Stage II
Non-performing		
Individually impaired	90+ dpd	Stage III



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

**57.7. Credit risk (Continued)**

**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:

1. Whether there is actual or expected significant change in the credit situation which entails significant increase in credit risk.
2. Whether there is existing or forecasted adverse changes in borrower's business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
3. Based on information available at present, whether in the longer term current adverse changes created by Covid-19 in economic and business conditions can reduce the ability of the borrower to fulfil its obligations.
4. Whether there are any significant changes in the expected performance and behaviour of the borrower.
5. Whether there are expected changes in the loan documentation, including an expected breach of contract that might lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the loan.

Reasonable and supportable information that is forward-looking and that is available without undue cost or effort is used by management to assess changes in credit risk. However, considering that the current economic situation is continuously evolving, the management shall apply on regular basis any 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 into 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:

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

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount Undrawn Credit Line = Difference between the total amount which the Business in the Group has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD.

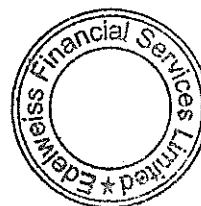
**Purchased or originated credit impaired (POCI)**

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. This population includes the recognition of a new financial instrument following a renegotiation where concessions have been granted for economic or contractual reasons relating to the borrower's financial difficulty, that otherwise would not have been considered.

**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.



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 57.7. Credit risk (Continued)

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 macroeconomic variables are forecasted by mean reverting the values to their long-term average. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters.

#### Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Business in the Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

#### 57.7.1. Overview of modified and forborne loans

The table below includes Stage 2 and 3 assets that were modified and, therefore, treated as forborne during the year, with the related modification loss suffered by the Group.

Particulars	2022-23	2021-22
Amortised costs of financial assets modified during the year	-	5,133.90
Net modification loss	-	178.81

#### 57.7.2. Analysis of risk concentration

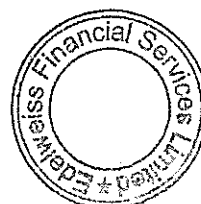
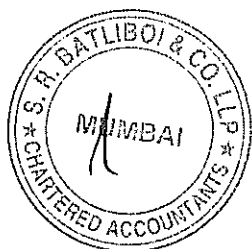
The following table shows the risk concentration by industry for the components of the balance sheet. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Group's internal grading system and year-end stage classification are further disclosed in Note 13.1.

##### Industry analysis - Risk concentration for 31-Mar-23

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
Stock in trade	1,227.83	25,757.21	0.35	0.20	-	-	8.46	26,994.05
Trade receivables	922.51	-	812.11	2,051.44	-	25.97	321.05	4,133.08
Loans	2,974.65	-	8,198.42	1,37,675.91	-	10,600.88	14,086.42	1,73,536.28
Investments	60,026.47	34,090.81	22,409.70	19,944.02	81.41	888.99	7,186.79	1,44,628.19
Other financial assets	8,639.66	-	3.19	503.49	-	0.09	40.66	9,187.09
Total	1,11,560.85	59,848.02	31,423.77	1,60,175.06	81.41	11,515.93	21,643.38	3,96,248.42
Other Commitments	384.95	-	-	1,515.98	-	-	-	1,900.93

##### Industry analysis - Risk concentration for 31-Mar-22

Components	Financial services	Government	Manufacturing	Retail and wholesale	Oil & gas	Services	Others	Total
Cash and bank balances	30,388.97	-	-	-	-	-	-	30,388.97
Derivative financial instruments	685.22	-	-	-	-	-	-	685.22
Stock in trade	4,779.90	10,085.12	40.02	39.25	-	171.34	2.48	15,118.11
Trade receivables	1,344.37	-	1,165.77	1,961.81	-	81.95	137.81	4,691.71
Loans	3,840.40	-	8,633.86	1,67,520.88	-	9,969.04	11,011.98	2,00,976.16
Investments	49,447.47	28,952.11	22,843.26	12,731.67	62.26	6,638.00	5,600.12	1,26,274.89
Other financial assets	10,677.54	-	2.93	337.97	-	-	16.79	11,035.23
Total	1,01,163.87	39,037.23	32,685.84	1,82,591.58	62.26	16,860.33	16,769.18	3,89,170.29
Other Commitments	-	-	-	55.59	-	-	-	55.59



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

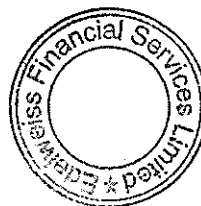
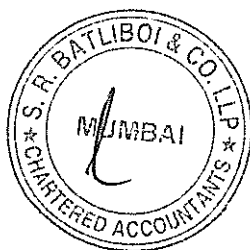
### 57.7.3. Collateral and other credit enhancements

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

Particulars	Maximum exposure to credit risk		Principal type of collateral
	31 March 2023	31 March 2022	
<b>Financial assets</b>			
<b>Loans:</b>			
Retail Loans and Wholesale loans	1,52,551.30	1,84,805.48	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	17,966.05	12,587.17	Tangible assets
Other credits	373.84	221.69	
Trade receivables	4,133.08	4,691.71	Equity shares, fixed deposits and bank guarantees, Securities etc.
Debt instruments and other investments at amortised cost	2,168.23	1,863.66	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>1,77,192.50</b>	<b>2,04,169.71</b>	
Derivative financial instruments	779.00	685.22	Margin money
Financial assets at FVTPL	1,05,238.49	73,499.27	Tangible assets, Warrants
Financial instrument designated at fair value through profit or loss	15,139.30	13,494.17	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>1,21,156.79</b>	<b>87,678.56</b>	
Debt instruments at fair value through OCI	24,727.26	20,563.92	Government security and Book debts
<b>Total debt instruments at fair value through OCI</b>	<b>24,727.26</b>	<b>20,563.92</b>	
Other commitments (max exposure)	2,294.57	1,422.26	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>3,25,371.12</b>	<b>3,13,834.55</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 (Continued)

(Currency : Indian rupees in millions)

## 37.7.4. Fair value of collateral held for stage 3 assets

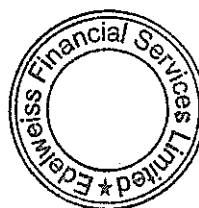
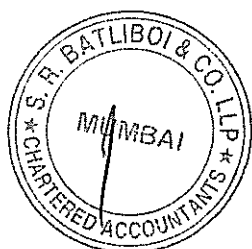
The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the expected value of the collateral is greater than the LGD, even in if the future value of collateral is forecast using multiple economic scenarios.

As at 31-Mar-2023

	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
<b>Financial assets</b>				
Loans	1,31,547.15	48,413.91	83,133.24	93,923.64
Debt instruments	22.54	3.45	19.48	19.48
<b>Total financial assets at amortised cost</b>	<b>1,31,570.09</b>	<b>48,417.37</b>	<b>83,152.72</b>	<b>93,943.12</b>
Loan commitments	128.11	0.54	127.57	4.00
<b>Total</b>	<b>1,31,698.20</b>	<b>48,417.91</b>	<b>83,280.29</b>	<b>93,947.12</b>

As at 31-Mar-2022

	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
<b>Financial assets</b>				
Loans	1,23,685.28	37,797.85	85,887.43	97,161.93
Debt instruments	-	-	-	-
<b>Total financial assets at amortised cost</b>	<b>1,23,685.28</b>	<b>37,797.85</b>	<b>85,887.43</b>	<b>97,161.93</b>
Loan commitments	128.94	1.68	127.26	6.53
<b>Total</b>	<b>1,23,814.22</b>	<b>37,799.53</b>	<b>86,014.69</b>	<b>97,168.46</b>



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 57.6 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.

### 57.8.1. Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities

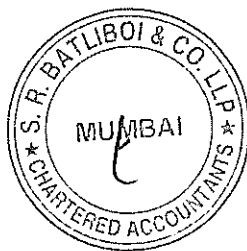
The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial liabilities, financial assets, derivatives and financial commitments as at 31 March.

The tables have been drawn up based on the undiscounted cash flows i.e. the tables include both interest and principal cashflows. The contractual maturity with respect to financial liabilities is based on the earliest date on which the Group 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.

As at 31-Mar-23

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	9,358.29	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	1,79,192.58
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>3,18,478.32</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
Stock-in-trade	26,502.47	474.80	-	16.23	0.55	26,994.05
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	1,03,223.80	2,14,900.02
Investments at fair value through profit or loss	9,906.60	9,308.50	17,987.40	56,478.74	53,328.63	1,47,009.87
Investments at FVOCI	1,644.67	529.28	852.81	4,991.73	62,433.08	70,451.57
Investments at amortised cost	2,582.05	3.29	52.88	4,908.03	19.22	7,565.47
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>1,01,600.44</b>	<b>26,627.62</b>	<b>42,185.96</b>	<b>1,27,708.12</b>	<b>2,20,428.63</b>	<b>5,18,550.77</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.



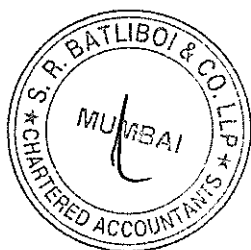
**Notes to the consolidated financial statements (Continued)**  
(Currency : Indian rupees in millions)

**57.8.1. Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities (Continued)**

As at 31-Mar-22

Non-derivative financial liabilities	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	9,048.39	2,771.13	1,053.84	27.91	-	12,901.27
Borrowings (other than debt securities)	18,486.76	4,546.33	19,461.08	7,806.22	10,265.31	60,565.70
Debt securities	14,169.96	6,906.39	18,722.33	82,636.98	61,983.53	1,84,419.19
Subordinated financial liabilities	1,454.78	61.92	297.69	6,344.60	13,290.60	21,449.59
Deposits	15.60	-	-	-	-	15.60
Other financial liabilities	7,750.74	3,875.40	1,528.17	11,635.22	28,769.30	53,558.83
<b>Total undiscounted non-derivative financial liabilities</b>	<b>50,926.23</b>	<b>18,161.17</b>	<b>41,063.11</b>	<b>1,08,450.93</b>	<b>1,14,308.74</b>	<b>3,32,910.18</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	22,623.02	836.38	2,070.68	5,922.44	18.16	31,470.68
Stock-in-trade	12,634.20	2,465.87	-	0.25	17.79	15,118.11
Trade receivables	2,508.80	828.74	1,514.46	1,596.52	-	6,448.52
Loans	27,568.74	8,989.44	34,594.79	77,095.05	1,36,484.66	2,84,732.68
Investments at fair value through profit or loss	13,365.86	4,245.47	14,463.47	21,062.51	54,267.80	1,07,405.11
Investments at FVOCI	546.58	274.59	1,076.70	4,433.23	49,259.79	55,590.89
Investments at amortised cost	898.44	-	961.30	2,304.08	124.52	4,288.34
Other financial assets	5,589.80	3,873.21	58.62	911.16	615.63	11,048.42
<b>Total undiscounted non-derivative financial assets</b>	<b>85,735.44</b>	<b>21,513.70</b>	<b>54,740.02</b>	<b>1,13,325.24</b>	<b>2,40,788.35</b>	<b>5,16,102.75</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	(503.95)	-	-	-	-	(503.95)
Other net settled derivatives	(646.98)	0.11	(258.94)	(190.56)	(51.19)	(1,047.46)
<b>Total</b>	<b>(1,050.93)</b>	<b>0.11</b>	<b>(258.94)</b>	<b>(190.56)</b>	<b>(51.19)</b>	<b>(1,551.51)</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	1,835.23	131.82	2,705.33	11,423.24	-	16,095.62

The Group has undrawn lines of credit available aggregating ₹ 5,300.71 million as at 31 March 2022 to meet any possible liquidity shortfall.





## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 57.9. 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.

Currency of item	2022-23					
	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 of item	2021-22					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
INR	25.00	(281.18)	(580.83)	25.00	281.16	580.83
INR	5.00	(116.27)	-	5.00	116.27	-

#### Currency 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.

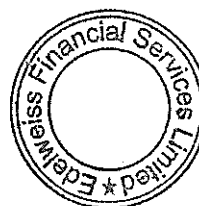
The table below indicates the currencies to which the Group had significant exposure at the end of the year.

Currency	2022-23					
	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)	-

Currency	2021-22					
	Increase in exchange rate (%)	Effect on profit before tax	Effect on Equity	Decrease in exchange rate (%)	Effect on profit before tax	Effect on Equity
US dollar	5.00	(61.34)	-	5.00	61.34	-
Others	5.00	(1.32)	-	5.00	1.32	-

\* This is on account of items denominated in Indian Rupees held by certain foreign companies in the Group having functional currency other than INR



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 57.9. 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	2022-23					
	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)

Impact on	2021-22					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5.00	84.42	-	5.00	(84.42)	-
Others	5.00	711.83	1.70	5.00	(711.83)	(1.70)

#### 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	2022-23					
	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)	-

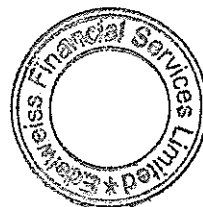
Impact on	2021-22					
	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5.00	28.05	-	5.00	(28.05)	-
Others	5.00	(16.20)	-	5.00	16.20	-

#### 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	2022-23					
	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)

Impact on	2021-22					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Security receipts of ARC trusts	5.00	106.79	-	5.00	(106.79)	-
Units of AIFs and Trusts	5.00	40.45	17.00	5.00	(40.45)	(17.00)
Others	5.00	692.02	39.73	5.00	(692.02)	(39.73)

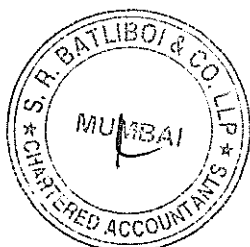


## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 58. Composition of the Group

Sr.	Name of the Entity	Note	Country of Incorporation	Proportion of ownership interest as at 31-Mar-2023	Proportion of ownership interest as at 31-Mar-2022
<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	EC Commodity Limited	a	India	-	-
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%
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 1st July 2022)	b	India	-	100.00%
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		Mauritius	100.00%	100.00%
19	Nuvama Investment Advisors LLC (formerly known as EAAA LLC)		Mauritius	100.00%	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%
23	Aster Commodities DMCC		United Arab Emirates	-	-
22	Edelgive Foundation		India	100.00%	100.00%
23	Edelweiss Alternative Asset Advisors Limited		India	99.05%	99.05%
	Edelweiss Gallagher Insurance Brokers Limited		India	-	-
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 23rd June, 2022)	c	Mauritius	-	67.00%
28	Edelweiss Tokio Life Insurance Company Limited	d	India	75.08%	66.00%
29	Allium Finance Private Limited	e	India	88.28%	85.00%
30	Edelweiss Global Wealth Management Limited		India	100.00%	100.00%
31	Edelweiss Capital Services Limited		India	51.00%	51.00%
32	India Credit Investments Fund - II		India	100.00%	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	f	India	100.00%	0.00%
<b>Associate</b>					
1	Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited - (Consolidated upto 30 March 2023))	g	India	43.76%	43.76%

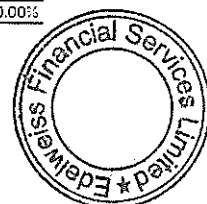
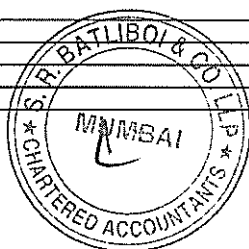


# Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

## 58. Composition of the Group (Continued)

Group stake in trusts			
Trust Name	Country of Incorporation	Proportion of ownership interest as at 31-Mar-2023	Proportion of ownership interest as at 31-Mar-2022
1 EARC SAF - 1 Trust	India	100.00%	100.00%
2 EARC SAF - 2 Trust	India	100.00%	100.00%
3 EARC SAF - 3 Trust	India	46.00%	46.00%
4 EARC Trust - SC 6	India	100.00%	100.00%
5 EARC Trust - SC 7	India	100.00%	100.00%
6 EARC Trust - SC 9	India	100.00%	100.00%
7 EARC Trust - SC 102	India	100.00%	100.00%
8 EARC Trust - SC 109	India	50.00%	50.00%
9 EARC Trust - SC 112	India	100.00%	100.00%
10 EARC Trust - SC 130	India	100.00%	100.00%
11 EARC Trust - SC 223	India	100.00%	100.00%
12 EARC Trust - SC 229	India	100.00%	100.00%
13 EARC Trust - SC 238	India	100.00%	100.00%
14 EARC Trust - SC 245	India	37.00%	37.00%
15 EARC Trust - SC 251	India	100.00%	100.00%
16 EARC Trust - SC 262	India	37.00%	37.00%
17 EARC Trust - SC 263	India	100.00%	100.00%
18 EARC Trust - SC 266	India	100.00%	100.00%
19 EARC Trust - SC 293	India	100.00%	100.00%
20 EARC Trust - SC 297	India	37.00%	37.00%
21 EARC Trust - SC 298	India	75.05%	100.00%
22 EARC Trust - SC 306	India	50.00%	50.00%
23 EARC Trust - SC 308	India	100.00%	100.00%
24 EARC Trust - SC 314	India	100.00%	100.00%
25 EARC Trust - SC 318	India	100.00%	100.00%
26 EARC Trust - SC 321	India	100.00%	100.00%
27 EARC Trust - SC 325	India	100.00%	100.00%
28 EARC Trust - SC 329	India	100.00%	100.00%
29 EARC Trust - SC 331	India	100.00%	100.00%
30 EARC Trust - SC 332	India	100.00%	100.00%
31 EARC Trust - SC 334	India	100.00%	100.00%
32 EARC Trust - SC 342	India	100.00%	100.00%
33 EARC Trust - SC 344	India	100.00%	100.00%
34 EARC Trust - SC 347	India	100.00%	100.00%
35 EARC Trust - SC 348	India	100.00%	100.00%
36 EARC Trust - SC 349	India	100.00%	100.00%
37 EARC Trust - SC 351	India	100.00%	100.00%
38 EARC Trust - SC 352	India	100.00%	100.00%
39 EARC Trust - SC 357	India	100.00%	100.00%
40 EARC Trust - SC 360	India	100.00%	100.00%
41 EARC Trust - SC 361	India	100.00%	100.00%
42 EARC Trust - SC 363	India	100.00%	100.00%
43 EARC Trust - SC 370	India	100.00%	100.00%
44 EARC Trust - SC 372	India	100.00%	100.00%
45 EARC Trust - SC 373	India	100.00%	100.00%
46 EARC Trust - SC 374	India	100.00%	100.00%
47 EARC Trust - SC 375	India	100.00%	100.00%
48 EARC Trust - SC 376	India	100.00%	100.00%
49 EARC Trust - SC 377	India	100.00%	100.00%
50 EARC Trust - SC 378	India	100.00%	100.00%
51 EARC Trust - SC 380	India	100.00%	100.00%
52 EARC Trust - SC 381	India	100.00%	100.00%
53 EARC Trust - SC 383	India	100.00%	100.00%
54 EARC Trust - SC 384	India	62.50%	100.00%
55 EARC Trust - SC 385	India	100.00%	100.00%
56 EARC Trust - SC 386	India	100.00%	100.00%
57 EARC Trust - SC 387	India	100.00%	100.00%
58 EARC Trust - SC 388	India	100.00%	100.00%
59 EARC Trust - SC 391	India	100.00%	100.00%
60 EARC Trust - SC 392	India	100.00%	100.00%
61 EARC Trust - SC 393	India	100.00%	100.00%
62 EARC Trust - SC 394	India	100.00%	100.00%
63 EARC Trust - SC 395	India	100.00%	100.00%
64 EARC Trust - SC 396	India	100.00%	100.00%
65 EARC Trust - SC 399	India	100.00%	100.00%
66 EARC Trust - SC 401	India	100.00%	100.00%
67 EARC Trust - SC 402	India	100.00%	100.00%
68 EARC Trust - SC 405	India	100.00%	100.00%
69 EARC Trust - SC 406	India	100.00%	100.00%
70 EARC Trust - SC 410	India	100.00%	100.00%
71 EARC Trust - SC 412	India	100.00%	100.00%
72 EARC Trust - SC 415	India	100.00%	100.00%

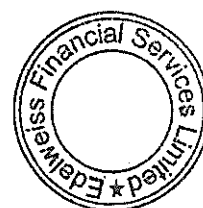


# Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

## 58. Composition of the Group (Continued)

73 EARC Trust - SC 427	India	46.17%	100.00%
74 EARC Trust - SC 428	India	100.00%	100.00%
75 EARC Trust - SC 429	India	100.00%	100.00%
76 EARC Trust - SC 430	India	100.00%	100.00%
77 EARC Trust - SC 227	India	100.00%	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%
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	India	100.00%	100.00%
93 EARC Trust - SC 441	India	100.00%	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%	-
101 EARC Trust - SC 481	India	100.00%	-
102 EARC Trust - SC 482	India	100.00%	-
103 EARC Trust - SC 442	India	100.00%	-
104 EARC Trust - SC 483	India	100.00%	-
105 EARC Trust - SC 484	India	100.00%	-
106 EARC Trust SC - 443	India	100.00%	-
107 EARC Trust SC - 452	India	75.53%	-
108 EARC Trust SC - 462	India	100.00%	-
109 EARC Trust SC - 461	India	100.00%	-



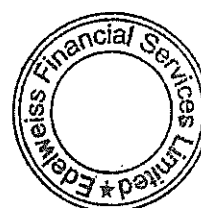
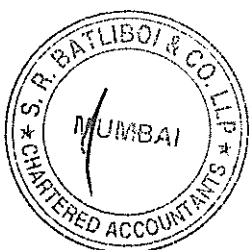
## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 58. Composition of the Group (Continued)

#### Notes:

- a Contrade Commodities Services Limited (Formerly known as Edelweiss Contrade 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.
- b With effect from 1st 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.
- c With effect from 23rd 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.
- d With effect from 27th September 2022, the Company has increased its controlling stake in Edelweiss Tokio Life Insurance Company Limited, one of its subsidiary from 66% to 75.08% and same has be consolidated accordingly.
- e With effect from October 12 2022, Edelweiss Rural and Corporate Services Limited, subsidiary of the Group has increased its controlling stake in Allium Finance Private Limited, one of its subsidiary from 85% to 88.28% and same has be consolidated accordingly.
- f With effect from 22nd March 2023, India Credit Investments Fund - III has been incorporated as a new wholly owned subsidiary of the Group and has been consolidated from the said date.
- g Refer Note 62



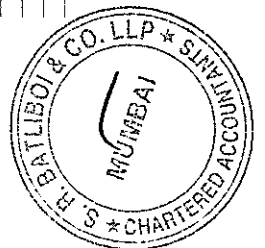
**Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

59.

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

Sr. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share In Profit or Loss		Share In Other Comprehensive Income		Share In Total Comprehensive Income	
		As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)	As % of consolidated other comprehensive income	Amount (₹ in Millions)	As % of consolidated total comprehensive income	Amount (₹ in Millions)
Parent									
	Edelweiss Financial Services Limited	92.47%	72,552.63	588.88%	23,882.47	0.18%	0.33	563.10%	23,882.80
Subsidiaries									
Indian									
1	ECL Finance Limited	34.05%	26,715.97	27.33%	1,108.34	(4.50)%	(8.36)	25.32%	1,099.98
2	Edelcap Securities Limited	4.86%	3,816.81	(10.31)%	(418.23)	(0.31)%	(0.57)	(9.87)%	(418.80)
3	Edelweiss Asset Management Limited	2.55%	2,000.32	4.39%	177.88	(0.65)%	(1.21)	4.17%	176.67
ECap Securities and Investments Limited (formerly known as ECap Equities Limited)									
4	Limited	(0.68)%	(530.49)	(11.05)%	(448.05)	(0.01)%	(0.01)	(10.54)%	(448.06)
5	Edelweiss Trusteeship Company Limited	0.01%	5.48	0.02%	0.66	-	-	0.02%	0.66
Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)									
6	Limited	10.13%	7,944.70	3.96%	160.63	1.27%	2.37	3.28%	163.00
7	Edelweiss Investment Adviser Limited	(5.35)%	(4,198.95)	(28.93)%	(1,173.21)	(0.09)%	(0.17)	(27.67)%	(1,173.38)
8	ECap Equities Limited (formerly known as Edel Land Limited)	6.34%	4,971.09	(0.24)%	(9.83)	0.52%	0.96	(0.21)%	(8.87)
9	Edel Investments Limited	4.47%	3,507.13	1.59%	64.34	(0.36)%	(0.66)	1.53%	63.68
10	Edelweiss Rural & Corporate Services Limited	5.51%	4,325.56	(48.54)%	(1,968.55)	(1.47)%	(2.73)	(46.24)%	(1,971.28)
Comtrade Commodities Services Limited (formerly known as Edelweiss Comtrade Limited)									
11	Limited	0.01%	7.04	(0.11)%	(4.64)	(0.11)%	(0.20)	(0.11)%	(4.84)
12	Edel Finance Company Limited	19.42%	15,235.09	16.12%	653.95	0.07%	0.14	15.42%	654.09
13	Edelweiss Retail Finance Limited	6.84%	5,366.47	6.85%	277.83	0.48%	0.88	6.57%	278.72
14	Edelweiss Multi Strategy Fund Advisors LLP	0.01%	7.68	0.00%	(0.14)	-	-	0.00%	(0.14)
15	Edelweiss Resolution Advisors LLP (upto 1st July 2022)	-	-	0.00%	0.03	-	-	0.00%	0.03
Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited)									
16	Limited	2.21%	1,736.32	(30.94)%	(1,254.87)	(5.60)%	(10.40)	(29.83)%	(1,265.26)
17	Edelweiss Securities and Investment Private Limited	4.17%	3,269.64	16.46%	667.49	(0.01)%	(0.01)	15.70%	667.48
18	Edelweiss Alternative Asset Advisors Limited	5.91%	4,636.73	19.29%	782.27	0.28%	0.51	18.45%	782.78
19	Edelgive Foundation	0.20%	153.53	(2.40)%	(97.51)	0.09%	0.17	(2.32)%	(97.34)
20	Edelweiss Private Equity Tech Fund	0.70%	549.17	(1.62)%	(65.76)	-	-	(1.51)%	(65.76)
21	Edelweiss Value and Growth Fund	1.08%	851.03	1.41%	57.28	-	-	1.35%	57.28
22	Edelweiss Asset Reconstruction Company Limited	35.61%	27,941.25	78.51%	3,183.89	(1.18)%	(2.20)	75.02%	3,181.70
23	Edelweiss Tokio Life Insurance Company Limited	8.64%	6,780.79	(49.09)%	(1,990.93)	36.65%	68.09	(45.34)%	(1,922.83)
24	Allium Finance Private Limited	1.67%	1,308.34	0.91%	36.71	(0.33)%	(0.61)	0.57%	36.71
25	Edelweiss Capital Services Limited	0.73%	573.85	0.48%	19.45	-	-	0.40%	18.84
26	India Credit Investment Fund – II	10.85%	8,516.98	(0.78)%	(31.64)	-	-	(0.73)%	(31.64)
27	Edelweiss Real Assets Managers Limited	0.14%	111.93	0.00%	0.08	0.04%	0.08	0.02%	0.16
28	Sekura India Management Limited	0.05%	39.34	0.95%	38.70	-	-	0.91%	38.70
29	Edelweiss Global Wealth Management Limited	4.41%	3,456.98	(2.47)%	(100.26)	(0.01)%	(0.02)	(2.36)%	(100.28)
30	India Credit Investment Fund – III	15.82%	12,416.14	(0.03)%	(1.31)	-	-	(0.03)%	(1.31)



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

59. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary (Continued)

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)
Foreign									
31	EC International Limited	0.19%	(152.29)	0.34%	(13.60)	5.94%	(11.03)	10.58 %	(24.63)
32	Nuvama Investment Advisors LLC (formerly known as EAAA LLC)	0.01%	(5.68)	0.39%	(15.65)	0.13%	(0.24)	0.37 %	(15.89)
33	EW Special Opportunities Advisors LLC (upto 23rd June, 2022)	-	-	0.00%	0.03	-	-	0.00 %	0.03
34	Edelweiss Alternative Asset Advisors Pte. Limited	3.81%	2,985.84	59.20%	2,400.87	39.70%	73.75	58.25 %	2,474.63
35	Edelweiss International (Singapore) Pte. Limited	3.11%	2,499.48	11.41%	462.87	59.46%	110.47	13.52 %	573.33
36	Controlled Trusts	0.05%	37.86	33.47%	1,357.43	-	-	32.96 %	1,357.43
Non-Controlling Interests									
Adjustments arising out of consolidation		14.05%	11,021.19	15.14%	613.94	6.44%	(11.96)	14.55 %	601.98
Associate (Investment as per the equity method) - Indian Associate (Investment as per the equity method) - Indian (Refer note 62)		(193.65)%	(1,51,993.64)	(575.11)%	(23,323.23)	(19.17)%	(35.66)	(550.5 %)	(23,358.93)
Associate (Investment as per the equity method) - Indian (Refer note 62)		-	-	(24.02)%	(974.16)	7.57%	14.06	(22.64 %)	(960.10)
Total		100.00%	78,462.31	100.00%	4,055.57	100.00%	185.77	100.00%	4,241.34
0.00 indicates amount less than ₹ 0.01 million									

0.00 indicates amount less than ₹ 0.01 million





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

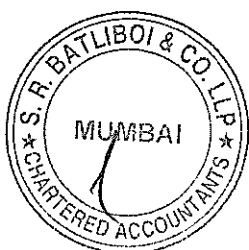
**60. Key disclosures related to life Insurance business (Edelweiss Tokio Life Insurance Company Limited (ETLI))**

**a Life Insurance and Investment Contract Liability**

Particulars	31-Mar-23				31-Mar-22			
	With DPF	Linked Business	Others	Total gross liabilities	With DPF	Linked Business	Others	Total gross liabilities
<b>Insurance Contract Liability</b>								
Life	13,594.11	16,384.15	32,349.80	62,328.06	10,057.42	16,103.49	25,834.89	51,997.80
Health	-	-	70.46	70.46	-	-	61.22	61.22
Annuity	-	-	693.80	693.80	-	-	595.98	595.98
Pension	1,187.54	282.09	-	1,469.63	1,143.28	304.33	-	1,447.61
<b>Total</b>	<b>14,776.65</b>	<b>16,666.24</b>	<b>33,114.06</b>	<b>64,556.95</b>	<b>11,200.70</b>	<b>16,409.82</b>	<b>26,492.09</b>	<b>54,102.61</b>
<b>Investment Contract Liability</b>								
Life	-	997.08	114.53	1,111.61	-	884.09	458.63	1,342.72
Health	-	-	-	-	-	-	-	-
Annuity	-	-	-	-	-	-	-	-
Pension	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>997.08</b>	<b>114.53</b>	<b>1,111.61</b>	<b>-</b>	<b>884.09</b>	<b>458.63</b>	<b>1,342.72</b>

**b Movement of life insurance contract liabilities**

Particulars	31-Mar-23				31-Mar-22			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
Gross Liability at the beginning of the year	11,200.70	16,409.82	26,492.09	54,102.61	8,304.94	12,944.01	21,354.58	42,603.53
Add/(Less)								
Premium	5,044.15	3,140.66	8,578.74	16,763.55	4,431.80	3,293.54	6,847.76	14,573.10
Unwinding of the discount / interest credited	673.06	262.40	2,011.77	2,947.23	371.22	2,258.65	1,397.45	4,027.32
Changes in valuation for expected future benefits	(1,840.73)	(493.71)	(2,977.72)	(5,312.16)	(1,641.00)	(506.57)	(1,568.66)	(4,116.23)
Insurance liabilities released	(172.28)	(2,605.58)	(780.69)	(3,558.55)	(343.69)	(1,562.64)	(1,020.01)	(2,925.74)
Undistributed Participating Policyholders surplus (UPPS)	95.34	-	-	95.34	33.45	-	-	33.45
Change in other Liabilities	(223.59)	(47.35)	(210.13)	(481.07)	43.88	(17.77)	(119.03)	(92.82)
<b>Gross Liability at the end of the year</b>	<b>14,776.65</b>	<b>16,666.24</b>	<b>33,114.06</b>	<b>64,556.95</b>	<b>11,200.70</b>	<b>16,409.82</b>	<b>26,492.09</b>	<b>54,102.61</b>



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

**60. 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 by multiplying number of units in issue by publicly quoted unit price and any non-unit reserve is insignificant. Where the unit price is not publicly-available these contracts are classified as Level 2 in the fair value hierarchy provided the additional non-unit reserve is an insignificant input to the valuation. Where the non-unit reserve is a significant input in the valuation, the contracts are classified at Level 3 in the fair value hierarchy. The Group takes credit risk into account in assessing the fair value of the liabilities.

Investment contract liabilities without DPF are further analysed as follows:

Particulars	31-Mar-23			31-Mar-22		
	Linked Business	Others	Total	Linked Business	Others	Total
At the beginning of the year	884.09	458.63	1,342.72	786.35	440.58	1,226.93
Additions						
Premium	138.33	2.83	141.16	62.83	6.12	68.95
Interest and Bonus credited to policyholders	46.94	17.68	64.62	76.91	27.86	104.67
Others	0.03	(0.52)	(0.49)	0.38	(1.43)	(1.35)
Deductions						
Withdrawals / Claims	(57.50)	(363.47)	(420.97)	(28.62)	(13.32)	(41.94)
Fee Income and Other Expenses	(14.81)	(0.62)	(15.43)	(13.36)	(1.18)	(14.54)
At the end of the year	997.08	114.53	1,111.61	884.09	458.63	1,342.72

**Change in insurance contract liabilities**

Particulars	31-Mar-23				31-Mar-22			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
a) Policy Liabilities (Gross)	3,575.94	256.42	6,621.97	10,454.33	2,895.74	3,465.81	5,137.51	11,459.06
b) Amount ceded in reinsurance	-	(0.14)	419.22	419.08	-	(0.04)	(39.36)	(39.40)
c) Amount accepted in reinsurance	-	-	-	-	-	-	-	-
Net change in insurance contract liabilities	3,575.94	256.28	7,041.19	10,873.41	2,895.74	3,465.77	5,098.15	11,459.66

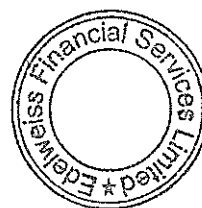
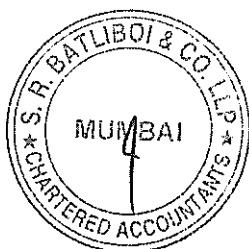
**Change in Reinsurance assets**

Particulars	31-Mar-23	31-Mar-22
Opening Reinsurance Assets	3,432.77	3,393.36
Premium	360.89	331.70
Unwinding of the Discount/Interest Credited	240.27	260.48
Change in Valuation for expected future benefits	(635.07)	(214.65)
Insurance Liabilities released	(321.50)	(278.12)
Closing Reinsurance Assets	3,013.36	3,432.77

At 31 March 2023, 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 ₹ 72.58 million for the financial year 2022-23 (PY ₹ 987.18 million). This profit has been reflected in the statement of profit or loss.

At 31 March 2023 and 31 March 2022, there are no impaired reinsurance assets.



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

**50. Key disclosures related to life insurance business (Edelweiss Tokio Life Insurance Company Limited (ETLI)) (Continued)**

**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% - 6.75%) for the first 5 years and 4.00% - 6.28% (PY 4.00% - 6.00%) thereafter (for annuity, 2% assumed for year greater than 50 years).

The lapse assumptions are based on various factors namely the actual experience, credibility of the experience, pricing assumptions, trend from actual experience and consistency from past year's assumptions. For lapsed policies, revival reserves are maintained (till the policies are within the revival year) assuming 10.00% (previous year 10.00%) of them will get revived.

Mortality assumptions are set with reference to the published IALM (2012-2014) Ultimate Mortality Table. The mortality assumptions are based on various factors namely the actual experience, credibility of the experience, pricing assumptions, trend from actual experience and consistency from past year's assumptions. For annuity product, mortality rates are set with reference to the IAM 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.

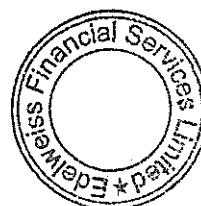
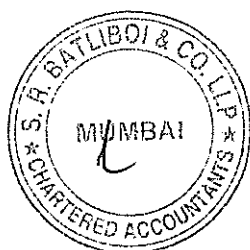
Portfolio assumptions impacting net liabilities	Range	FY 2023	FY 2022
Mortality rates (as a % of Indian Assured Lives Mortality (2006-09))**	Max	230% (Without MAD)*	230% (Without MAD)*
	Min	28% (Without MAD)	22% (Without MAD)
Discount/ interest rates***	Max	8% (Without MAD)	8% (Without MAD)
	Min	7.25% (Without MAD)	7.25% (Without MAD)
Expense****	Max	10262 (INFL @ 5%) (without MAD) 20 (INFL @ 5%) (without MAD) for micro insurance plan	9773 (INFL @ 5%) (without MAD) 19 (INFL @ 5%) (without MAD) for micro insurance plan
	Min	304 (INFL @ 5%) (without MAD) 13 (INFL @ 5%) (without MAD) for micro insurance plan	289 (INFL @ 5%) (without MAD) 12 (INFL @ 5%) (without MAD) for micro insurance plan
MAD*		Mortality: Mortality: 10%; additional 5% MAD to cater COVID-19 pandemic risk	Mortality: 10%; additional 5% MAD to cater COVID-19 pandemic risk
		Interest: 78 - 575 bps	Interest: 85 - 575 bps
		Expenses: 10%	Expenses: 10%

\* Margin for Adverse Deviation (MAD) is over and above the base rate mentioned above.

\*\* Mortality rates (excluding annuity products) are expressed as % of Indian Assured Lives Mortality (2012-14) and for annuity it is expressed as % of IAM 12-15 - Indian Individual Annuitant Mortality Table (2012-15). Further in Annuity plans, Mortality improvement of 1% per annum till attained age of 64 and 0.5% per annum thereafter has been assumed from the current rates.

\*\*\* Under Unit linked, for unit growth rate (i.e. investment return) weighted average growth rate of various unit funds is used.

\*\*\*\* The value of future expenses has been derived to allow for all the future maintenance expenses as applicable namely fixed per policy, renewal premium (0%-2%)/ commission (0%-25%) related, fund (0%-0.25%) related etc. The limits for fixed per policy expenses are as mentioned above in the table.



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 60. Key disclosures related to life insurance business (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-Mar-23

Sensitivity Parameters	Gross Liability				
	Insurance Contracts			Investment Contracts	
	With DPF	Linked	Others	Linked	Others
Mortality increased by 10%	14,795.10	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	16,665.70	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

For Year Ended 31-Mar-22

Sensitivity Parameters	Gross Liability				
	Insurance Contracts			Investment Contracts	
	With DPF	Linked	Others	Linked	Others
Mortality increased by 10%	11,204.36	16,412.09	27,707.89	884.09	458.64
Mortality decreased by 10%	11,197.15	16,408.28	25,298.98	884.09	458.64
Lapses increased by 10%	11,199.72	16,409.50	26,148.37	884.09	458.64
Lapses decreased by 10%	11,201.84	16,410.17	26,862.30	884.09	458.64
Expenses increased by 10%	11,204.57	16,410.35	26,634.27	884.09	458.64
Expenses decreased by 10%	11,196.97	16,409.39	26,349.91	884.09	458.64
Interest Rate increased by 100 bps	10,321.02	16,295.02	21,720.15	870.95	458.64
Interest Rate decreased by 100 bps	12,262.24	16,535.48	32,845.28	898.03	458.64
Inflation Rate increased by 100 bps	11,203.05	16,410.34	26,621.61	884.09	458.64
Inflation Rate decreased by 100 bps	11,198.67	16,409.57	26,378.71	884.09	458.64

Gross premiums on insurance contracts and investment contracts with DPF

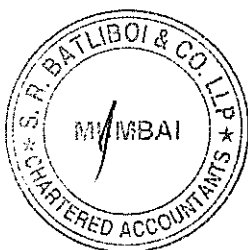
Particulars	2022-23	2021-22
Life Insurance	16,764.25	14,573.78
Total Gross Premiums	16,764.25	14,573.78

Premiums ceded to reinsurers on insurance contracts and investment contracts with DPF

Particulars	2022-23	2021-22
Life Insurance	(360.89)	(331.70)
Total premiums ceded to reinsurers	(360.89)	(331.70)

Net benefits and claims

Particulars	2022-23	2021-22
<b>a. Gross benefits and claims paid</b>		
Life insurance contracts	4,325.78	4,478.74
Investment contracts with DPF	-	-
Total gross benefits and claims paid	4,325.78	4,478.74
<b>b. Claims ceded to reinsurers</b>		
Life insurance contracts	(393.30)	(1,325.35)
Investment contracts with DPF	-	-
Total claims ceded to reinsurers	(393.30)	(1,325.35)
<b>Net benefits and claims</b>	<b>3,932.48</b>	<b>3,153.39</b>



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

61. 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

Particular	2022-23	2021-22
Gross written Premium	5,517.39	3,610.19
Change in reserve for unexpired risks	(872.11)	(618.48)
<b>Gross Earned Premium (a)</b>	<b>4,645.28</b>	<b>2,991.71</b>

#### Premium ceded to reinsurers on insurance contracts

Particular	2022-23	2021-22
Premium on reinsurance ceded	1,818.77	1,118.15
Change in reserve for unexpired risks	(243.40)	(453.76)
<b>Premium ceded to reinsurers (b)</b>	<b>1,575.37</b>	<b>664.39</b>

<b>Total Premium Earned (net) (a - b)</b>	<b>3,069.91</b>	<b>2,327.32</b>
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#### Change in actuarial liability

Particular	2022-23	2021-22
Gross Claim Paid	2,458.25	2,142.34
Claims Ceded to reinsurer on Gross Claims Paid	(461.46)	(251.14)
<b>Net Claims Paid</b>	<b>1,996.79</b>	<b>1,891.20</b>
Change in Gross Claims Outstanding	259.28	82.56
Change in Ceding to reinsurer on Gross Claims Outstanding	(124.62)	(1.29)
<b>Net Claims Outstanding</b>	<b>2,131.45</b>	<b>1,972.47</b>

Change in Gross IBNR	714.87	546.92
Change in Ceding to reinsurer on Gross IBNR	(322.43)	(268.59)
<b>Net IBNR</b>	<b>392.44</b>	<b>278.33</b>
Change in Gross Premium deficiency Reserve	-	(38.36)
Change in Ceding to reinsurer on Premium deficiency Reserve	-	-
<b>Net Premium deficiency Reserve</b>	<b>-</b>	<b>(38.36)</b>

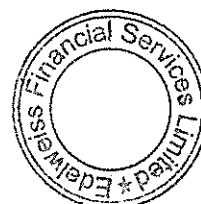
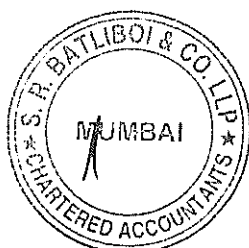
<b>Change in actuarial liability</b>	<b>392.44</b>	<b>239.97</b>
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#### Reinsurance asset

Particular	31-Mar-23	31-Mar-22
Reinsurance on Insurance Contract	1,766.25	370.32
Gross Insurance contract liabilities	5,736.10	3,889.84
Reinsurance asset relating to Insurance contracts	(2,030.69)	1,340.24
<b>Net Insurance contract liabilities</b>	<b>3,705.41</b>	<b>2,549.60</b>

Particular	31-Mar-23	31-Mar-22
Gross Insurance contract liabilities	5,736.10	3,889.84
Gross Claims Outstanding	701.63	442.34
Gross IBNR	2,374.56	1,659.69
Gross Premium deficiency Reserve	1.41	1.41
Gross Reserve for unexpired risks	2,658.50	1,786.39
Gross Insurance contract liabilities	5,736.10	3,889.83

Particular	31-Mar-23	31-Mar-22
Reinsurance asset relating to Insurance contracts	2,030.68	1,340.23
Reinsurance of Claims Outstanding	210.79	86.17
Reinsurance of IBNR	796.40	473.97
Reinsurance of Premium deficiency Reserve	-	-
Reinsurance of Reserve for unexpired risks	1,023.49	780.09
Reinsurance of Insurance contract liabilities	2,030.68	1,340.23

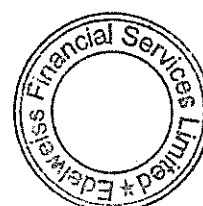
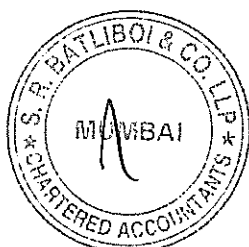


## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### 61. Key disclosures related to General Insurance business (Zuno General Insurance Limited (ZGIL) (formerly known as Edelweiss General Insurance Company Limited)) (Continued)

Net Insurance contract liabilities	2021-22	2021-22
Net Claims Outstanding	490.83	356.18
Net IBNR	1,578.16	1,185.71
Net Premium deficiency Reserve	1.41	1.41
Net Reserve for unexpired risks	1,635.01	1,006.30
Net Insurance contract liabilities	3,705.41	2,549.60
Reconciliation of Claims Outstanding	2022-23	2021-22
Gross Claims Outstanding at the beginning of year	442.34	210.39
Gross Change in claims reserve	259.28	231.95
Gross Claims Outstanding at the end of year	701.62	442.34
Reinsurance of Claims Outstanding at the beginning of year	86.17	11.99
Reinsurance of Change in claims reserve	124.62	74.18
Reinsurance of Claims Outstanding at the end of year	210.79	86.17
Net Claims Outstanding at the beginning of year	356.18	198.41
Net Change in claims reserve	134.66	157.77
Net Claims Outstanding at the end of year	490.84	356.18
Reconciliation of Incurred but not reported (IBNR)	2022-23	2021-22
Gross IBNR Outstanding at the beginning of year	1,659.69	612.25
Gross Change in IBNR reserve	714.87	1,047.44
Gross IBNR Outstanding at the end of year	2,374.56	1,659.69
Reinsurance of IBNR Outstanding at the beginning of year	473.97	89.83
Reinsurance of Change in IBNR reserve	322.43	384.15
Reinsurance of IBNR Outstanding at the end of year	796.40	473.98
Net IBNR Outstanding at the beginning of year	1,185.71	522.42
Net Change in IBNR reserve	392.45	663.79
Net IBNR Outstanding at the end of year	1,578.16	1,185.71
Reconciliation of Premium deficiency Reserve	2022-23	2021-22
Gross Premium deficiency Reserve Outstanding at the beginning of year	1.42	39.78
Gross Change in Premium deficiency reserve	-	(38.36)
Gross Premium deficiency Reserve Outstanding at the end of year	1.42	1.42
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	39.78
Net Change in Premium deficiency reserve	-	(38.36)
Net Premium deficiency Reserve Outstanding at the end of year	1.42	1.42
Reserve for unexpired risks	2022-23	2021-22
Gross Reserve for unexpired risks Outstanding at the beginning of year	1,786.39	1,167.91
Gross Change in Reserve for unexpired risks reserve	872.11	618.48
Gross Reserve for unexpired risks Outstanding at the end of year	2,658.50	1,786.39
Reinsurance of Reserve for unexpired risks Outstanding at the beginning of year	780.09	326.33
Reinsurance of Change in Reserve for unexpired risks reserve	243.40	453.76
Reinsurance of Reserve for unexpired risks Outstanding at the end of year	1,023.49	780.09
Net Reserve for unexpired risks Outstanding at the beginning of year	1,006.30	841.59
Net Change in Reserve for unexpired risks reserve	628.71	164.72
Net Reserve for unexpired risks Outstanding at the end of year	1,635.01	1,006.31



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

61. Key disclosures related to General Insurance business (Zuno General Insurance Limited (ZGIL) (formerly known as Edelweiss General Insurance Company Limited)) (Continued)

### Geographical concentration:

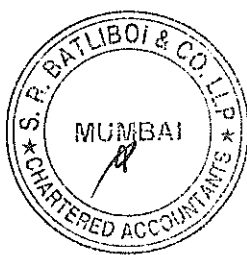
The ZGIL has its operation only in India.

### 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.

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)	-
2021-22	Change in Assumption	Increase / (Decrease) on Gross Liability	Increase / (Decrease) on Net Liability	Increase / (Decrease) on Profit Before Tax	Increase / (Decrease) on Equity
Ultimate Loss Ratio	10.00%	415.62	438.70	438.70	-
Ultimate Loss Ratio	(10.00)%	(415.62)	(438.70)	(438.70)	-



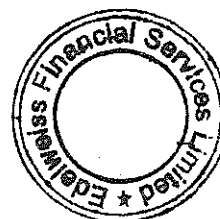
**Notes to the consolidated financial statements (Continued)**

(Currency : Indian rupees in millions)

62. The Group holds 43.76% in the equity shares of Nuvama Wealth Management Limited ("NWML"). Till 30 March 2023, EFSL had significant influence over NWML as per Ind AS 28, Investments in Associates and Joint Ventures ("Ind AS 28") and accounted for such investment in NWML at cost. With effect from 30 March 2023, EFSL does not have significant influence on NWML in accordance with Ind AS 28, pursuant to the amendment agreement dated 09 March 2023 to the amended and restated shareholders' agreement dated 18 March 2011 between EFSL, Edelweiss Global Wealth Management Limited ("EGWML"), PAGAL Eclat Pte Ltd ( "PAGAL ") 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, the Group's investment in NWML has been re-measured at fair value as per requirements of Ind AS 28 and has recorded a fair value gain of ₹ 12,385.40 million during the year ended 31 March 2023.

During the year ended 31 March 2023, the Group has reassessed and carried out a review of its loans, investments and POCI loans and has recorded a provision on such financial assets. This provision also included certain management overlay provisions recorded by the Group of ₹ 9,585.40 million. Accordingly, net impact of such fair value gains, fair value loss, impairment charge and loss due to change in valuation of POCI loans is ₹ 2,800 million for year end 31 March 2023. Consequently, profit before and after tax for the year ended 31 March 2023 is higher by ₹ 2,800 million and ₹ 1,580 million respectively.

63. A subsidiary, ECL Finance Limited (ECLF) has initiated sales / purchase of investment prior to 31 March 2023, from / to assets reconstruction companies ('ARCs' of 'trusts') & Alternative Investment Fund (AIF) for which definitive contractual agreement were executed post balance sheet date. However, the balance receivable against sale of financial assets aggregating to ₹ 14,510 million and payable against purchased of financial assets aggregating to ₹ 6,840 million were settled post 31 March 2023 but prior to approval of financial statements by the Board of Directors. As per Indian Accounting Standard (Ind AS) 10 'Events after the Reporting Period, any event, favourable and un-favourable, that occurs between the end of the reporting period and the date when the financial statements are approved by the Board of Directors, which provides evidence of conditions that existed at the end of the reporting period, would require adjustments in the amounts recognised in its financial statements to reflect adjustment of such events. Accordingly, on sale, ECLF has de-recognised such financial assets and recorded the corresponding recoverable amount under Other Financial Assets and on purchase, recognised the respective financial assets and recorded the corresponding liability under Other Financial Liability. Further, as the risks and rewards continues in the Group, these are accounted for as financial assets in the consolidated financial statements and the consequent expected credit loss is recorded in the consolidated financial statements.





## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

### Other Additional Regulatory Information

#### 64 Details of Benami Property held

The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

#### 65. Security of current assets against borrowings

The Group has borrowings from banks or financial institutions 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.

#### 66. Wilful Defaulter

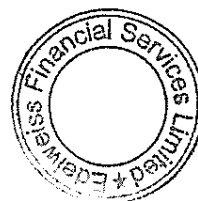
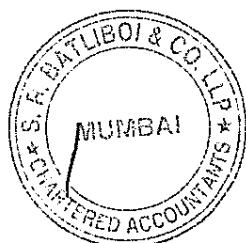
The Group is not declared as wilful defaulter by any bank or financial institution or other lender.

#### 67. Transactions with Struck off Companies

Name of the struck-off Company	Nature of transactions with struck-off Company	Relationship with the struck-off Company	Balance Outstanding as on March 31, 2023	Balance Outstanding as on March 31, 2022
Glossy Creations Private Limited	Receivables	-	0.59	0.66
Glossy Creations Private Limited	Investments in securities	-	0.00	0.00
Glossy Creations Private Limited	Payables	-	0.00	0.00
Glossy Creations Private Limited	Shares held by struck-off Company	-	0.00	0.00
S.K.R Infotech	Payable	-	0.00	0.00
Kamal Enterprises	Payable	-	0.00	0.03
Shams Cable Network	Payable	-	0.00	0.00
Shams Cable Network	Office Exps	-	0.00	0.00
City Elevators Pvt Ltd	Receivable	-	0.15	0.24
Cleanflo India Pvt Ltd	Receivable	-	0.00	0.15
Emicon India Pvt Ltd	Receivable	-	0.09	0.14
First Care India Private Limited	Receivable	-	0.00	0.38
Spectrum Washing Pvt Ltd	Receivable	-	0.13	0.00
Viva Concrete Technologies Pvt Ltd	Receivable	-	0.54	0.00
MEDIFIT HEALTH & FITNESS PRIVATE LIMITED	Receivables	-	0.44	0.00
Zedpack Pvt Ltd	Receivables	-	0.00	0.01
Shellz India Pvt Ltd	Receivables	-	0.00	0.02
Amit Ventures	Payables	-	0.00	0.02
Arihant Capital Markets Ltd.	Payables	-	0.00	0.00
Arihant Infotech	Payables	-	0.00	0.13
Deb Express Couriers	Payables	-	0.00	0.00
Globex International	Payables	-	0.00	0.01
Jagdamba Traders	Payables	-	0.00	0.00
Ocean Finvest	Payables	-	0.00	0.66
Practical Financial Services Pvt. Ltd.	Payables	-	0.00	0.00
Sift Capital	Payables	-	0.00	0.02
SPA Capital Services Ltd	Payables	-	0.07	0.00
Marvel Limited	Commission Income	-	0.00	0.00
Four Seasons Hotel	Professional Fees	-	0.00	0.00
Anahat Organisation Development Consultancy Pvt Ltd	Professional Fees	-	0.00	0.00
Maruti Infrastructure Limited	Retention Money Payable	-	3.66	0.00
M R D ENTERPRISES	Payable	-	0.00	0.00
M R D ENTERPRISES	Repairs & Maintenance	-	0.00	0.00
Shah & Associates	Payable	-	0.00	0.00
Kamal Enterprises	Miscellaneous Expense	-	0.00	0.00
Runner Time Logistics	Office Exps	-	0.00	0.00

0.00 indicates amount less than ₹ 0.01 million

68. The Group is in compliance with number of layers of companies, as prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.



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

**Other Additional Regulatory Information (Continued)**

**69. Utilisation of Borrowed funds and share premium**

A) During the year, the Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall :

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company/Group (Ultimate Beneficiaries); or

(ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries

(B) During the year, the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall, other than as disclosed in note (1) below for year ended 31 March 2022:

(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

**For the year ended 31 March 2022**

**Note (1)**

During the year ended March 31, 2022, the Holding Company has taken loans and given loans to its subsidiary company in the ordinary course of business, are at Arm's length and the same is approved by Board Audit Committee of the Holding Company. The Holding Company confirms that the below transactions are in accordance with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013 and the such transactions are not in violation of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

S.No.	Name of Lender	Nature	Date	₹ in millions	Loan given	Nature	Date	₹ in millions	Remarks
1	Beacon Trustee (Various lenders)	NCD Borrowing	5-Oct-21	4,000	ECL Finance Limited (ECL Finance)	Loan given	06-Oct-21	4,000	1) In accordance with loan agreement with lender, the loan was taken by the Holding Company, for the purpose of repayment of existing banking liabilities of ECL Finance. 2) During the year ECL finance has repaid 4,000 million to the Holding Company.

Note (2) : Transactions between group companies have not been disclosed under this note as they are eliminated for the purpose of preparing consolidated financial statements of the Company.

**70. Undisclosed income**

The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**71. Details of Crypto Currency or Virtual Currency**

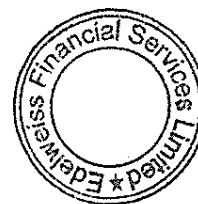
The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

**72. Loans & Advances**

There are no loans or advances in the nature of loans which are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are;

(a) repayable on demand or

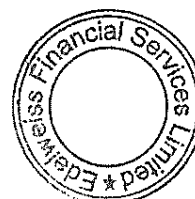
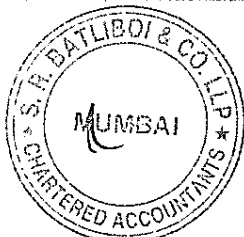
(b) without specifying any terms or period of repayment



## Notes to the consolidated financial statements (Continued)

(Currency : Indian rupees in millions)

73. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will evaluate the rules, assess the impact if any, and account for the same once the rules are notified and become effective.
- 74.1 Nuvama Clearing Services Limited ("NCSL"), an erstwhile associate of the Company challenged an order, by an investigating agency, marking lien on its clearing account, before the 47th Additional Chief Metropolitan Magistrate Court, Mumbai ("ACMM"). Since the investigation against Anugrah Stock and Broking Pvt. Ltd. ("trading member"), for which NCSL was a clearing member, is still under process, the said Court contended that it had no objection to setting aside the lien order. upon NCSL providing an undertaking to keep sufficient assets unencumbered.
- NCSL has provided undertaking to keep sufficient unencumbered assets amounting to ₹ 4,603.20 million belonging to the Group and an erstwhile associate and the said lien order has been set aside. The above case which pending for hearing before ACMM, is now been transferred to the City Civil & Sessions Court under Maharashtra Protection of Interest of Depositors (In Financial Establishments) Act, 1999 (MPID).
- During the year ended March 2023, hearing has happened with Securities Appellate Tribunal with respect to NCSL's application made to SAT for challenging NCL's perverse order against NCSL, and the said hearing has been concluded and for which no order or further directions from SAT have yet been received. The matter is sub judice and has been listed for further hearing and there is no further update on this matter during the year.
- NSE Clearing Ltd (NCL) had conducted an inspection in the matter of trading member Anugrah Share & Brokers Pvt Ltd (Anugrah) and issued a show cause notice to NCSL. The MCSGF Committee of NSE Clearing Limited has directed NCSL to adhere to instructions of National Stock Exchange ("NSE") / NCL. NCSL filed an appeal against the impugned order with Securities Appellate Tribunal ("SAT") and SAT by its order had granted a stay on the matter. The matter has been listed for further hearing and there is no further update on this matter during the year.
- Various Arbitration/Writ Petitions have been filed before the Hon'ble Bombay High Court ("Hon'ble Court") by various end clients of the trading member against trading member and its associates. NCSL has been made party to the same. All the Writ Petitions have been tagged together and common orders have been passed. The matters are yet to be listed for further hearing.
- NCSL believes that it has acted in accordance with the agreement entered with the trading member and in accordance with applicable laws and regulations. Accordingly, there is no adjustment required in the financial statements of the Group for the year ended 31 March 2023.
- 74.2 Under the Shareholders' Agreement dated 05 March 2019, entered between Edelweiss Financial Services Limited (EFSL), COPQ 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 CDOs into Equity Shares. The rationale for this undertaking was to keep the total equity/net worth of ECL Finance Limited unaffected on account of impairment in these loan accounts. During the year ended 31 March 2023, Parties have agreed and concluded that loss event for three of the borrowers in the Select Loans have crystallized 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 crystallized in respect of other Select Loans amounts mentioned in above said clauses of the agreement and hence there is no obligation of EFSL.
75. The Income Tax Authorities ("the Department") had conducted a search under section 132 of the Income Tax Act, 1961 on the premises of the Company and its certain subsidiaries during March 2023. The Company and its certain subsidiaries had provided the requisite details which were sought by the income tax authorities during the course of the search. Subsequently, the Company and its subsidiaries have received summons under section 131 (1A) of the Income Tax Act, 1961 seeking certain data/information, which the Company and its subsidiaries is in the process of responding. The Company and its subsidiaries confirms that neither the Department has raised any tax demand nor the Company and its subsidiaries have admitted any tax liability. Further, no proceeding or assessment orders have been issued from the search conducted by the Department. While uncertainty exists regarding the outcome of the proceedings by the Department, the Company and its subsidiaries are extending its full cooperation with the concerned income tax authorities and based on current internal assessment, management is of the view that this will not have any impact on the consolidated financial statements for the year ended 31 March 2023.
76. The Board of Directors at their meeting held on 26 May 2023, have recommended a final dividend of ₹ 1.25 per equity share (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting.
77. During the year ended 31 March 2023 and 31 March 2022, two subsidiaries (previous year three subsidiaries) of the Company had sold certain financial assets amounting to ₹ 16,718.90 million and ₹ 11,424.10 million (net of provisions) respectively to various asset reconstructions company trusts ("ARC Trusts") and acquired security receipts (SR) amounting to ₹ 5,227.20 million and ₹ 9,455.70 million respectively from these ARC Trusts. Ind AS 109 "Financial Instruments", prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from these subsidiaries financial 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 and ₹ 4,152 million (net) respectively for the year ended and is included in "Change in valuation of credit impaired loans".
78. 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, 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.
- The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned Scheme vide its order dated 27 April 2023 under the applicable provisions of the Companies Act, 2013. Certified copy of the said order of the Tribunal was received by the Company on 12 May 2023 and filed with the Registrar of Companies on 18 May 2023.
- The Scheme came into the effect from 18 May 2023. As per the Scheme, the Appointed Date of the Scheme is 18 May 2023.
- 79.1 During the year ended 31 March 2023, an investor has invested in Security receipts issued by ARC trusts as senior class investor in such trusts amounting to ₹ 12,060 million. 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.
- 79.2 During the year ended 31 March 2022, certain assets amounting to ₹ 4,004.40 million were sold to alternative assets funds by the subsidiary NBFCs. The Company and its subsidiary Edelweiss Rural & Corporate Services Limited ("ERCSL"), have, vide a put agreement dated 04 February 2022 and 31 July 2021 respectively, have guaranteed / undertaken to purchase these financial assets amounting to ₹ 4,004.40 million on occurrence of certain trigger event as per the agreement. Further, as the risks and rewards continues in the Group, these are accounted as financial assets in the consolidated financial statements and the consequent expected credit loss is recorded in the consolidated financial statements.
- 79.3 ECap Equities Limited (formerly known as Edel Land Limited), 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 ECCL shall be required to either arrange for a buyer thereof and/or purchase the assets at IRR.
80. A subsidiary, ECL Finance Limited ("ECLF") has received the inspection report dated 12 January 2023 from Reserve Bank of India ("RBI") for the financial statements ending 31 March 2022. The RBI in its inspection report has inter alia raised matter relating to the sharing of fair value gains of ₹ 1,994.10 million between the ECLF and the Company. This pertains to exposure towards certain borrowers that are covered under the Shareholders' agreement between the Company, ECLF and an investor and the Risks & Rewards sharing agreement between the Company and ECLF. ECLF has provided its justifications for sharing of these fair value gains to RBI and has discussed this with its Board of Directors in its meeting dated 24 January 2023. In the month of April 2023, the ECLF submitted a detailed reply along with calculations, rationale for recognising such fair value gain and amended the Risk & Rewards sharing agreement with the Company. Further, the ECLF has sold/received redemption against such security receipts as on 31 March 2023. Since, the sharing of the gain is within the Group, there is no impact in the consolidated financial statements as on 31 March 2023.
81. The Group has complied with the Rule 3 of Companies (Accounts) Rules, 2014 amended on August 5, 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.
82. Change in valuation of credit impaired loans represents valuation movement of loans of consolidated ARC trusts



## Notes to the consolidated financial statements (Continued)

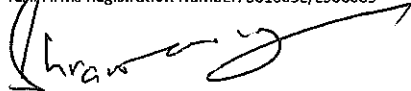
(Currency : Indian rupees in millions)

83. The Group has process whereby periodically all long term contract (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provisions as required under any law / accounting standard for material foreseeable losses on such long terms contracts (including derivative contract) has been made in the books of accounts.
84. Previous year's figures have been regrouped / reclassified to conform to current year presentation.

The accompanying notes are an integral part of financial statements.

As per our report of even date attached.

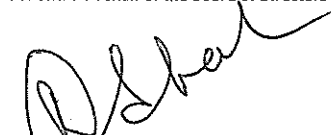
For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firms Registration Number: 301003E/E300005



per Shrawan Jalan  
Partner  
Membership No: 102102

Mumbai 26 May 2023

For and on behalf of the Board of Directors




Rashesh Shah  
Chairman & Managing Director  
DIN: 00008322



Ananya Suneja  
Chief Financial Officer

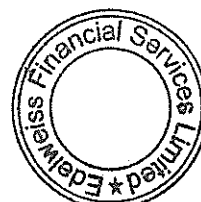
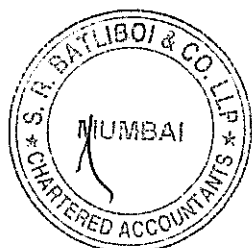
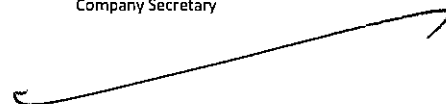
Mumbai 26 May 2023



Venkatchalam Ramaswamy  
Vice Chairman & Executive Director  
DIN : 00008509



Tarun Khurana  
Company Secretary



## INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Financial Services Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial statements for the year ended March 31, 2025 of Edelweiss Financial Services Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2025 and the Standalone Statement of Profit and Loss (including the Standalone Statement of other Comprehensive Income), the 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 (hereinafter referred to as "the Standalone Financial Statements").

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 Indian accounting standards ("Ind AS") prescribed under Section 133 of the Companies Act 2013 ("the Act") as amended and other accounting principles generally accepted in India, of the Standalone state of affairs (financial position) of the Company as at March 31, 2025 its Standalone Profit (financial performance 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") 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the standalone 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us 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, 2025. 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

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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.

Key audit matters	How our audit addressed the key audit matter
<b>Impairment of investments in subsidiary companies (As described in Note 1.4.1.3 and Note 6 of the standalone financial statements)</b>	
<p>The Company has investments in various subsidiaries aggregating Rs. 51,631.22 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>
<b>IT systems and controls</b>	
<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> </ul>

	<ul style="list-style-type: none"> <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>
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#### **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 during the course of our audit or otherwise appears to be materially misstated.

#### **Management's and Board of Director's Responsibilities for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these 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 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 the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management and the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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 and the Board of Directors.
- Conclude on the appropriateness of Management's and the Board of Directors' 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 represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company 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, 2025, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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).
  - 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, as disclosed in the note 52 (A) to the standalone financial statements, during the year 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 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 and the audit trail has been preserved by the Company as per the statutory requirement for record retention.

**For Nangia & Co. LLP**  
**Chartered Accountants**  
**FRN: 002391C/N500069**

**Jaspreet Singh Bedi**  
Partner  
Membership No.: 601788  
UDIN: 25601788BMKSCV5266

Place: Mumbai  
Date: May 14, 2025

**Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our Report of Even Date on the Standalone Financial Statements of Edelweiss Financial Services Limited**

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, 2025.
- (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 was sanctioned working capital limits exceeding Rs. 5 crore in aggregate from banks and financial institutions during the year, secured against current assets. However, there were no outstanding working capital loans at the end of any quarter, as the limits were fully repaid within the respective quarters. Consequently, the requirement to file quarterly returns or statements with such banks or financial institutions was not applicable. Accordingly, reporting under Clause 3(ii)(b) of the Order is not applicable.
- (iii) (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies as follows:

(Rs. in million)

Particulars	Guarantees	Security	Loans	Advances in nature of Loans
Aggregate amount granted/ provided during the year				
- Subsidiaries	22,100.00	Nil	35,272.92	Nil
- Others	Nil	Nil	Nil	Nil
Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	17,404.80 (*)	Nil	26,355.73(**)	Nil
- Others	Nil	Nil	Nil	Nil

\* Guarantees originally sanctioned against the above was Rs. 22,200.00 million

\*\*Includes principal and accrued interest

(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:

(Rs. 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	141.38	-	AY 2009-10	High Court
Income Tax Act, 1961	Income Tax	237.89	-	AY 2010-11	High Court

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	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	265.67	-	AY 2019-20	CIT (A)
Income Tax Act, 1961	Income Tax	118.12	-	AY 2020-21	High Court
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)
Goods and Services Tax Act, 2017	Goods and Services Tax	9.60	0.53	FY 2019-20	Commissioner (Appeals)

- (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 loan 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.
- (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.
- (d) According to the information and explanation given to us, the Group has one core investment company as part of Group.
- (xvii) According to the information and explanations given to us and on the basis of our examination of records, The company has incurred cash losses of Rs. 248.95 million in the current year and NIL in the immediately preceding financial year
- (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.
- (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 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: 002391C/N500069**

**Jaspreet Singh Bedi**  
Partner  
Membership No.: 601788  
UDIN: 25601788BMKSCV5266

Place: Mumbai  
Date: May 14, 2025

**“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, 2025 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management’s and the Board of Director’s Responsibility for Internal Financial Controls**

The Company’s management and the Board of Director 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 (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, 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 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 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.



### **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, 2025, 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 ICAI.

**For Nangia & Co. LLP**  
**Chartered Accountants**  
**FRN: 002391C/N500069**

**Jaspreet Singh Bedi**  
Partner  
Membership No.: 601788  
UDIN: 25601788BMKSCV5266

Place: Mumbai  
Date: May 14, 2025

**Edelweiss Financial Services Limited**  
**Standalone Balance Sheet as at 31 March 2025**  
CIN-L99999MH1995PLC094641  
(Currency: Indian rupees in millions)

Particulars	Note No.	As at 31 March 2025	As at 31 March 2024
<b>ASSETS</b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	2	35.39	461.03
(b) Bank balances other than cash and cash equivalents	3	10.70	9.48
(c) Trade receivables	4	366.96	154.50
(d) Loans	5	30,891.31	36,382.39
(e) Investments	6	50,310.93	46,080.37
(f) Other financial assets	7	188.10	104.59
<b>Total financial assets</b>		<b>81,803.39</b>	<b>83,192.36</b>
<b>Non-financial assets</b>			
(a) Current tax assets (net)		598.93	826.03
(b) Deferred tax assets (net)	8	3,887.56	3,803.28
(c) Property, plant and equipment	9	6.11	6.96
(d) Other intangible assets	9	179.50	-
(e) Other non-financial assets	10	983.96	960.50
<b>Total Non-financial assets</b>		<b>5,656.06</b>	<b>5,596.77</b>
<b>TOTAL ASSETS</b>		<b>87,459.45</b>	<b>88,789.13</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
(a) Trade payables	11	-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		198.91	3,112.59
(b) Debt securities	12	30,724.42	28,079.84
(c) Borrowings (other than debt securities)	13	-	1,597.39
(d) Other financial liabilities	14	837.76	1,288.74
<b>Total financial liabilities</b>		<b>31,761.09</b>	<b>34,078.56</b>
<b>Non-financial liabilities</b>			
(a) Current tax liabilities (net)		29.18	29.21
(b) Provisions	15	4.11	4.00
(c) Other non-financial liabilities	16	494.22	48.93
<b>Total non-financial liabilities</b>		<b>527.51</b>	<b>82.14</b>
<b>TOTAL LIABILITIES</b>		<b>32,288.60</b>	<b>34,160.70</b>
<b>EQUITY</b>			
(a) Equity share capital	17	921.40	898.89
(b) Other equity	18	54,249.45	53,729.54
<b>TOTAL EQUITY</b>		<b>55,170.85</b>	<b>54,628.43</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>87,459.45</b>	<b>88,789.13</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

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

**Ananya Suneja**  
Chief Financial Officer

**Tarun Khurana**  
Company Secretary  
Membership No: 12344

Mumbai, 14 May 2025

Mumbai, 14 May 2025

# Edelweiss Financial Services Limited

## Standalone Statement of profit and loss for the year ended 31 March 2025

CIN-L99999MH1995PLC094641

(Currency: Indian rupees in millions)

Particulars	Note No.	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Revenue from operations</b>			
Interest income	19	4,140.40	4,079.80
Dividend income		413.11	-
Fee and commission income	20	362.21	399.11
Net gain/(loss) on fair value changes	21	(1,531.98)	(5,870.18)
<b>Total revenue from operations</b>		<b>3,383.74</b>	<b>(1,391.27)</b>
Other income	22	450.40	11,668.09
<b>Total income</b>		<b>3,834.14</b>	<b>10,276.82</b>
<b>Expenses</b>			
Finance costs	23	3,441.25	3,268.90
Impairment on financial instruments	24	7.04	3.33
Employee benefits expense	25	341.97	347.21
Depreciation and amortisation	9	2.31	3.29
Other expenses	26	584.13	1,498.84
<b>Total expenses</b>		<b>4,376.70</b>	<b>5,121.57</b>
<b>Profit/(loss) before tax</b>		<b>(542.56)</b>	<b>5,155.25</b>
<b>Tax expense:</b>	27 & 28		
Current tax		57.14	111.36
Deferred tax		(80.62)	(1,908.23)
<b>Profit/(loss) for the year</b>		<b>(519.08)</b>	<b>6,952.12</b>
<b>Other comprehensive income/(loss)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurements of the defined benefit plans		(15.95)	(4.27)
Tax relating to items that will not be reclassified to profit or loss		4.03	-
<b>Other comprehensive income/(loss)</b>		<b>(11.92)</b>	<b>(4.27)</b>
<b>Total comprehensive income/(loss)</b>		<b>(531.00)</b>	<b>6,947.85</b>
<b>Earnings per share (₹) (Face value ₹ 1 each)</b>	29		
- Basic (₹)		(0.57)	7.73
- Diluted (₹)		(0.56)	7.72

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

**Vidya Shah**

Non- Executive Director

DIN: 00274831

**Ananya Suneja**

Chief Financial Officer

Mumbai, 14 May 2025

**Tarun Khurana**

Company Secretary

Membership No: 12344

Mumbai, 14 May 2025

**Edelweiss Financial Services Limited**
**Standalone Statement of Cash Flows for the year ended 31 March 2025**

CIN-L99999MH1995PLC094641

(Currency: Indian rupees in millions)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>A Cash flow from operating activities</b>		
Profit / (loss) before tax	(542.56)	5,155.25
<b>Adjustments for:</b>		
Depreciation and amortisation	2.31	3.29
Fair value change in investments	7.30	(1,849.30)
Fair value change in provisions and other financial liabilities	172.90	220.60
(Profit) / loss on sale of investments	(413.40)	(11,576.00)
Impairment / (reversal) on financial instruments	7.04	3.33
Interest on income tax refund	(10.60)	-
Dividend on investments	(413.11)	-
Interest income	(4,140.40)	(4,079.80)
Expense on employee stock option plans/stock appreciation rights	26.71	(27.40)
Finance costs	3,441.25	3,268.90
<b>Operating cash flow before working capital changes</b>	<b>(1,862.56)</b>	<b>(8881.13)</b>
<b>Adjustments for working capital changes:</b>		
Decrease /(increase) in trade receivables	(219.20)	147.80
Decrease /(increase) in other financial assets	(83.50)	95.30
Decrease /(increase) in other non-financial assets	(23.50)	157.90
(Decrease)/increase in trade payables	(2,913.70)	878.60
(Decrease)/increase in provisions and other financial liabilities	(707.92)	(5,317.40)
(Decrease)/increase in other non-financial liabilities	445.20	33.90
<b>Cash generated from / (used in) operations</b>	<b>(5,365.18)</b>	<b>(12,885.03)</b>
Income taxes (net of refund)	180.40	227.17
<b>Net cash generated from / (used in) operating activities - A</b>	<b>(5,184.78)</b>	<b>(12,657.86)</b>
<b>B Cash flow from investing activities</b>		
(Purchase)/ sale of property, plant and equipment <sup>1</sup>	(1.40)	0.10
Purchase of other intangibles assets	(179.50)	-
Purchase of investments	(4,310.82)	(12,749.20)
Sale of investments	492.47	28,646.63
Dividend on investments	413.10	-
Maturity /(investment) in other bank balances <sup>1</sup>	(1.20)	29.70
Loan (given) / Repayment of loans ( Refer note 1 below)	5,484.70	(7,359.23)
Interest received	4,140.40	4,079.80
<b>Net cash generated from / (used in) investing activities - B</b>	<b>6,037.75</b>	<b>12,647.80</b>
<b>C Cash flow from financing activities</b>		
Proceeds from exercise of stock options (including securities premium)	50.90	2.76
Proceeds from sale of shares held by Employee Welfare Trust	2,439.90	-
Proceeds from debt securities	10,489.39	9,013.81
Repayment of debt securities	(8,112.50)	(6,875.69)
Proceeds from/(repayment of) borrowings (other than debt securities) (Refer note 1 below)	(1,597.41)	1,597.41
Dividend paid	(1,375.40)	(1,403.59)
Finance cost paid	(3,173.49)	(3,213.70)
<b>Net cash generated from / (used in) financing activities - C</b>	<b>(1,278.61)</b>	<b>(879.00)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(425.64)</b>	<b>(889.06)</b>
Cash and cash equivalents as at the beginning of the year	461.03	1,350.09
Cash and cash equivalents as at the end of the year (refer note 4 below)	35.39	461.03

<sup>1</sup>Net figures have been reported on account of volume of transactions.

**Notes:**

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

2. Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.

3. Refer note 32 for changes in liabilities arising from financing activities.

4.Components of cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Cash on hand	0.01	0.01
Balances with banks		
- current accounts	35.38	461.02
<b>Total</b>	<b>35.39</b>	<b>461.03</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 &amp; Managing Director

DIN: 00008322

**Vidya Shah**

Non- Executive Director

DIN: 00274831

**Ananya Suneja**

Chief Financial Officer

Mumbai, 14 May 2025

**Tarun Khurana**

Company Secretary

Membership No: 12344

Mumbai, 14 May 2025

# Edelweiss Financial Services Limited

Standalone Statement of Changes in Equity for the year ended 31 March 2025

CIN-L99999MH1995PLC094641

(Currency : Indian rupees in millions)

## A. Equity share capital

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	898.89	898.38
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	898.89	898.38
Changes in equity share capital during the year	22.51	0.51
Balance at the end of the year	921.40	898.89

Refer note 17 for detailed quantitative information including investors holding more than 5% of equity share capital.

## B. Other equity

Particulars	Share application money pending allotment	Capital Redemption Reserve	Reserves and Surplus				Total
			Securities Premium	Employee Stock Option Plan (ESOP) reserve/Stock appreciation rights (SAR)	General reserve	Retained earnings	
Balance at 01 April 2023	-	2.03	30,695.15	698.72	508.64	39,749.71	71,654.25
Profit/(loss) for the year	-	-	-	-	-	6,952.12	6,952.12
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Other comprehensive income/(loss)	-	-	-	-	-	(4.27)	(4.27)
Total comprehensive income for the year	-	-	-	-	-	6,947.85	6,947.85
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 of wealth management business	-	-	-	-	-	(23,531.80)	(23,531.80)
Balance at 31 March 2024	2.25	2.03	30,736.43	372.06	508.64	22,108.13	53,729.54
Profit/(loss) for the year	-	-	-	-	-	(519.08)	(519.08)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Other comprehensive income/ (loss)	-	-	-	-	-	(11.92)	(11.92)
Total comprehensive income/ (loss) for the year	-	-	-	-	-	(531.00)	(531.00)
Dividends to equity shareholders	-	-	-	-	-	(1,375.40)	(1,375.40)
Transfers on exercise of ESOP & SAR	-	-	105.15	(105.15)	-	-	-
Issue of equity instruments on ESOP & SAR	(52.84)	-	50.80	-	-	-	(2.04)
Share application money received	50.94	-	-	-	-	-	50.94
ESOP & SAR charges transferred to reserves	-	-	-	(1.62)	-	1.62	-
Reversal on account of lapses of ESOP & SAR	-	-	-	(98.46)	-	-	(98.46)
ESOP charge	-	-	-	1.80	-	-	1.80
SAR charge	-	-	-	55.65	-	-	55.65
On account of sale of EFSL shares held by Employee Welfare Trust	-	-	773.41	-	-	1,645.01	2,418.42
Balance at 31 March 2025	0.35	2.03	31,665.79	224.28	508.64	21,848.36	54,249.45

Refer note 18 for information on nature of reserves maintained by the Company.

## Edelweiss Financial Services Limited

Standalone Statement of Changes in Equity for the year ended 31 March 2025

CIN-L99999MH1995PLC094641

(Currency : Indian rupees in millions)

### Notes:

1. Edelweiss Employees Welfare Trust and Edelweiss Employees Incentive and Welfare Trust are extension of Company's financial statements, these trusts are holding 2,44,30,780 (Previous year 44,896,780) number of equity shares amounting to ₹ 24.43 million (Previous year ₹ 44.90 million). These are treasury shares and deducted from total outstanding equity shares.
2. Two Employee Welfare Trust(s) hold an aggregate 2,44,30,780 (Previous year 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 rights 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.

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

### Vidya Shah

Non- Executive Director

DIN: 00274831

### Ananya Suneja

Chief Financial Officer

### Tarun Khurana

Company Secretary

Membership No: 12344

Mumbai, 14 May 2025

Mumbai, 14 May 2025

# Edelweiss Financial Services Limited

## Notes to the standalone financial statements for the year ended 31 March 2025

### 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.

The financial statements have been approved for issue by the Board of Directors of the Company on 14 May 2025.

### Material accounting policies

#### 1.1 Basis of preparation of financial statements

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 ('the Act'), other relevant provisions of the Act and other accounting principles generally accepted in India.

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.

These financial statements are prepared on a going concern basis in accordance with the Ind AS 1. The management is in view that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption.

#### 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).

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognized amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS.

#### 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.

**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.



**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.

**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 effective interest rate i.e. 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. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using effective interest rate.

**1.4.2.3 Financial guarantee:**

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

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

**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 Employees 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**

**1.7.1.1 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 financial assets, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

While assessing whether or not to derecognise a financial assets, the company consider the following factor:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

**1.7.1.2 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.

### **1.7.2 Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires.

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

### **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.

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.

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 Company's understanding of the specific future financing needs of the borrowers, and other relevant forward-looking information.

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.
- 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:

- i. Identification of contract(s) with customers;
- ii. Identification of the separate performance obligations in the contract;
- iii. Determination of transaction price;
- iv. Allocation of transaction price to the separate performance obligations; and
- v. Recognition of revenue when (or as) each performance obligation is satisfied

Revenue Recognition for different heads of Income are as under:

##### **(i) Investment banking advisory fees**

Advisory 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 weighted average cost of capital plus spread.

##### **(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.

#### **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 as expenses, when an employee renders the related service

**Gratuity**

The Company'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.

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

**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 include 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.

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 tranch over the vesting period, the Company treats each tranch as a separate grant, because each tranch has a different vesting period, and hence the fair value of each tranch differs. These estimates are expected to get settle between the company of eligible employees and the company, they are accounted as receivable/payable.

### **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:

<b>Nature of assets</b>	<b>Estimated useful life</b>
Building (other than Factory Building)	60 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computers - servers and networks	6 years
Computers - end user devices, such as desktops, laptops, etc.	3 years

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

Amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

#### **1.16 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, that are readily convertible to a known amount of cash and subject to an insignificant risk of change in value

#### **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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company,



where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

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

## **1.20 Income tax**

Income tax expense represents the sum of the current tax and deferred tax.

### **1.20.1 Current tax**

The tax payable for the reporting period is computed on taxable profit for the year. The 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.

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.

**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.

**1.21.1 Critical judgement 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

**1.21.1.1 Business model assessment**

Classification and measurement of financial assets depends on the results of the solely payments for principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Group of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. 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.

**1.21.2 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.

**1.21.2.1 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.

**1.21.2.2 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.

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

**1.21.2.3 Effective interest rate method**

The EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral 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.

**1.21.2.4 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.

**1.21.2.5 Assets 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

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 2. Cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Cash on hand	0.01	0.01
Balances with banks:		
-in Current accounts	35.38	461.02
<b>Total</b>	<b>35.39</b>	<b>461.03</b>

#### 3. Bank balance other than cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Fixed deposits with banks (including interest accrued)	1.45	-
Earmarked balance with bank (unpaid dividends)	9.25	9.48
<b>Total</b>	<b>10.70</b>	<b>9.48</b>

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 4. Trade Receivables

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Receivables considered good -unsecured</b>		
-Related parties	<b>368.44</b>	154.59
-Other than related parties	<b>14.74</b>	10.01
<b>Receivables - credit impaired</b>	<b>9.60</b>	9.02
<b>Gross Receivables</b>	<b>392.78</b>	173.62
Less: Allowance for expected credit losses	<b>(16.22)</b>	(10.10)
Less: Allowance for credit impaired	<b>(9.60)</b>	(9.02)
<b>Allowance for expected credit losses (ECL)</b>	<b>(25.82)</b>	(19.12)
<b>Total</b>	<b>366.96</b>	154.50

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 4.1 Trade Receivable Ageing Schedule

As at 31 March 2025	Outstanding for following periods from due date of payment					
Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	376.47	-	6.66	0.05	-	383.18
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	5.52	0.06	4.02	9.60
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Gross receivables (A)</b>	<b>376.47</b>	<b>-</b>	<b>12.18</b>	<b>0.11</b>	<b>4.02</b>	<b>392.78</b>
(i) Undisputed Trade receivables – considered good	(9.51)	-	(6.66)	(0.05)	-	(16.22)
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	(5.52)	(0.06)	(4.02)	(9.60)
(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>(9.51)</b>	<b>-</b>	<b>(12.18)</b>	<b>(0.11)</b>	<b>(4.02)</b>	<b>(25.82)</b>
<b>Total receivables net of provision = (A)-(B)</b>	<b>366.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>366.96</b>

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 4.1 Trade Receivable Ageing Schedule (Continued)

As at 31 March 2024	Outstanding for following periods from due date of payment					
Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	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>

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 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 2023</b>	<b>27.31</b>
Net increase/(decrease) during the year	(8.19)
<b>Impairment allowance as on 31 March 2024</b>	<b>19.12</b>
Net increase/(decrease) during the year	6.70
<b>Impairment allowance as on 31 March 2025</b>	<b>25.82</b>

#### Notes:

- 1) No trade receivables are due from directors or other officers of the company either severally or jointly with any other person.
- 2) No trade receivables are due from firms or private companies in which directors is partner, a director or a member.
- 3) There are no unbilled trade receivables as at 31 March 2025 and 31 March 2024.
- 4) Trade Receivables are generally on term of 0 to 90 days.



## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 5. Loans

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Loans (at amortised cost)</b>		
- Related parties (refer note 35)	30,902.30	36,386.96
<b>Total Gross (A)</b>	<b>30,902.30</b>	<b>36,386.96</b>
Less: Impairment loss allowance	(10.99)	(4.57)
<b>Total (Net) (A)</b>	<b>30,891.31</b>	<b>36,382.39</b>
<b>Unsecured</b>	<b>30,902.30</b>	<b>36,386.96</b>
<b>Total Gross (B)</b>	<b>30,902.30</b>	<b>36,386.96</b>
Less: Impairment loss allowance	(10.99)	(4.57)
<b>Total (Net) (B)</b>	<b>30,891.31</b>	<b>36,382.39</b>
<b>Loans in India</b>		
Public sector	-	-
Others	30,902.30	36,386.96
<b>Total Gross (C)</b>	<b>30,902.30</b>	<b>36,386.96</b>
Less: Impairment loss allowance	(10.99)	(4.57)
<b>Total (Net) (C) (I)</b>	<b>30,891.31</b>	<b>36,382.39</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>30,891.31</b>	<b>36,382.39</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 due from the directors amounts to ₹ Nil (Previous year ₹ Nil)

Loans given to subsidiaries are pledged against debt securities is amounting to ₹ 29,197.44 million (Previous year ₹ 22,368.63 million).

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (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 2025				31 March 2024			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
<b>Performing</b>								
High grade	30,902.30	-	-	30,902.30	36,386.96	-	-	36,386.96
Standard grade	-	-	-	-	-	-	-	-
<b>Non-performing</b>								
Impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>30,902.30</b>	<b>-</b>	<b>-</b>	<b>30,902.30</b>	<b>36,386.96</b>	<b>-</b>	<b>-</b>	<b>36,386.96</b>

##### 5.2 Gross carrying amount and corresponding ECL reconciliation - Loans

Particulars	Non-credit impaired		Credit impaired				Total	
	Stage I		Stage II		Stage III			
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
Balance at 31 March 2023	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>	<b>36,386.96</b>	<b>4.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,386.96</b>	<b>4.57</b>
Net new and further lending/(repayments)	(5,484.66)	(0.63)	-	-	-	-	(5,484.66)	(0.63)
Re-measurement of ECL	-	7.05	-	-	-	-	-	7.05
<b>Balance at 31 March 2025</b>	<b>30,902.30</b>	<b>10.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,902.30</b>	<b>10.99</b>

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 6. Investments

As at 31 March 2025	At Fair Value through profit and Loss	At cost ( subsidiaries)	Total
Equity Instruments	5.81	41,981.21	41,987.02
Debt securities	-	8,000.01	8,000.01
Preference Shares	-	1,650.00	1,650.00
Mutual Fund	29.59	-	29.59
AIF Fund	244.26	-	244.26
<b>Total</b>	<b>279.66</b>	<b>51,631.22</b>	<b>51,910.88</b>
Investments in India	279.66	51,631.22	51,910.88
Investments outside India	-	-	-
<b>Total</b>	<b>279.66</b>	<b>51,631.22</b>	<b>51,910.88</b>
Less - Impairment Loss allowance	-	(1,599.95)	(1,599.95)
<b>Total</b>	<b>279.66</b>	<b>50,031.27</b>	<b>50,310.93</b>
Aggregate amount of quoted investments			279.66
Aggregate market value of quoted investments			279.66
Aggregate amount of unquoted investments (Net)			50,031.27

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>	<b>78.47</b>	<b>47,608.00</b>	<b>47,686.47</b>
Investments in India	78.47	47,601.85	47,680.32
Investments outside India	-	6.15	6.15
<b>Total</b>	<b>78.47</b>	<b>47,608.00</b>	<b>47,686.47</b>
Less - Impairment Loss allowance	-	(1,606.10)	(1,606.10)
<b>Total</b>	<b>78.47</b>	<b>46,001.90</b>	<b>46,080.37</b>
Aggregate amount of quoted investments			78.47
Aggregate market value of quoted investments			78.47
Aggregate amount of unquoted investments (Net)			46,001.90

#### Notes:

- Investments in equity shares of subsidiaries are pledged against Debt securities issued by the company is amounting to ₹ Nil (previous year ₹ Nil ).
- Investment in equity shares of subsidiary is pledged against Debt securities issued by another subsidiary amounting to ₹ 1,686.09 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.
- The Company has recorded an impairment provision of ₹ 1,599.95 million for the year (previous year: ₹1,606.10 million) on its investment in a subsidiary on account of group restructuring.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 7. Other financial assets

Particulars	As at 31 March 2025	As at 31 March 2024
Deposits	2.78	2.78
Corporate guarantee fees receivable	155.74	89.46
Other receivables	29.58	12.35
<b>Total</b>	<b>188.10</b>	<b>104.59</b>

#### 8. Deferred tax assets (net)

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Deferred tax assets</b>		
<b>Trade Receivables and loans</b>		
Provision for expected credit losses	9.26	5.96
<b>Property, Plant and Equipment and Intangible assets</b>		
On property plant and equipment	0.94	6.49
<b>Unutilised tax losses</b>		
Unutilised tax losses	4,065.98	3,876.00
<b>Employee benefit obligations</b>		
Disallowances under section 43B of the Income Tax Act, 1961	5.05	0.99
<b>Investments</b>		
Fair value loss on investment	1.27	-
<b>Others</b>		
Provision on risk and reward undertaking	119.70	178.05
<b>Total Deferred Tax Asset(A)</b>	<b>4,202.20</b>	<b>4,067.49</b>
<b>Deferred tax liabilities</b>		
Fair value gain on investment	-	(0.91)
Effective interest rate on Borrowing	(314.64)	(263.30)
<b>Total Deferred Tax Liability (B)</b>	<b>(314.64)</b>	<b>(264.21)</b>
<b>Deferred tax assets (net) (A-B)</b>	<b>3,887.56</b>	<b>3,803.28</b>

**Edelweiss Financial Services Limited**
**Notes to the standalone financial statements for the year ended 31 March 2025 (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 2024	Additions during the year	Deductions during the year	As at 31 March 2025	As at 01 April 2024	Charge for the year	Deductions during the year	As at 31 March 2025	As at 31 March 2025
<b>a) Property, Plant and Equipments</b>									
Freehold Building	1.75	-	-	1.75	0.53	0.06	-	0.59	1.16
Furniture and Fixtures	0.23	-	-	0.23	0.13	0.02	-	0.15	0.08
Vehicles	6.20	-	-	6.20	2.55	1.16	-	3.71	2.49
Office equipment	1.70	0.18	0.07	1.81	1.29	0.14	0.07	1.36	0.45
Computers	7.21	1.31	0.62	7.90	5.63	0.93	0.59	5.97	1.93
<b>Total (A)</b>	<b>17.09</b>	<b>1.49</b>	<b>0.69</b>	<b>17.89</b>	<b>10.13</b>	<b>2.31</b>	<b>0.66</b>	<b>11.78</b>	<b>6.11</b>
<b>b) Intangibles</b>									
Software	77.34	-	-	77.34	77.34	-	-	77.34	-
Asset management rights	-	179.50	-	179.50	-	-	-	-	179.50
<b>Total (B)</b>	<b>77.34</b>	<b>179.50</b>	<b>-</b>	<b>256.84</b>	<b>77.34</b>	<b>-</b>	<b>-</b>	<b>77.34</b>	<b>179.50</b>
<b>Total (A+B)</b>	<b>94.43</b>	<b>180.99</b>	<b>0.69</b>	<b>274.73</b>	<b>87.47</b>	<b>2.31</b>	<b>0.66</b>	<b>89.12</b>	<b>185.61</b>
Particulars	Gross Block			Depreciation and amortisation				Net Block	
	As at 01 April 2023	Additions during the year	Deductions during the year	As at 31 March 2024	As at 01 April 2023	Charge for the year	Deductions during the year	As at 31 March 2024	As at 31 March 2024
<b>a) Property, Plant and Equipments</b>									
Freehold Building	1.75	-	-	1.75	0.47	0.06	-	0.53	1.22
Furniture and Fixtures	0.23	-	-	0.23	0.11	0.02	-	0.13	0.10
Vehicles	6.20	-	-	6.20	0.85	1.70	-	2.55	3.65
Office equipment	1.89	-	0.19	1.70	1.10	0.21	0.02	1.29	0.41
Computers	10.22	0.99	4.00	7.21	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>17.09</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	-	-	77.34	-
<b>Total (B)</b>	<b>77.34</b>	<b>-</b>	<b>-</b>	<b>77.34</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>94.43</b>	<b>87.29</b>	<b>3.29</b>	<b>3.11</b>	<b>87.47</b>	<b>6.96</b>

The Company has not revalued its property, plant, and equipment during the year ended 31 March 2025 or in any of the preceding years.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 10. Other non-financial assets

Particulars	As at 31 March 2025	As at 31 March 2024
Input tax credit	807.26	783.60
Prepaid expenses	13.13	26.06
Other advances	133.59	108.31
Contribution to gratuity fund (net) (Refer note 31)	29.98	42.53
<b>Total</b>	<b>983.96</b>	<b>960.50</b>

#### 11. Trade payables

Particulars	As at 31 March 2025	As at 31 March 2024
Total outstanding dues of micro enterprises and small enterprises (MSME)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
-Trade payables to related parties	136.44	2,975.20
-Trade payables to non-related parties	62.47	137.39
<b>Total</b>	<b>198.91</b>	<b>3,112.59</b>

##### 11.1 Trade payables ageing schedule

As at 31 March 2025	Outstanding for following periods from due date of payment				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	198.69	0.07	0.15	-	198.91
(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>198.69</b>	<b>0.07</b>	<b>0.15</b>	<b>-</b>	<b>198.91</b>

As at 31 March 2024	Outstanding for following periods from due date of payment				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,112.59	-	-	-	3,112.59
(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>3,112.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,112.59</b>

There are no "unbilled" trade payable as at 31 March 2025 and 31 March 2024

Particulars	As at 31 March 2025	As at 31 March 2024
i) <b>Principal amount due</b> to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
ii) <b>Interest due</b> to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
iii) <b>Principal amounts paid</b> to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
iv) <b>Interest paid</b> other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
v) <b>Interest paid</b> under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	0.02
vi) <b>Interest due and payable</b> towards suppliers registered under MSMED Act, for payments already made	-	-
vii) the amount of interest accrued and remaining unpaid at the end of financial year towards suppliers registered under MSMED Act	-	-
viii) Further <b>interest remaining due and payable</b> for earlier years	-	-

11.2 Trade Payables includes ₹ Nil (Previous Year ₹ Nil ) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). Interest paid by the Company during the year to "Suppliers" registered under this Act is ₹ Nil (Previous year: ₹ 0.02 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.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 12. Debt securities

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Secured Debt ( At amortised cost)</b>		
Non-Convertible Debentures (refer Note below)	30,724.42	28,079.84
<b>Total</b>	<b>30,724.42</b>	<b>28,079.84</b>
(i) Debt securities issued in India	30,724.42	28,079.84
(ii) Debt securities issued outside India	-	-
<b>Total</b>	<b>30,724.42</b>	<b>28,079.84</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.

2) Includes unamortised Effective Interest Rate (EIR) cost of ₹ 1,250.08 million (previous year ₹ 1,046.07 million)

#### 12.1 Terms of repayment of non-convertible debentures (NCDs) - as at 31 March 2025

Maturities	<1 years	1-3 years	> 3 years	Total
<b>Rate of Interest</b>				
8.00 - 8.99%	1,429.61	-	-	1,429.61
9.00 - 9.99%	2,899.50	12,746.42	4,292.88	19,938.80
10.00-10.99%	-	2,100.60	6,272.55	8,373.15
11.00 - 11.99%	-	-	302.94	302.94
Various (benchmark linked)	-	560.00	-	560.00
Accrued Interest and EIR	-	-	-	119.92
<b>Total</b>	<b>4,329.11</b>	<b>15,407.02</b>	<b>10,868.37</b>	<b>30,724.42</b>

#### Terms of repayment of non-convertible debentures (NCDs) - as at 31 March 2024

Maturities	<1 years	1-3 years	> 3 years	Total
<b>Rate of Interest</b>				
8.00 - 8.99%	1,936.89	1,429.61	-	3,366.50
9.00 - 9.99%	2,801.70	10,217.88	6,847.07	19,866.65
10.00-10.99%	-	-	4,230.51	4,230.51
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>

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.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 13 Borrowings (other than debt securities)

Particulars	As at	As at
	31 March 2025	31 March 2024
<b>Unsecured (at amortised cost)</b>		
Loans from related parties (refer note 35)	-	1,597.39
<b>Total</b>	-	<b>1,597.39</b>
Borrowings in India	-	1,597.39
Borrowings outside India	-	-
<b>Total</b>	-	<b>1,597.39</b>

#### 13.1 Terms of repayment of borrowings - as at 31 March 2025

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
13.00 - 13.99%	-	-	-	-
Accrued Interest and EIR	-	-	-	-
<b>Total</b>	-	-	-	-

Terms of repayment of borrowings- 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>1,597.39</b>



## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 14. Other financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Accrued salaries and benefits	173.81	267.50
Unpaid dividends	9.25	9.48
Risk and Reward undertaking	477.01	707.37
Financial guarantee obligation (at amortised cost)	155.74	89.46
Other payables	21.95	214.93
<b>Total</b>	<b>837.76</b>	<b>1,288.74</b>

#### 15. Provisions

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Provision for employee benefits and related costs</b>		
Compensated absences -Refer Note No 31(C)	4.11	3.95
<b>Others</b>	<b>-</b>	<b>0.05</b>
<b>Total</b>	<b>4.11</b>	<b>4.00</b>

#### 16. Other non-financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Statutory dues*	20.15	48.51
Others	0.42	0.42
Income received in advance	473.65	-
-Corporate guarantee fees		
<b>Total</b>	<b>494.22</b>	<b>48.93</b>

\* includes withholding taxes and other statutory dues payables.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 17. Equity share capital

Particulars	As at 31 March 2025		As at 31 March 2024	
	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>Total</b>	<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 Fully Paid up:</b>				
Equity Shares of ₹ 1 each	945,831,726	945.83	943,785,026	943.79
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)	(17,129,270)	(17.13)	(37,595,270)	(37.60)
<b>Total</b>	<b>921,400,946</b>	<b>921.40</b>	<b>898,888,246</b>	<b>898.89</b>

#### A. Reconciliation of number of equity shares

(Before deducting treasury shares)

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of shares	Amount	No of shares	Amount
<b>Outstanding at the beginning of the year</b>	<b>943,785,026</b>	<b>943.79</b>	<b>943,275,276</b>	<b>943.28</b>
<b>Shares issued during the year:</b>				
Employee Stock Options Plans (ESOPs) & Stock appreciation rights (SARs)	2,046,700	2.04	509,750	0.51
<b>Outstanding at the end of the year</b>	<b>945,831,726</b>	<b>945.83</b>	<b>943,785,026</b>	<b>943.79</b>

#### Note :

1. Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Company's financial statements. These trusts are holding 2,44,30,780 number of equity shares amounting to ₹ 24.43 million (Previous year ₹ 44.90 million). These are deducted from total outstanding equity shares.

2. Two Employee Welfare Trust(s) hold an aggregate 2,44,30,780 (Previous year 4,48,96,780 ) equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of rights 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.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (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 2025

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	15.39%	(0.04)%
Venkatchalam Ramaswamy	59,576,560	-	59,576,560	6.30%	(0.01)%
Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust)	38,750,000	-	38,750,000	4.10%	(0.01)%
Vidya Rashesh Shah	31,066,200	4,200,000	35,266,200	3.73%	0.44%
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%
Spire Investment Advisors LLP	3,200,000	-	3,200,000	0.34%	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%
Sejal Premal Parekh	950,000	-	950,000	0.10%	0.00%
Arakoni Venkatachalam Ramaswamy	50,000	-	50,000	0.01%	0.00%
Neel Rashesh Shah	2,000,000	(2,000,000)	-	0.00%	(0.21)%
Avanti Rashesh Shah	2,000,000	(2,000,000)	-	0.00%	(0.21)%
<b>Total</b>	<b>309,169,490</b>	<b>200,000</b>	<b>309,369,490</b>	<b>32.72%</b>	<b>(0.04)%</b>

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%
Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust)	38,750,000	-	38,750,000	4.11%	0.00%
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%
Spire Investment Advisors LLP	3,200,000	-	3,200,000	0.34%	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%
Sejal Premal Parekh	950,000	-	950,000	0.10%	0.00%
Arakoni Venkatachalam Ramaswamy	50,000	-	50,000	0.01%	0.00%
Neel Rashesh Shah	2,000,000	-	2,000,000	0.21%	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>

##### D. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 March 2025		As at 31 March 2024	
	No of shares	% holding	No of shares	% holding
Rashesh Shah	145,601,730	15.39%	145,601,730	15.43%
Venkatchalam Ramaswamy	59,576,560	6.30%	59,576,560	6.31%
Clsa Global Markets Pte. Ltd-Odi	54,251,793	5.74%	-	-
<b>Total</b>	<b>259,430,083</b>	<b>27.43%</b>	<b>205,178,290</b>	<b>21.74%</b>

##### E. The Company has not issued any bonus shares or shares for consideration other than cash nor has there been any buyback of shares during five years immediately preceding 31 March, 2025

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 18. Other equity

Particulars	As at 31 March 2025	As at 31 March 2024
Share application money pending allotment	0.35	2.25
Capital redemption reserve	2.03	2.03
Securities premium	31,665.79	30,736.43
ESOP and SAR reserve	224.28	372.06
General reserve	508.64	508.64
Retained earnings	21,848.36	22,108.13
<b>Total</b>	<b>54,249.45</b>	<b>53,729.54</b>

For movement of the above components refer statement of changes in equity.

#### Nature and Purpose

##### 18.1 Share application money pending allotment

Share application money pending allotment means the amount received on the application on which allotment is not yet made.

##### 18.2 Capital redemption reserve

The Company has recognised capital redemption reserve on buy back of equity share capital.

##### 18.3 Securities premium

Securities premium is used to record the premium on issue of shares. It shall be utilised in accordance with the provisions of the Companies Act, 2013

##### 18.4 ESOP and SAR reserve

ESOP and SAR options outstanding represents the amount transferred to reserves pursuant to the "ESOP 2011" and "SAR 2019" schemes.

##### 18.5 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.

##### 18.6 Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 19. Interest income

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>On financial assets measured at Amortised cost</b>		
Interest on loans	4,126.34	4,043.41
Interest on deposits with banks	13.02	36.13
Other interest income	1.04	0.26
<b>Total</b>	<b>4,140.40</b>	<b>4,079.80</b>

#### 20. Fee and commission income

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Advisory and other fees	362.21	399.11
<b>Total</b>	<b>362.21</b>	<b>399.11</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 2025	For the year ended 31 March 2024
Service transferred at a point in time	237.87	399.11
Service transferred over time	124.34	-
<b>Total revenue from contract with customers</b>	<b>362.21</b>	<b>399.11</b>

Geographical Markets	For the year ended 31 March 2025	For the year ended 31 March 2024
India	362.21	356.51
Outside India	-	42.60
<b>Total revenue from contract with customers</b>	<b>362.21</b>	<b>399.11</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.

#### 21. Net gain /(loss) on fair value changes

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Net gain /(loss) on financial instruments at fair value through profit or loss</b>		
On Investments	40.43	1,866.41
<b>Others</b>		
Fair value gain/ (loss) on risk and reward undertaking	(1,572.41)	(7,736.59)
<b>Total Net gain/(loss) on fair value changes</b>	<b>(1,531.98)</b>	<b>(5,870.18)</b>
<b>Fair Value changes:</b>		
Realised gain/(loss)	(1,351.82)	(5,839.12)
Unrealised gain/(loss)	(180.16)	(31.06)
<b>Total</b>	<b>(1,531.98)</b>	<b>(5,870.18)</b>

#### 22. Other income

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit on buy back/sale of stake in subsidiaries	363.55	11,558.92
Interest on Income Tax Refund	10.61	103.99
Miscellaneous income	76.24	5.18
<b>Total</b>	<b>450.40</b>	<b>11,668.09</b>

#### 23. Finance cost

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>(at amortised cost unless otherwise stated)</b>		
Interest on debt securities	3,260.11	3,233.15
Interest on borrowings (other than debt securities)	21.99	14.65
Other interest expense	159.15	21.10
<b>Total</b>	<b>3,441.25</b>	<b>3,268.90</b>

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 24. Impairment on financial instruments (at amortised cost unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
On loans	6.42	0.24
On investments	(6.15)	-
On trade receivables	6.77	3.09
<b>Total</b>	<b>7.04</b>	<b>3.33</b>

#### 25. Employee benefits expense

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries and wages	302.06	370.02
Contribution to provident and other funds	5.80	1.45
Share based payment to employees (Refer Note 38)	26.71	(27.40)
Staff welfare expenses	7.40	3.14
<b>Total</b>	<b>341.97</b>	<b>347.21</b>

#### 26. Other expenses

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Advertisement and business promotion	15.75	13.44
Auditors' remuneration (Refer note 26.(a))	13.57	20.90
Commission and brokerage	80.53	14.71
Communication expenses	0.89	0.86
Computer software expenses	68.57	62.28
Commission to non-executive directors	-	15.75
Electricity charges	1.07	1.46
Contribution towards corporate social responsibility ('CSR') (Refer Note 26.(b))	83.11	125.00
Directors' sitting fees	3.90	3.98
Insurance	22.26	8.50
Legal and professional fees	189.61	318.07
Management fees	-	784.67
Foreign exchange loss	0.17	0.02
Membership and subscription	3.26	4.13
Goods and Service tax expenses	7.84	33.26
Office expenses	0.18	1.60
Clearing & Custodian charges	13.94	11.47
Printing and stationery	17.69	14.29
Rates and taxes	8.72	7.99
Rent	35.26	50.44
Repairs and maintenance	0.80	0.38
Travelling and conveyance	13.91	3.63
Miscellaneous expenses	3.10	2.01
<b>Total</b>	<b>584.13</b>	<b>1,498.84</b>

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 26. (a) Auditors' remuneration

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Statutory Audit	7.00	5.50
Limited review	4.57	5.83
Certification & others	1.88	9.30
Towards reimbursement of expenses	0.12	0.27
<b>Total</b>	<b>13.57</b>	<b>20.90</b>

#### 26. (b) Details of CSR Expenditure

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
As per the provisions of Section 135 of Companies Act 2013,		
<b>(A) Amount required to be spent by the Company</b>	<b>83.11</b>	<b>125.00</b>
<b>(B) Amount of Expenditure Incurred</b>		
(i) Construction/ Acquisition of any assets	-	-
(ii) on purpose other than (i) above	83.11	125.00
<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>	<b>N.A</b>
<b>(F) Nature of CSR activities</b>		
Education, Community resilience and climate action and women empowerment	-	-
<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	-	-

There is no shortfall in the CSR amount required to be spent by the Company as per section 135(5) of the Act for the financial years ended March 31, 2025 and March 31, 2024.

The Company has incurred the above CSR expenditure by making a payment to Edelgive Foundation, a Section 8 company under the Companies Act, 2013 and a subsidiary of the Company.

**Edelweiss Financial Services Limited****Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)**

(Currency : Indian rupees in millions)

**27. Income tax**

The components of income tax expense recognised in profit or loss for the year ended 31 March 2025 and 31 March 2024 are:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current tax	57.14	111.36
Adjustment in respect of income tax of prior years	-	-
Deferred tax relating to origination and reversal of temporary differences	(80.62)	(1908.23)
<b>Total tax expense</b>	<b>(23.48)</b>	<b>(1,796.87)</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 corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by domestic tax rate for the year, as follows:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit before tax	(542.56)	5,155.25
Tax rate	25.17%	25.17%
Income tax expense calculated based on above tax rate	(136.56)	1,297.58
Effect of non-deductible expenses	21.74	-
Effect of non recognition of deferred tax asset on current-year losses	-	(3,094.45)
Others	91.34	-
<b>Tax expense recognised in profit or loss</b>	<b>(23.48)</b>	<b>(1,796.87)</b>



## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (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:

As at 31 March 2025	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 & Loan- expected credit losses	5.96	3.30	-	-	-	3.30	9.26
Property, Plant and Equipment and Intangible assets	6.49	(5.55)	-	-	-	(5.55)	0.94
Unutilised tax losses	3,876.00	189.98	-	-	-	189.98	4,065.98
Employee benefits obligations	0.99	0.03	4.03	-	-	4.06	5.05
Fair valuation of Investments	(0.91)	2.55	-	-	(0.37)	2.18	1.27
Effective interest rate on Borrowing	(263.30)	(51.34)	-	-	-	(51.34)	(314.64)
Provision on risk and reward undertaking	178.05	(58.35)	-	-	-	(58.35)	119.70
<b>Total</b>	<b>3,803.28</b>	<b>80.62</b>	<b>4.03</b>	<b>-</b>	<b>(0.37)</b>	<b>84.28</b>	<b>3,887.56</b>

As at 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 & Loan- expected credit losses	7.96	(2.00)	-	-	-	(2.00)	5.96
Property, Plant and Equipment and Intangible assets	7.80	(1.31)	-	-	-	(1.31)	6.49
Unutilised tax losses	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)
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>-</b>	<b>-</b>	<b>-</b>	<b>1,908.23</b>	<b>3,803.28</b>

**Edelweiss Financial Services Limited**

**Notes to the standalone financial statements for the year ended 31 March 2025 (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 2025**

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		Total	Mat Credit	
			Amount	Expiry year- financial year	Amount	Expiry year- financial year	Amount	Expiry year- financial year	Amount	Amount	Expiry year- financial year
<b>FY 2022-23</b>	<b>1,599.95</b>	<b>Not Applicable</b>	-	-	-	-	-	-	-	-	-
<b>FY 2021-22</b>	<b>200.00</b>	<b>Not Applicable</b>	-	-	-	-	-	-	-	-	-
<b>FY 2020-21</b>	-	-	-	-	<b>2,488.88</b>	<b>FY 2028-29</b>	<b>526.02</b>	<b>FY 2028-29</b>	<b>3,014.90</b>	-	-

**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		Total	Mat Credit	
			Amount	Expiry year- financial year	Amount	Expiry year- financial year	Amount	Expiry year- financial year	Amount	Amount	Expiry year- financial year
<b>FY 2022-23</b>	<b>1,599.95</b>	<b>Not Applicable</b>	-	-	-	-	-	-	-	-	-
<b>FY 2021-22</b>	<b>200.00</b>	<b>Not Applicable</b>	-	-	-	-	-	-	-	-	-
<b>FY 2020-21</b>	-	-	-	-	<b>2,488.88</b>	<b>FY 2028-29</b>	<b>526.02</b>	<b>FY 2028-29</b>	<b>3,014.90</b>	-	-

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (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 2025	31 March 2024
Profit/(loss) for the year	(519.08)	6,952.12
<b>Calculation of weighted average number of equity shares of ₹1 each</b>		
Number of shares outstanding at the beginning of the year	898,888,246	898,378,496
Number of shares issued held by Employee Welfare Trust during the year	20,466,000	-
Number of shares issued under Employee Stock Options Plans (ESOPs) & Stock appreciation rights (SARs)	2,046,700	509,750
<b>Total number of equity shares outstanding at the end of the year</b>	<b>921,400,946</b>	<b>898,888,246</b>
Weighted average number of shares outstanding at the end of the year for basic EPS	910,473,320	898,871,130
Number of dilutive potential equity shares	11,482,145	2,088,781
<b>Weighted average number of shares outstanding at the end of the year for diluted EPS</b>	<b>921,955,465</b>	<b>900,959,911</b>
<b>Earnings per share (EPS) (Face value ₹ 1 each)</b>		
Basic earnings share (in ₹)	(0.57)	7.73
Diluted earning per share (in ₹)	(0.56)	7.72

## **Edelweiss Financial Services Limited**

### **Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)**

(Currency : Indian rupees in millions)

#### **30. Segment information**

The Company is engaged primarily in the business of merchant banking and holding company activities such as capital allocation and managerial oversight to the businesses of subsidiaries and investment activities and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating Segments.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (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 ₹ 7.85 million (Previous year: ₹ 6.98 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 2025. 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 2025	31 March 2024
Current service cost	0.59	0.43
Interest on net defined benefit liability/ (asset)	(2.64)	(2.86)
<b>Total included in 'Employee benefits expense'</b>	<b>(2.05)</b>	<b>(2.43)</b>

##### Movement in Other Comprehensive Income:

Particulars	31 March 2025	31 March 2024
Balance at start of year (Loss)/ Gain	4.77	9.04
Re-measurements on defined benefit obligation (DBO)		
a. Actuarial (Loss)/ Gain from changes in financial assumptions	(0.38)	(0.04)
b. Actuarial (Loss)/ Gain from experience over the past year	(0.43)	(0.40)
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)	0.98	4.43
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)	(16.12)	(8.26)
<b>Balance at end of year (Loss)/ Gain</b>	<b>(11.18)</b>	<b>4.77</b>

##### Balance sheet

##### Reconciliation of defined benefit obligation (DBO) :

Particulars	31 March 2025	31 March 2024
Present value of DBO at the beginning of the year	13.21	38.28
Acquisition/ (Divestiture)		
Interest cost	1.25	1.08
Current service cost	0.59	0.43
Benefits paid	(6.00)	(4.00)
Actuarial (gain)/loss	0.81	0.45
Transfer in / (Out)	4.65	(23.03)
<b>Present value of DBO at the end of the year</b>	<b>14.51</b>	<b>13.21</b>

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 31. Retirement benefit plan (Continued)

##### Reconciliation of fair value of plan assets:

Particulars	31 March 2025	31 March 2024
Fair value of plan assets at the beginning of the year	63.99	55.61
Contributions by Employer	6.00	4.00
Benefits paid	(6.00)	(4.00)
Interest income	4.47	3.95
Return on plan asset excluding amount included in net interest on the net defined benefit liability/ (asset)	0.97	4.43
<b>Fair value of plan assets at the end of the year</b>	<b>69.43</b>	<b>63.99</b>
<b>Actual Return on Plan Assets</b>	<b>5.44</b>	<b>8.38</b>

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

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

Particulars	31 March 2025	31 March 2024
Present value of DBO	14.51	13.21
Fair value of plan assets at the end of the year	69.43	63.99
<b>Net Liability / (Assets)</b>	<b>(54.92)</b>	<b>(50.78)</b>
Less: Effect of limiting net assets to asset ceiling	24.94	8.25
<b>Liability / (Assets) recognised in the balance sheet</b>	<b>(29.98)</b>	<b>(42.53)</b>
Funded Status [Surplus/ (Deficit)]	54.92	50.78
<b>Experience Adjustment on Plan Liabilities: (Gain)/ Loss</b>	<b>0.43</b>	<b>0.40</b>

##### Experience adjustments:

Particulars	31 March 2025	31 March 2024	31 March 2023	31 March 2022	31 March 2021
On plan liabilities: (gain) / loss	0.43	0.40	0.45	2.12	(2.95)
On plan assets: gain / (loss)	-	-	-	-	-
Estimated contribution for next year	-	-	-	-	-

##### Percentage Break-down of Total Plan Assets

	31 March 2025	31 March 2024
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 2025	31 March 2024
Discount rate	6.30%	7.00%
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 (%)	7.00%	7.10%
Expected weighted average remaining working life	3.5 years	3.5 years

##### Sensitivity Analysis

DOB increases / (decreases) by	31 March 2025	31 March 2024
1 % Increase in Salary Growth Rate	0.26	0.11
1 % Decrease in Salary Growth Rate	(0.24)	(0.10)
1 % Increase in Discount Rate	(0.24)	(0.10)
1 % Decrease in Discount Rate	0.26	0.11
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.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 31. Retirement benefit plan (Continued)

##### Movement in Net (Liability)/ Asset

Particulars	31 March 2025	31 March 2024
Net (Liability)/ Asset at start of the year	42.53	17.33
Net Transfer (In)/ Out	(4.65)	23.03
Current Service Cost	(0.59)	(0.43)
Net Interest on net DBO	2.64	2.87
Re-measurements (gain)/ (loss)	(15.95)	(4.27)
Employer's Contribution	6.00	4.00
<b>Net (Liability)/ Asset at end of year</b>	<b>29.98</b>	<b>42.53</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 assets. The investment returns of the market-linked plan are sensitive to the changes in interest rates and equity prices. 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 3.5 years (31 March 2024: 3.5 years) as at the date of valuation.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 32. Changes in liabilities arising from financing activities

Particulars	01 April 2024	Cash flows(net)	Others**	31 March 2025
Borrowings*	29,677.23	779.48	267.71	30,724.42
Total liabilities from financing activities	29,677.23	779.48	267.71	30,724.42

Particulars	01 April 2023	Cash flows(net)	Others**	31 March 2024
Borrowings*	25,886.54	3,735.53	55.16	29,677.23
Total liabilities from financing activities	25,886.54	3,735.53	55.16	29,677.23

\* Comprises of debt securities and borrowings (other than debt securities).

\*\* Refers to interest accrued during the year.

#### 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: ₹ 430.75 million).
- Litigation pending against Company amounts to ₹ 7.80 million (Previous year: ₹ 7.39 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 had 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 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 to third party which is outstanding as at 31 March 2025 and 31 March 2024 is given below:

Particulars	As at 31 March 2025	As at 31 March 2024
Guarantee to trustees and others for non convertible debentures and other borrowings	20,746.60	23,157.75
Guarantee to Banks for loan taken by subsidiaries	2,827.16	3,257.11
Total	23,573.76	26,414.86

##### 33.2 Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ Nil (Previous year: ₹ Nil).

#### 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.



## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 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 EAAA India Alternatives Limited (formerly known as Edelweiss Alternative Asset Advisors Limited)
- 5 Ecap Equities Limited
- 6 Edel Investments Limited
- 7 Edelweiss Life Insurance Company Limited (formerly known as 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 (Liquidated w.e.f January 1, 2025)
- 12 Edelgive Foundation
- 13 EAAA Pte. Limited (formerly known as Edelweiss Alternative Asset Advisors Pte. Limited)
- 14 Edelweiss International (Singapore) Pte. Limited
- 15 Edelweiss Retail Finance Limited
- 16 Nido Home Finance Limited
- 17 Edelweiss Rural & Corporate Services Limited
- 18 Comtrade Commodities Services Limited
- 19 Edel Finance Company Limited
- 20 Zuno General Insurance Limited
- 21 Edelweiss Asset Reconstruction Company Limited
- 22 Edelweiss Securities and Investments Private Limited
- 23 Allium Corporate Services Private Limited (formerly known as Allium Finance Private Limited)
- 24 Nuvama Custodial Services Limited
- 25 EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Asset Managers Limited)
- 26 Sekura India Management Limited
- 27 Edelweiss Global Wealth Management Limited
- 28 Edelweiss Employees Welfare Trust
- 29 Edelweiss Employees Incentive and Welfare Trust
- 30 Edelweiss Private Equity Tech Fund
- 31 Edelweiss Value and Growth Fund
- 32 Edelweiss Multi Strategy Fund Advisors LLP
- 33 India Credit Investment Fund - III (upto 31 March 2024)
- 34 India Credit Investment Fund - II (upto 31 October 2023)
- 35 India Credit Investment Fund - 5 (from 09 August 2023 upto 31 March 2024)
- 36 Nuvama Investment advisors LLC (Upto 05 September 2023)

**Edelweiss Financial Services Limited****Notes to the standalone financial statements for the year ended 31 March 2025 (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:****Trust name :**

1 EARC TRUST SC - 130	41 EARC TRUST SC - 387	81 EARC TRUST SC - 453
2 EARC SAF-2 TRUST	42 EARC TRUST SC - 325	82 EARC TRUST SC - 433
3 EARC TRUST SC - 238	43 EARC TRUST SC - 394	83 EARC TRUST SC - 445
4 EARC TRUST SC - 334	44 EARC TRUST SC - 397	84 EARC TRUST SC - 448
5 EARC TRUST SC - 344	45 EARC TRUST SC - 486	85 EARC TRUST SC - 449
6 EARC TRUST SC - 347	46 EARC TRUST SC - 492	86 EARC TRUST SC - 459
7 EARC TRUST SC - 352	47 EARC TRUST SC - 375	87 EARC TRUST SC - 443
8 EARC TRUST SC - 370	48 EARC TRUST SC - 401	88 EARC TRUST SC - 477
9 EARC TRUST SC - 6	49 EARC TRUST SC - 413	89 EARC TRUST SC - 481
10 EARC TRUST SC - 9	50 EARC TRUST SC - 416	90 EARC TRUST SC - 456
11 EARC TRUST SC - 102	51 EARC TRUST SC - 402	91 EARC TRUST SC - 360 (Upto 30th June 2024)
12 EARC TRUST SC - 112	52 EARC TRUST SC - 376	92 EARC TRUST SC - 332 (Upto 30th September 2024)
13 EARC TRUST SC - 229	53 EARC TRUST SC - 406	<b>Upto 31st December 2023</b>
14 EARC TRUST SC - 245	54 EARC TRUST SC - 377	93 EARC TRUST SC - 7
15 EARC TRUST SC - 251	55 EARC TRUST SC - 378	94 EARC TRUST SC - 109
16 EARC TRUST SC - 482	56 EARC TRUST SC - 451	95 EARC TRUST SC - 440
17 EARC TRUST SC - 442	57 EARC TRUST SC - 396	96 EARC TRUST SC - 441
18 EARC TRUST SC - 483	58 EARC TRUST SC - 410	<b>Upto 31st December 2024</b>
19 EARC TRUST SC - 484	59 EARC TRUST SC - 405	97 EARC TRUST SC - 227
20 EARC TRUST SC - 384	60 EARC TRUST SC - 428	98 EARC TRUST SC - 228
21 EARC TRUST SC - 298	61 EARC TRUST SC - 412	99 EARC TRUST SC - 266
22 EARC TRUST SC - 308	62 EARC TRUST SC - 415	100 EARC TRUST SC - 351
23 EARC TRUST SC - 314	63 EARC TRUST SC - 430	101 EARC TRUST SC - 429
24 EARC TRUST SC - 329	64 EARC TRUST SC - 417	102 EARC TRUST SC - 388
25 EARC TRUST SC - 331	65 EARC TRUST SC - 434	103 EARC TRUST SC - 431
26 EARC TRUST SC - 361	66 EARC TRUST SC - 444	104 EARC TRUST SC - 427
27 EARC TRUST SC - 386	67 EARC TRUST SC - 489	105 EARC TRUST SC - 488
28 EARC TRUST SC - 425	68 EARC TRUST SC - 464	<b>W.e.f 31st March 2025</b>
29 EARC TRUST SC - 263	69 EARC TRUST SC - 493	106 EARC TRUST SC - 469
30 EARC TRUST SC - 348	70 EARC TRUST SC - 455	107 EARC TRUST SC - 494
31 EARC TRUST SC - 381	71 EARC TRUST SC - 470	108 EARC TRUST SC - 395
32 EARC TRUST SC - 383	72 EARC TRUST SC - 462	109 EARC TRUST SC - 461
33 EARC TRUST SC - 385	73 EARC TRUST SC - 418	110 EARC TRUST SC - 357
34 EARC TRUST SC - 391	74 EARC TRUST SC - 436	111 EARC TRUST SC - 363
35 EARC TRUST SC - 372	75 EARC TRUST SC - 421	112 EARC TRUST SC - 457
36 EARC TRUST SC - 373	76 EARC TRUST SC - 422	113 EARC TRUST SC - 468
37 EARC TRUST SC - 374	77 EARC TRUST SC - 423	
38 EARC TRUST SC - 392	78 EARC TRUST SC - 424	
39 EARC TRUST SC - 393	79 EARC TRUST SC - 447	
40 EARC TRUST SC - 380	80 EARC TRUST SC - 452	

**Edelweiss Financial Services Limited**  
**Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)**

(Currency : Indian rupees in millions)

**35. Disclosure as required by Indian Accounting Standard 24 – Related Party Disclosure (Continued):**

- (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  
Ms. Ananya Suneja – Chief Financial Officer  
Mr. Tarun Khurana - Company Secretary  
Mr. Himanshu Kaji- Executive Director (Upto 26th September, 2023)
- (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. Avanti Shah  
Mr. Neel Shah
- (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. Ashok Kini  
Dr. Ashima Goyal  
Mr. Shiva Kumar  
Mr. C. Balagopal (w.e.f. 02 August 2024)  
Mr. Biswamohan Mahapatra (upto 26 September 2023)

**Edelweiss Financial Services Limited**

**Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)**

(Currency : Indian rupees in millions)

**35. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure” (Continued):**

**(H) Transactions and balances with Related Parties:**

Sr.No	Nature of Transaction	Related Party Name	31 March 2025	31 March 2024
	<b>Transactions with Related Parties:</b>			
1	Sale of equity shares to	Edel Finance Company Limited	-	26,408.40
2	Amount received on winding up of subsidiary	EC International Limited	4.03	-
3	Purchase of equity shares from	Ecap Equities Limited	1,400.40	-
4	Investment in compulsory convertible debentures of	Edel Finance Company Limited	-	8,000.00
5	Investment in equity shares of	Edel Finance Company Limited	-	2,000.00
		Zuno General Insurance Limited	1,160.00	1,930.00
		Edelweiss Life Insurance Company Limited	1,495.29	495.53
6	Term loans repaid to	Ecap Equities Limited	1,595.42	-
7	Term loans given to	Edelweiss Rural & Corporate Services Limited	3,280.50	2,325.00
		Edelweiss Global Wealth Management Limited	-	5,009.88
		Ecap Equities Limited	3,030.00	14,368.65
		Edel Finance Company Limited	28,288.42	21,937.88
		Edelweiss Investment Adviser Limited	4.00	1,594.20
		Edelcap Securities Limited	450.00	-
		EAAA India Alternatives Limited	220.00	220.00
8	Term loans repaid by	Edelweiss Rural & Corporate Services Limited	5,680.50	4,025.00
		Edelweiss Global Wealth Management Limited	-	5,009.88
		Ecap Equities Limited	7,730.10	16,812.78
		Edel Finance Company Limited	26,373.45	9,437.41
		Edelweiss Investment Adviser Limited	604.00	2,584.10
		Edelcap Securities Limited	450.00	-
		EAAA India Alternatives Limited	-	220.00
9	Reimbursement of loss on select account	ECL Finance Limited	1,812.20	-
10	Asset management rights purchase	Edelweiss Asset Management Limited	179.50	-
11	Buy back of equity shares	Edelweiss Asset Management Limited	389.88	-
12	Remuneration paid to	Mr. Rashesh Shah	89.28	110.03
		Mr. Venkatchalam Ramaswamy	93.26	67.15
		Mr. Himanshu Kaji	-	23.85
		Mr. Tarun Khurana	15.15	13.05
		Ms. Ananya Suneja	42.39	30.98
13	Dividend paid on equity shares	Mr. Rashesh Shah	218.40	218.40
		Mr. Venkatchalam Ramaswamy	89.36	89.00
		Ms. Vidya Shah	46.60	46.59
		Shah Family Discretionary Trust	58.13	58.13
		Spire Investment Advisors LLP	4.80	4.80
		Ms. Aparna T. C.	18.32	18.32
		Ms. Kaavya Venkat	17.69	17.69
		Mr. Himanshu Kaji	-	0.74
		Ms. Sneha Sripad Desai	1.54	1.54
		Ms. Shilpa Mody	1.43	1.43
		Ms. Sejal Premal Parekh	1.43	1.43
		Mr. A V Ramaswamy	0.08	0.08
		Ms. Avanti Shah	3.00	3.00
		Mr. Neel Shah	3.00	3.00
		Mr. Tarun Khurana	0.09	0.09
		Ms. Ananya Suneja	0.02	-
		Mr. C Balagopal	0.00	-

**Edelweiss Financial Services Limited**

**Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)**

(Currency : Indian rupees in millions)

**35. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure” (Continued):**

**(H) Transactions and balances with Related Parties:**

Sr.No	Nature of Transaction	Related Party Name	31 March 2025	31 March 2024
14	Dividend income received from	Nido Home Finance Limited	2.60	-
		Edelweiss Asset Management Limited	410.51	-
15	Loan given to KMP	Mr. Tarun Khurana	3.00	5.00
16	Loan repaid by KMP	Mr. Tarun Khurana	3.00	5.00
17	Interest income received from loan given to employee	Mr. Tarun Khurana	0.25	0.25
18	Share application money received from KMP	Ms. Ananya Suneja	-	0.41
19	Fee / commission paid to	Edelweiss Rural & Corporate Services Limited	-	0.55
		Edelweiss Asset Reconstruction Company Limited	-	3.60
20	Management fees paid to	ECL Finance Limited	-	151.50
		Edelweiss Asset Reconstruction Company Limited	-	174.54
		Edelweiss Retail Finance Limited	-	5.57
21	Fee / commission earned from	Ecap Equities Limited	5.00	5.00
		Edel Finance Company Limited	5.00	5.00
		EAAA India Alternatives Limited	-	5.00
		Edelweiss Asset Reconstruction Company Limited	-	7.20
22	Royalty fees received from	Edelweiss Life Insurance Company Limited	47.50	42.50
23	Fee / Guarantee commission earned from	Edel Finance Company Limited	26.47	1.07
		Edelweiss Asset Reconstruction Company Limited	44.64	27.70
		ECap Securities And Investments Limited	21.33	0.01
		Edelweiss Rural & Corporate Services Limited	19.89	0.08
		Ecap Equities Limited	85.19	1.28
		Edelweiss Investment Adviser Limited	17.75	0.91
		Edelweiss Global Wealth Management Limited	-	1.50
24	Interest income on compulsory convertible debentures	Edel Finance Company Limited	0.80	0.01
25	Interest expense on loan taken	Ecap Equities Limited	12.25	1.97
26	Interest income on loan given	Edelweiss Rural & Corporate Services Limited	335.12	388.22
		Edelweiss Global Wealth Management Limited	-	207.04
		Ecap Equities Limited	529.17	849.96
		Edel Finance Company Limited	2,649.59	1,768.01
		Edelweiss Securities And Investments Private Limited	545.76	572.71
		Edelweiss Investment Adviser Limited	63.43	257.18
		EAAA India Alternatives Limited	2.68	0.30
		Edelcap Securities Limited	0.59	-
27	Interest expense on NCD	Ecap Equities Limited	25.20	91.23
		Edelweiss Life Insurance Company Limited	235.06	127.56
		ECL Finance Limited	0.26	-
		Edelweiss Investment Adviser Limited	8.72	-
		Zuno General Insurance Limited	28.88	26.79
28	Interest expense on market linked debentures	Ecap Equities Limited	-	17.41
29	Cost reimbursements paid to	Edelweiss Rural & Corporate Services Limited	86.05	81.39
		ECL Finance Limited	155.55	-
		Ecap Equities Limited	0.66	-
		Nido Home Finance Limited	62.84	17.00
		Edelweiss Asset Reconstruction Company Limited	-	1.30

**Edelweiss Financial Services Limited**

**Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)**

(Currency : Indian rupees in millions)

**35. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure” (Continued):**

**(H) Transactions and balances with Related Parties:**

Sr.No	Nature of Transaction	Related Party Name	31 March 2025	31 March 2024
<b>30</b>	<b>Cost reimbursements recovered from</b>	Edelweiss Rural & Corporate Services Limited	-	0.11
		ECL Finance Limited	-	39.53
		Edelweiss Asset Management Limited	-	0.17
		Edelweiss Asset Reconstruction Company Limited	-	0.77
		Nido Home Finance Limited	-	0.43
		Edelweiss Retail Finance Limited	-	0.18
		Ecap Equities Limited	-	0.11
		Edelcap Securities Limited	-	0.52
		Edel Finance Company Limited	-	0.11
<b>31</b>	<b>Directors' sitting fees paid to</b>	Mr. Biswamohan Mahapatra	-	0.53
		Dr. Ashima Goyal	0.75	0.83
		Mr. Ashok Kini	1.28	1.28
		Mr. C Balagopal	0.23	-
		Mr. Shiva Kumar	1.65	1.35
<b>32</b>	<b>Commission paid to non executive directors</b>	Mr. Biswamohan Mahapatra	1.75	2.50
		Dr. Ashima Goyal	3.50	2.50
		Mr. Ashok Kini	3.50	2.50
		Mr. Shiva Kumar	3.50	2.50
		Ms. Vidya Shah	3.50	2.50
<b>33</b>	<b>Redemption of non convertible debentures &amp; market linked debentures</b>	Ecap Equities Limited	-	4,084.85
		Edelweiss Life Insurance Company Limited	-	30.05
<b>34</b>	<b>Contribution towards corporate social responsibility</b>	EdelGive Foundation	83.00	125.00
	<b>Balances with Related Parties</b>			
<b>1</b>	<b>Investments in equity shares in</b>	Edelweiss Life Insurance Company Limited	13,434.39	11,939.10
		Edelweiss Asset Management Limited	1,686.09	1,712.41
		EC International Limited	-	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	9,876.16	8,716.16
		Edel Finance Company Limited	11,871.55	11,871.55
		Edelweiss Securities And Investments Private Limited	697.37	697.37
		Edelweiss Asset Reconstruction Company Limited	1,400.40	-
<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	8,000.00
<b>4</b>	<b>Interest accrued on compulsory convertible debenture of</b>	Edel Finance Company Limited	0.01	0.01
<b>5</b>	<b>Gratuity payable to</b>	EAAA India Alternatives Limited	1.77	-
		Edelweiss Asset Reconstruction Company Limited	0.42	0.42
<b>6</b>	<b>Gratuity receivable from</b>	ECL Finance Limited	1.47	-
		Edel Investments Limited	0.86	-
		Edelweiss Asset Management Limited	2.32	-
		Edelweiss Asset Reconstruction Company Limited	1.77	-

**Edelweiss Financial Services Limited**

**Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)**

(Currency : Indian rupees in millions)

**35. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure” (Continued):**

**(H) Transactions and balances with Related Parties:**

Sr.No	Nature of Transaction	Related Party Name	31 March 2025	31 March 2024
7	ESOP charges payable to	Nido Home Finance Limited	1.10	7.88
		Edelweiss Retail Finance Limited	0.83	0.64
		Edelweiss Life Insurance Company Limited	-	0.00
		Edelweiss Asset Reconstruction Company Limited	0.77	-
		EAAA Pte. Limited	2.11	2.11
		ECL Finance Limited	12.58	29.69
		Nuvama Custodial Services Limited	1.64	-
8	ESOP charges receivable from	Edelweiss Rural & Corporate Services Limited	1.06	0.55
		Edelweiss Asset Management Limited	2.61	0.44
		ECL Finance Limited	-	-
		EAAA India Alternatives Limited	2.06	1.60
		Edelweiss Life Insurance Company Limited	4.15	1.29
		Edelweiss Asset Reconstruction Company Limited	-	0.86
		Zuno General Insurance Limited	0.94	0.73
		Nuvama Custodial Services Limited	-	0.12
		Ecap Equities Limited	6.84	1.84
		Edel Investments Limited	0.04	0.01
		Edelweiss International (Singapore) Pte. Limited	0.22	0.01
		Edelweiss Investment Adviser Limited	0.04	-
		Edelcap Securities Limited	0.27	0.05
		Edelweiss Global Wealth Management Limited	0.04	-
9	Accrued interest on loans given to	Edelweiss Rural & Corporate Services Limited	22.21	32.19
		Edel Finance Company Limited	304.24	132.64
		Edelweiss Global Wealth Management Limited	-	5.77
		Ecap Equities Limited	2.22	63.73
		Edelweiss Securities And Investments Private Limited	46.57	40.77
		Edelweiss Investment Adviser Limited	-	21.75
		EAAA India Alternatives Limited	2.08	0.00
10	Accrued interest on loans taken from	Ecap Equities Limited	-	1.97
11	Loan given to	Edelweiss Rural & Corporate Services Limited	-	2,400.00
		Ecap Equities Limited	-	4,700.10
		Edel Finance Company Limited	25,804.98	23,890.00
		Edelweiss Securities And Investments Private Limited	4,500.00	4,500.00
		Edelweiss Investment Adviser Limited	-	600.00
		EAAA India Alternatives Limited	220.00	-
12	Loans taken from	Ecap Equities Limited	-	1,595.42
13	Non convertible debentures held by	Ecap Equities Limited	142.36	139.01
		Edelweiss Life Insurance Company Limited	3,257.07	2,207.96
		ECL Finance Limited	2.54	2.74
		Edelweiss Investment Adviser Limited	156.49	-
		Zuno General Insurance Limited	299.95	303.12
14	Trade payable to	Nido Home Finance Limited	50.18	18.40
		ECL Finance Limited	-	2,926.34
		Edelweiss Retail Finance Limited	-	0.04
		ECap Securities And Investments Limited	52.70	-
		EAAA India Alternatives Limited	-	0.87
		Edelweiss Asset Reconstruction Company Limited	-	0.28
		Edelweiss Rural & Corporate Services Limited	6.30	14.12
		Edelweiss Securities And Investments Private Limited	0.25	0.25
		Ecap Equities Limited	1.98	0.70
		Edel Investments Limited	-	0.04
		Edelweiss Life Insurance Company Limited	-	0.06
		Edelweiss Asset Management Limited	-	0.63

**Edelweiss Financial Services Limited**

**Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)**

(Currency : Indian rupees in millions)

**35. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure” (Continued):**

**(H) Transactions and balances with Related Parties:**

Sr.No	Nature of Transaction	Related Party Name	31 March 2025	31 March 2024
15	Trade receivable from	Edelweiss Life Insurance Company Limited	35.33	15.07
		Edel Finance Company Limited	243.70	1.05
		Edelweiss Asset Management Limited	0.03	-
		Edelweiss Asset Reconstruction Company Limited	10.84	11.19
		ECap Securities And Investments Limited	-	0.05
		EAAA India Alternatives Limited	0.06	0.06
		Ecap Equities Limited	79.09	0.64
		Edel Investments Limited	-	0.00
		Edelweiss Investment Adviser Limited	1.71	3.11
		Edelweiss International (Singapore) Pte. Limited	0.00	0.00
		Edelweiss Securities And Investments Private Limited	-	0.02
		ECL Finance Limited	0.45	43.71
		Edelweiss Retail Finance Limited	-	82.44
		Nido Home Finance Limited	1.36	-
16	Risk and reward undertaking	Nido Home Finance Limited	1,261.00	1,301.20
17	Guarantee given on behalf of Group Company	ECap Securities And Investments Limited	-	2,200.00
		Ecap Equities Limited	12,855.50	3,330.60
		Edelweiss Asset Reconstruction Company Limited	3,957.55	10,396.20
		Edel Finance Company Limited	3,812.50	3,170.00
		Nido Home Finance Limited	920.91	1,095.71
		Edelweiss Investment Adviser Limited	-	2,622.35
		ECL Finance Limited	1,000.00	1,100.00
		Edelweiss Global Wealth Management Limited	-	2,500.00
		Edelweiss Rural & Corporate Services Limited	1,157.40	-

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.



## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (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 2025 and 31 March 2024.

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	As at
	31 March 2025	31 March 2024
Total Debt	30,724.42	29,677.23
Equity	55,170.85	54,628.43
<b>Net Debt to Equity</b>	<b>0.56</b>	<b>0.54</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 2025		31 March 2024	
	Loan outstanding**	Maximum amount outstanding during the year*	Loan outstanding**	Maximum amount outstanding during the year*
Edelweiss Rural and Corporate Services Limited	22.21	5,380.00	2,432.19	4,150.00
Edelweiss Global Wealth Management Limited	-	-	5.77	4,762.67
Ecap Equities Limited	2.22	7,130.10	4,763.83	8,250.72
Edel Finance Company Limited	26,109.22	26,473.00	24,022.65	23,890.00
Edelweiss Investment Adviser Limited	-	600.00	621.75	2,585.10
EAAA India Alternatives Limited	222.08	220.00	-	220.00
Edelweiss Securities And Investments Private Limited	4,546.57	4,500.00	4,540.77	4,500.00
Edelcap Securities Limited	-	450.00	-	-

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

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (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 2025 and 31 March 2024 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 2025	37,567,140	302,825
No. of outstanding options at 31 March 2024	4,859,570	2,254,725
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 shall vest as follows:

Particulars	SAR 2019		ESOP 2011
Duration from grant date	% options vesting-I	% options vesting-II	% options vesting
12 months from the grant date	-	-	25.00%
24 months from the grant date	33.33%	10.00%	25.00%
36 months from the grant date	-	10.00%	25.00%
48 months from the grant date	33.33%	20.00%	25.00%
60 months from the grant date	-	60.00%	-
72 months from the grant date	33.34%	-	-
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (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 2024-25 and 2023-24

Number of options	31 March 2025			31 March 2024		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Outstanding at the start of the year	4,859,570	2,254,725	7,114,295	8,057,420	4,592,500	12,649,920
Granted during the year (refer note 1)	34,500,000	-	34,500,000	-	-	-
Exercised during the year	(1,201,530)	(1,048,175)	(2,249,705)	(99,000)	(556,500)	(655,500)
Lapsed/ cancelled during the year	(590,900)	(903,725)	(1,494,625)	(3,098,850)	(1,781,275)	(4,880,125)
Outstanding at the end of the year*	37,567,140	302,825	37,869,965	4,859,570	2,254,725	7,114,295
Exercisable at the end of the year	-	302,825	302,825	-	1,946,725	1,946,725

\*Includes, SAR 2019 plan 23,25,100, ESOP plan Nil (Previous year SAR 2019 plan 1,75,100, ESOP Nil) approved but not granted.

##### Weighted Average Exercise Price for FY 2024-25 and 2023-24

Weighted Average Exercise Price (₹)	31 March 2025		31 March 2024	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Outstanding at the start of the year	50.74	69.58	136.20	166.84
Granted during the year	77.00	-	-	-
Exercised during the year	27.45	47.71	52.36	34.79
Lapsed/ cancelled during the year	57.19	100.07	88.24	182.01
Outstanding at the end of the year	75.53	54.29	50.74	69.58
Exercisable at the end of the year	NA	54.29	NA	76.25
Weighted Average Share price at the exercise date	123.38	109.85	78.30	58.59

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 38. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (Continued)

##### Outstanding Options as at 31 March 2025 and 31 March 2024

Particulars	31 March 2025		31 March 2024	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options outstanding	37,567,140	302,825	4,859,570	2,254,725
Weighted average strike price (₹)	75.53	54.29	50.74	69.58
Weighted average remaining lifetime of options (in years)	3.99	-	1.35	0.07
Number of employees covered under the scheme	167	71	111	143

##### Options granted during FY 2024-25 and 2023-24

Particulars	31 March 2025		31 March 2024	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options granted (refer note no 1)	34,500,000	-	-	-
Weighted average strike price (in ₹)	77.00	NA	NA	NA
Weighted average remaining lifetime of options (in years)	4.3 years	NA	NA	NA
Number of employees covered under the scheme	89	NA	NA	NA
Weighted Average Fair value per option (in ₹)	46.54	NA	NA	NA
Weighted Average Intrinsic value per option (in ₹)	13.92	NA	NA	NA

##### Assumptions for Fair Value for FY 2024-25 and 2023-24

Particulars	31 March 2025		31 March 2024	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Weighted average share price (in ₹)	94.20	125.11	112.17	157.75
Weighted average strike price (in ₹)	75.50	54.30	50.74	69.58
Weighted average remaining lifetime of options (in years)	3.99	-	1.35	0.07
Expected volatility (% p.a.)	56% p.a. - 72% p.a.	56% p.a. - 72% p.a.	56% p.a. - 72% p.a.	41% p.a. - 72% p.a.
Risk-free discount rate (% p.a.)	5.7% p.a. - 6.9% p.a.	5.1% p.a. - 6.8% 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.	0.7% 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 2025			31 March 2024		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Charges during the year due to share based payments	16.51	10.20	26.71	(22.57)	(4.83)	(27.40)
Liability due for share based payments	198.88	25.40	224.28	191.24	180.82	372.06
Intrinsic value of the liability above	3.43	1.66	5.08	1.93	10.40	12.33

##### Note No 1

During the year ended 31 March 2025, the Company's Compensation (ESOP) Committee of the Board of Directors has granted 3,45,00,000 stock options (SARs) to the eligible employees under Edelweiss Employees Stock Appreciation Rights Plan, 2019. Out of the above, 3,23,50,000 SARs has been issued to eligible employees.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 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.

##### **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-
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 it's 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.

##### **Analysis of financial assets and liabilities by remaining contractual maturities**

The maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31 March 2025 are disclosed in note no 42.

##### **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 to Group entities outside India. 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, 2025.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 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, the 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 2025 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets and other financial liabilities is not significant in each of the years presented.

Particulars	31 March 2025				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Loans	30,891.31	30,891.31	-	-	30,891.31
<b>Financial liabilities</b>					
Debt securities	30,724.42	30,724.42	30,724.42	-	-
Borrowings (other than debt securities)	-	-	-	-	-
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

##### 40.4. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy.

Particulars	As at 31 March 2025			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
<b>Investments</b>				
Equity instruments	5.81	-	-	5.81
Mutual Fund	29.59	-	-	29.59
AIF Fund	-	244.26	-	244.26
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>35.40</b>	<b>244.26</b>	<b>-</b>	<b>279.66</b>
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 financial assets measured at fair value on a recurring basis</b>	<b>78.47</b>	<b>-</b>	<b>-</b>	<b>78.47</b>

**Edelweiss Financial Services Limited****Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)**

(Currency : Indian rupees in millions)

**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 2023	23,531.82
Transfer into level 3	-
Transferred on account of demerger	(23,531.82)
As at 31 March 2024	-
Transfer into level 3	-
As at 31 March 2025	-

**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.

**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 2.

**40.8. Transfer between Level 1 and level 2**

During the year, there were no transfers between level 1 and level 2.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (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. Issued debt reflect the contractual coupon amortisations.

Particulars	As at 31 March 2025			As at 31 March 2024		
	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	35.39	-	35.39	461.03	-	461.03
(b) Bank balances other than cash and cash equivalents	10.70	-	10.70	9.48	-	9.48
(c) Trade Receivables	366.96	-	366.96	154.50	-	154.50
(d) Loans	14,452.02	16,439.29	30,891.31	10,796.96	25,585.43	36,382.39
(e) Investments	35.40	50,275.53	50,310.93	78.47	46,001.90	46,080.37
(f) Other financial assets	29.58	158.52	188.10	12.35	92.24	104.59
<b>Total financial assets (A)</b>	<b>14,930.05</b>	<b>66,873.34</b>	<b>81,803.39</b>	<b>11,512.79</b>	<b>71,679.57</b>	<b>83,192.36</b>
<b>Non-financial assets</b>						
(a) Current tax assets (net)	-	598.93	598.93	-	826.03	826.03
(b) Deferred tax assets (net)	-	3,887.56	3,887.56	-	3,803.28	3,803.28
(c) Property, Plant and Equipment	-	6.11	6.11	-	6.96	6.96
(d) Other Intangible assets	-	179.50	179.50	-	-	-
(e) Other non- financial assets	13.13	970.83	983.96	26.06	934.44	960.50
<b>Total non-financial assets (B)</b>	<b>13.13</b>	<b>5,642.93</b>	<b>5,656.06</b>	<b>26.06</b>	<b>5,570.71</b>	<b>5,596.77</b>
<b>TOTAL ASSETS (C = A+B)</b>	<b>14,943.18</b>	<b>72,516.27</b>	<b>87,459.45</b>	<b>11,538.85</b>	<b>77,250.28</b>	<b>88,789.13</b>
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
(a) Trade Payables	198.91	-	198.91	3,112.59	-	3,112.59
(b) Debt securities	5,843.50	24,880.92	30,724.42	5,650.91	22,428.93	28,079.84
(c) Borrowings (other than debt securities)	-	-	-	1,597.39	-	1,597.39
(d) Other financial liabilities	195.76	642.00	837.76	482.43	806.31	1,288.74
<b>Total financial liabilities (D)</b>	<b>6,238.17</b>	<b>25,522.92</b>	<b>31,761.09</b>	<b>10,843.32</b>	<b>23,235.24</b>	<b>34,078.56</b>
<b>Non-financial liabilities</b>						
(a) Current tax liabilities (net)	-	29.18	29.18	-	29.21	29.21
(b) Provisions	4.11	-	4.11	4.00	-	4.00
(c) Other non-financial liabilities	494.22	-	494.22	48.93	-	48.93
<b>Total non-financial liabilities (E)</b>	<b>498.33</b>	<b>29.18</b>	<b>527.51</b>	<b>52.93</b>	<b>29.21</b>	<b>82.14</b>
<b>TOTAL LIABILITIES (F = D+E)</b>	<b>6,736.50</b>	<b>25,552.10</b>	<b>32,288.60</b>	<b>10,896.25</b>	<b>23,264.45</b>	<b>34,160.70</b>
<b>NET TOTAL ASSETS / (LIABILITIES) (C-F)</b>	<b>8,206.68</b>	<b>46,964.17</b>	<b>55,170.85</b>	<b>642.60</b>	<b>53,985.83</b>	<b>54,628.43</b>



# Edelweiss Financial Services Limited

## Notes to the standalone financial statements for the year ended 31 March 2025 (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 2025 and 31 March 2024.

As at 31 March 2025

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	198.91	-	-	-	-	198.91
Borrowings (other than debt securities)	-	-	-	-	-	-
Debt securities	713.13	740.71	6,558.88	23,865.61	9,615.11	41,493.44
Other financial liabilities	196.10	-	16.40	63.21	562.05	837.76
<b>Total undiscounted non-derivative financial liabilities</b>	<b>1,108.14</b>	<b>740.71</b>	<b>6,575.28</b>	<b>23,928.82</b>	<b>10,177.16</b>	<b>42,530.11</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	46.09	-	-	-	-	46.09
Trade receivables	366.96	-	-	-	-	366.96
Loans	377.32	9,574.70	4,500.00	14,300.30	2,150.00	30,902.32
Investments	35.40	-	-	-	50,275.53	50,310.93
Other financial assets	29.88	-	16.18	62.19	79.85	188.10
<b>Total undiscounted non-derivative financial assets</b>	<b>855.65</b>	<b>9,574.70</b>	<b>4,516.18</b>	<b>14,362.49</b>	<b>52,505.38</b>	<b>81,814.40</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	200.00	-	2,531.25	18,754.85	2,087.66	23,573.76

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

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (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. Such risks the market risk for the trading portfolio is managed and monitored based on a value at risk (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 2025			As at 31 March 2024		
	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	46.09	-	46.09	470.51	-	470.51
Trade receivables	366.96	-	366.96	154.50	-	154.50
Loans - at amortised cost	30,891.31	-	30,891.31	36,382.39	-	36,382.39
Investments— FVTPL	279.66	35.40	244.26	78.47	78.47	-
Investments— at cost	50,031.27	-	50,031.27	46,001.90	-	46,001.90
Other Financial assets	188.10	-	188.10	104.59	-	104.59
<b>Total</b>	<b>81,803.39</b>	<b>35.40</b>	<b>81,767.99</b>	<b>83,192.36</b>	<b>78.47</b>	<b>83,113.89</b>
<b>Liability</b>						
Debt securities	30,724.42	-	30,724.42	28,079.84	-	28,079.84
Trade payables	198.91	-	198.91	3,112.59	-	3,112.59
Borrowings (other than debt securities)	-	-	-	1,597.39	-	1,597.39
Other financial liabilities	837.76	-	837.76	1,288.74	-	1,288.74
<b>Total</b>	<b>31,761.09</b>	<b>-</b>	<b>31,761.09</b>	<b>34,078.56</b>	<b>-</b>	<b>34,078.56</b>

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

#### 44 Disclosure related to collateral

The table sets out availability of Company assets to support funding

As at 31 March 2025	Pledged as collateral	Available as collateral	Unavailable as collateral	Total carrying amount
Cash and cash equivalent including bank balance	-	46.09	-	46.09
Trade receivables	-	366.96	-	366.96
Loans	30,138.07	753.24	-	30,891.31
Investments	1,686.09	48,624.84	-	50,310.93
Other financial assets	-	32.36	155.74	188.10
Property, plant and equipment	-	6.11	-	6.11
Intangibles assets	-	-	179.50	179.50
Other non financial assets	-	-	983.96	983.96
<b>Total assets</b>	<b>31,824.16</b>	<b>49,829.60</b>	<b>1,319.20</b>	<b>82,972.96</b>

As at 31 March 2024	Pledged as collateral	Available as collateral	Unavailable 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	89.46	104.59
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>58,867.36</b>	<b>1,056.92</b>	<b>84,159.82</b>

#### 45 Analysis of risk concentration

##### Industry analysis - risk concentration

As at 31 March 2025	Financial services	Total
<b>Financial assets</b>		
Cash and cash equivalent and other bank balances	46.09	46.09
Trade receivables	366.96	366.96
Loans	30,891.31	30,891.31
Investments	50,310.93	50,310.93
Other financial assets	188.10	188.10
<b>Total assets</b>	<b>81,803.39</b>	<b>81,803.39</b>

As at 31 March 2024	Financial services	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>83,192.36</b>

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (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 except for trade receivables which are pledged as a pari-passu against the debenture issued.

**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 2025**

Name of struck off Company	Nature of transactions with struck-off Company	Amount	Relationship with the Struck off company, if any, to be disclosed
Four Seasons Hotel	Business promotion	1.28	NA
M M Enterprises	Repair and maintenance	0.67	

**As at 31 March 2024**

Name of struck off Company	Nature of transactions with struck-off Company	Amount	Relationship with the Struck off company, if any, to be disclosed
There are no transactions with struck-off Company during the year			

**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.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (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 not given loans to its subsidiary company in the ordinary course of business, which are at Arm's length and the same is approved by 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 2025

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
NIL									

#### 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

(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 not taken any loans from its subsidiary company in the ordinary course of business, are at Arm's length and the same is approved by 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 2025

S.No.	Name of Lender	Nature	Date	Rupees in millions	Loan given to	Nature	Date	Rupees in millions	Remarks
NIL									

#### 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

#### 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.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (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 2025

Type of Borrowers	Amount of loan or advance in the nature of loan outstanding	Aggregate amount of loans/ advances given during the year in nature of loans	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-	-
Directors	-	-	-
KMPs	-	3.00	-
Related Parties	30,902.30	35,337.92	100.00%

##### As at 31 March 2024

Type of Borrowers	Amount of loan or advance in the nature of loan outstanding	Aggregate amount of loans/ advances given during the year in nature of loans	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-	-
Directors	-	-	-
KMPs	-	5.00	-
Related Parties	36,386.96	45,455.62	100.00%

56. The Board of Directors at their meeting held on 14 May 2025, 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.
57. The Company has declared and paid the final dividend of ₹ 1.50 per equity share (on face value of ₹ 1 per equity share) for the financial year ended 31 March 2024, based on the approval of the members of the Company at the Annual General Meeting held on 27 September 2024.
58. Pursuant to the Shareholders' Agreement (SHA) dated 05 March 2019, between EFSL, CDPQ Private Equity Asia PTE. Limited (CDPQ) and ECL Finance Limited (ECLF), EFSL undertook an obligation against any losses on certain select accounts in the real estate and structured finance business. Subsequently, ECap Equities Limited (ECap), a subsidiary of EFSL, purchased the CCD investments in ECLF from CDPQ during the year. As a result, EFSL, ECap and ECLF have mutually agreed that loss incurred in the select accounts referred in SHA are deemed to be crystalized. Accordingly, during the year, the Company has reimburse to the ECLF for loss amounting to ₹ 1,812.20 millions against losses incurred by ECLF in previous years.
59. During the previous years, an investor subscribed to Security Receipts (SRs) issued by ARC trusts as a senior class investor. These SRs relate to certain loans and assets sold by ECL Finance Limited, a subsidiary of the Company, to the ARC trusts. The Company and another subsidiary, Edelweiss Securities and Investments Private Limited (ESIPL), have given a put option to the investor, guaranteeing the repayment of the total agreed payout comprising the invested amount and a minimum assured return after deducting any recoveries from the underlying assets during the period. Based on management's assessment and current cash flow projections from these assets, the likelihood of any payout under the put option is considered remote.
60. 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 Pt. Ltd 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.
61. 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.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)

(Currency : Indian rupees in millions)

62. 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. Other income includes gain amounting to ₹ 363.55 million on buy back of shares held in subsidiary (previous year ₹ 11,527.78 million on sale of investments in its subsidiaries).
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.

#### 66. Ratio Analysis

Particulars	Year Ended	Year Ended	% Change	Remarks
	31 March 2025	31 March 2024		
1 Debt-Equity Ratio	0.56	0.54	2.51%	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	0.84	2.58	(67.33)%	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	0.35	0.33	5.10%	An increase in overall borrowings by ₹ 1,047.19 million, coupled with a decrease in total assets from ₹ 88,789.13 million in the previous year to ₹ 87,459.45 million in the current year, led to an increase in the Total Debt to Total Assets ratio during the year.
4 Net profit margin (%)	(13.54)%	67.65%	(120.01)%	The net profit margin ratio declined during the year due to a decrease in net profit from ₹ 6,952.12 million in the previous year to a net loss of ₹ 519.08 million in the current 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

67. 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.

**Edelweiss Financial Services Limited**

**Notes to the standalone financial statements for the year ended 31 March 2025 (Continued)**

CIN-L99999MH1995PLC094641

(Currency : Indian rupees in millions)

68. Previous year's figures have been regrouped / reclassified to conform to current year presentation.
69. 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

**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

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

Mumbai, 14 May 2025

**Ananya Suneja**  
Chief Financial Officer

Mumbai, 14 May 2025

**Tarun Khurana**  
Company Secretary  
Membership No: 12344



# NANGIA & CO LLP

CHARTERED ACCOUNTANTS

## 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.

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LLP Registration NO. AAJ-1379

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Key audit matters	How our audit addressed the key audit matter
<b>Impairment of investments in subsidiary companies</b> <b>(As described in Note 1.4.1.3 and Note 6 of the standalone financial statements)</b>	
<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>
<b>IT systems and controls</b>	
<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>

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### **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.

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.

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- 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 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;

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- (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);
  - 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 it's 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

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**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 Rs. 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:

(Rs. 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 Rs. 71,690 million

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- (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:



(Rs. 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 Rs. 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.
- (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.

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- (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.
- (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

**"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.

### **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

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**Edelweiss Financial Services Limited**  
**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	-	1.30
(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

**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

Mumbai 14 May 2024

Ananya Suneja  
Chief Financial Officer  
14 May 2024

Tarun Khurana  
Company Secretary  
Membership No: 12344

**Edelweiss Financial Services Limited**  
**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>			
	29		
- Basic (₹)		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

**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

Mumbai 14 May 2024

Ananya Suneja  
Chief Financial Officer

14 May 2024

Tarun Khurana  
Company Secretary  
Membership No: 12344

**Edelweiss Financial Services Limited**

**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</b>	<b>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</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</b>	<b>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

**Notes:**

1. Cash receipts and payments for transactions with group companies in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows.
2. Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.
3. Refer note 32 for changes in liabilities arising from financing activities.
4. 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

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

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Partner  
Membership No: 601788

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

Mumbai 14 May 2024

14 May 2024



## Edelweiss Financial Services Limited

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 or the year ended	
	31 March 2024	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:

1. 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.

2. Refer note 17 for detailed quantitative information including investors holding more than 5% of equity share capital.

3. 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	Share application money pending allotment	Reserves and Surplus					Total
		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	49,103.96
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>	-	-	-	-	-	23,882.80	23,882.80
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	71,654.25
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>	-	-	-	-	-	6,947.85	6,947.85
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 58)	-	-	-	-	-	(23,531.80)	(23,531.80)
<b>Balance at 31 March 2024</b>	2.25	2.03	30,736.43	372.06	508.64	22,108.13	53,729.54

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

Venkatchalam Ramaswamy  
Vice Chairman & Executive Director  
DIN: 00008509

Ananya Suneja  
Chief Financial Officer  
F 509

Tarun Khurana  
Company Secretary  
Membership No: 12344

Mumbai 14 May 2024

14 May 2024

# Edelweiss Financial Services Limited

## 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)**

**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.

**1.4.1.3 Investment in equity instruments**

The Company measures all equity investments at fair value through profit or loss except, for Investment in subsidiaries and associates are recognised at cost, subject to impairment if any at the end of each reporting period. Cost of investment represents amount paid for acquisition of the investment.

**1.4.2 Financial liabilities**

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

**1.4.2.1 Debt securities and other borrowed funds**

After initial measurement, debt issued, and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

**1.4.2.2 Financial assets and Financial liabilities at fair value through profit or loss**

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities, which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using effective interest rate.

**1.4.2.3 Financial guarantee:**

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

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

**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.

**Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)**

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.

**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

**Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)**

- 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.

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.

**Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)**

**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.
- 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:

- i. Identification of contract(s) with customers;
- ii. Identification of the separate performance obligations in the contract;

**Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)**

- iii. Determination of transaction price;
- iv. Allocation of transaction price to the separate performance obligations; and
- v. Recognition of revenue when (or as) each performance obligation is satisfied

Revenue Recognition for different heads of Income are as under:

**(i) Investment banking advisory fees, Syndication fees (net of tax)**

Advisory/Syndication fees are recognised on an accrual basis in accordance with agreement entered into with respective investment managers / advisors.

**(ii) Interest income**

Interest income is recognized using the effective interest rate.

**(iii) Dividend income**

Dividend income is recognized in the 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.

**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),



**Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)**

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

**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

**Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)**

expected to vest. The impact of the revision of the original estimates, if any, is recognised such that the cumulative capital contribution (deemed investment) is increased so that it reflects the revised estimate, with a corresponding adjustment to the Employee Stock Option Plan Reserve. In cases where the share options granted vest in installments over the vesting period, the Company treats each installment as a separate grant, because each installment has a different vesting period, and hence the fair value of each installment differs. Whenever, these estimates are expected to get settle between the subsidiaries and the Company, they are accounted as receivable/payable.

**1.15 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:

<b>Nature of assets</b>	<b>Estimated useful life</b>
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

**Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)**

equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

**1.16 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.

**1.20 Income tax**

Income tax expense represents the sum of the current tax and deferred tax.

**Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)**

**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.

**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.

**Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)**

**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 solely payments for principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Group of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. 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.

**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.

**Edelweiss Financial Services Limited****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	As at
	31 March 2024	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	As at
	31 March 2024	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.

Edelweiss Financial Services Limited

Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

4 Trade Receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Receivables considered good -unsecured		
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>

4.1 Trade Receivable Ageing Schedule

As at 31 March 2024	Outstanding for following periods from due date of payment					
Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	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>

As at 31 March 2023	Outstanding for following periods from due date of payment					
Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	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	
Impairment allowance as on 01 April 2022	(55.86)
(Add)/ less: asset originated or acquired / reversals (net)	28.55
Impairment allowance as on 31 March 2023	(27.31)
(Add)/ less: asset originated or acquired / reversals (net)	8.19
Impairment allowance as on 31 March 2024	(19.12)

Notes:

- 1) No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.
- 2) No trade or other receivables are due from firms or private companies in which directors is partner, a director or a member.
- 3) There are no unbilled or not due trade receivables as at 31 March 2024 and 31 March 2023.



## Edelweiss Financial Services Limited

### 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>	36,386.96	29,027.73
Less: Impairment loss allowance	(4.57)	(4.33)
<b>Total (Net) (A)</b>	36,382.39	29,023.40
<b>Unsecured</b>	36,386.96	29,027.73
<b>Total Gross (B)</b>	36,386.96	29,027.73
Less: Impairment loss allowance	(4.57)	(4.33)
<b>Total (Net) (B)</b>	36,382.39	29,023.40
<b>Loans in India</b>		
Public sector	-	-
Others	36,386.96	29,027.73
<b>Total Gross (C)</b>	36,386.96	29,027.73
Less: Impairment loss allowance	(4.57)	(4.33)
<b>Total (Net) (C) (I)</b>	36,382.39	29,023.40
<b>Loans outside India</b>	-	-
Less: Impairment loss allowance	-	-
<b>Total (Net) (C) (II)</b>	-	-
<b>Total (C) (I) and (C) (II)</b>	36,382.39	29,023.40

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).

## Edelweiss Financial Services Limited

### Notes to the standalone 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	-	-	36,386.96	29,027.73	-	-	29,027.73
Standard grade	-	-	-	-	-	-	-	-
<b>Non-performing</b>								
Impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>36,386.96</b>	<b>-</b>	<b>-</b>	<b>36,386.96</b>	<b>29,027.73</b>	<b>-</b>	<b>-</b>	<b>29,027.73</b>

##### 5.2 Gross carrying amount and corresponding ECL reconciliation - Loans

Particulars	Non-credit impaired		Credit impaired				Total	
	Stage I	Stage II	Stage III					
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
Balance at 31 March 2022	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>	<b>29,027.73</b>	<b>4.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,027.73</b>	<b>4.33</b>
Net new and further lending/(repayments)	7,359.23	0.24	-	-	-	-	7,359.23	0.24
<b>Balance at 31 March 2024</b>	<b>36,386.96</b>	<b>4.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,386.96</b>	<b>4.57</b>

## Edelweiss Financial Services Limited

### 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>	<b>78.47</b>	<b>47,608.00</b>	<b>47,686.47</b>
Investments in India	78.47	47,601.85	47,680.32
Investments outside India	-	6.15	6.15
<b>Total</b>	<b>78.47</b>	<b>47,608.00</b>	<b>47,686.47</b>
Less - Impairment Loss allowance	-	1,606.10	1,606.10
<b>Total</b>	<b>78.47</b>	<b>46,001.90</b>	<b>46,080.37</b>
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>	<b>23,643.75</b>	<b>50,063.05</b>	<b>73,706.80</b>
Investments in India	23,643.75	50,056.90	73,700.65
Investments outside India	-	6.15	6.15
<b>Total</b>	<b>23,643.75</b>	<b>50,063.05</b>	<b>73,706.80</b>
Less - Impairment Loss allowance	-	1,606.10	1,606.10
<b>Total</b>	<b>23,643.75</b>	<b>48,456.95</b>	<b>72,100.70</b>
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.
- 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.
- 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.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

#### 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)
Effect 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>

# Edelweiss Financial Services Limited

## Notes to the standalone 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 31 March 2024	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	-	-	1.75	0.47	0.06	-	0.53	1.22
Furniture and Fixtures	0.23	-	-	0.23	0.11	0.02	-	0.13	0.10
Vehicles	6.20	-	-	6.20	0.85	1.70	-	2.55	3.65
Office equipment	1.89	-	0.19	1.70	1.10	0.21	0.02	1.29	0.41
Computers	10.22	0.99	4.00	7.21	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>17.09</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	-	-	77.34	-
<b>Total (B)</b>	<b>77.34</b>	<b>-</b>	<b>-</b>	<b>77.34</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>94.43</b>	<b>87.29</b>	<b>3.29</b>	<b>3.11</b>	<b>87.47</b>	<b>6.96</b>

Particulars	Gross Block			Depreciation and amortisation				Net Block	
	As at 01 April 2022	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2023	As at 01 April 2022	Charge for the year	Deductions/ adjustments during the year	As at 31 March 2023	As at 31 March 2023
<b>a) Property, Plant and Equipments</b>									
Freehold Building	1.75	-	-	1.75	0.40	0.07	-	0.47	1.28
Furniture and Fixtures	0.23	-	-	0.23	0.08	0.03	-	0.11	0.12
Vehicles	0.95	6.00	0.75	6.20	0.30	0.98	0.43	0.85	5.35
Office equipment	1.92	0.50	0.53	1.89	1.38	0.20	0.48	1.10	0.79
Computers	12.75	1.81	4.34	10.22	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>20.29</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	77.34	77.75	0.35	0.76	77.34	-
<b>Total (B)</b>	<b>78.57</b>	<b>-</b>	<b>1.23</b>	<b>77.34</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>97.63</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

**Edelweiss Financial Services Limited**

**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				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(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				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(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>

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.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

#### 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.

#### 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.

Edelweiss Financial Services Limited

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)

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured (at amortised cost)		
Loans from related parties (refer note 35)	1,597.39	-
	1,597.39	-
Borrowings in India	1,597.39	-
Borrowings outside India	-	-
<b>Total</b>	<b>1,597.39</b>	<b>-</b>

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>



**Edelweiss Financial Services Limited****Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)**

(Currency : Indian rupees in millions)

**14. Other financial liabilities (at amortised cost unless otherwise specified)**

<b>Particulars</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
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**

<b>Particulars</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
<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**

<b>Particulars</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
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.

Edelweiss Financial Services Limited

Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

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
	1,234,000,000	1,250.00	1,234,000,000	1,250.00
<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)
	898,888,246	898.89	898,378,496	898.38

<b>A. Reconciliation of number of shares</b> <i>(Before deducting treasury shares)</i>				
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	943,785,026	943.79	943,275,276	943.28

**Note :**

1. Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Company's financial statements. These trusts are holding 44,896,780 number of equity shares amounting to **₹ 44.90 million** (Previous year ₹ 44.90 million). These are deducted from total outstanding equity shares.

2. 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.

**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>

**D. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	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%
	205,178,290	21.74%	203,728,290	21.60%

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

#### 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.

##### 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).

# Edelweiss Financial Services Limited

## Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

### 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>
<b>Geographical Markets</b>	<b>2023-24</b>	<b>2022-23</b>
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.

### 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>		
Profit on sale of investments (realised)	-	-
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.

# Edelweiss Financial Services Limited

## Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

### 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

### 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>

### 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>	<b>100.00</b>
<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>-</b>	<b>-</b>
<b>(E) Reason for shortfall</b>	<b>N.A</b>	<b>N.A</b>
<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.

## Edelweiss Financial Services Limited

### 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>-</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>

## Edelweiss Financial Services Limited

### Notes to the standalone 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
Effect 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>-</b>	<b>-</b>	<b>-</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
Effect 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>-</b>	<b>-</b>	<b>-</b>	<b>735.91</b>	<b>1,895.05</b>

**Edelweiss Financial Services Limited**

**Notes to the standalone 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	
	Amount	Expiry year- financial year	Unabsorbed depreciation		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	
	Amount	Expiry year- financial year	Unabsorbed depreciation		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	-	-



**Edelweiss Financial Services Limited****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
Total number of equity shares outstanding at the end of the year	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
<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

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

#### 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.

##### 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>
Capital Expenditure	-	0.99	-	0.99
Depreciation and Amortisation	-	3.29	-	3.29
<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>	<b>98.31</b>	<b>104,049.28</b>	<b>3,038.28</b>	<b>107,185.86</b>
<b>Segment Liabilities</b>	<b>242.50</b>	<b>34,382.88</b>	<b>7.85</b>	<b>34,633.23</b>
Capital Expenditure	4.45	3.86	-	8.31
Depreciation and Amortisation	1.91	1.66	-	3.57
<b>Significant Non-Cash Expenses / (Income) other than Depreciation and Amortisation</b>	<b>(21.09)</b>	<b>23,099.79</b>	-	<b>23,078.70</b>

## Edelweiss Financial Services Limited

### 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 defined 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>

##### 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)	0.00
<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

# Edelweiss Financial Services Limited

## 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):

##### 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>

##### 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

	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

DOB increases / (decreases) by	31 March 2024	31 March 2023
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.

##### 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.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

#### 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.

#### 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).

#### 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.

## Edelweiss Financial Services 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

##### (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
- 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)

**Edelweiss Financial Services 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):****(B) Enterprises over which control is exercised by the Company:****Trust name :**

1 EARC SAF - 2 TRUST	38 EARC TRUST SC 376	75 EARC TRUST SC 430
2 EARC TRUST SC 6	39 EARC TRUST SC 377	76 EARC TRUST SC 431
3 EARC TRUST SC 9	40 EARC TRUST SC 378	77 EARC TRUST SC 433
4 EARC TRUST SC 102	41 EARC TRUST SC 380	78 EARC TRUST SC 434
5 EARC TRUST SC 112	42 EARC TRUST SC 381	79 EARC TRUST SC 436
6 EARC TRUST SC 130	43 EARC TRUST SC 383	80 EARC TRUST SC 442
7 EARC TRUST SC 227	44 EARC TRUST SC 384	81 EARC TRUST SC 443
8 EARC TRUST SC 228	45 EARC TRUST SC 385	82 EARC TRUST SC 444
9 EARC TRUST SC 229	46 EARC TRUST SC 386	83 EARC TRUST SC 445
10 EARC TRUST SC 238	47 EARC TRUST SC 387	84 EARC TRUST SC 447
11 EARC TRUST SC 245	48 EARC TRUST SC 388	85 EARC TRUST SC 448
12 EARC TRUST SC 251	49 EARC TRUST SC 391	86 EARC TRUST SC 449
13 EARC TRUST SC 263	50 EARC TRUST SC 392	87 EARC TRUST SC 451
14 EARC TRUST SC 266	51 EARC TRUST SC 393	88 EARC TRUST SC 452
15 EARC TRUST SC 298	52 EARC TRUST SC 394	89 EARC TRUST SC 453
16 EARC TRUST SC 306	53 EARC TRUST SC 395	90 EARC TRUST SC 455
17 EARC TRUST SC 308	54 EARC TRUST SC 396	91 EARC TRUST SC 456
18 EARC TRUST SC 314	55 EARC TRUST SC 397	92 EARC TRUST SC 459
19 EARC TRUST SC 325	56 EARC TRUST SC 401	93 EARC TRUST SC 461
20 EARC TRUST SC 329	57 EARC TRUST SC 402	94 EARC TRUST SC 462
21 EARC TRUST SC 331	58 EARC TRUST SC 405	95 EARC TRUST SC 464
22 EARC TRUST SC 332	59 EARC TRUST SC 406	96 EARC TRUST SC 470
23 EARC TRUST SC 334	60 EARC TRUST SC 410	97 EARC TRUST SC 477
24 EARC TRUST SC 344	61 EARC TRUST SC 412	98 EARC TRUST SC 481
25 EARC TRUST SC 347	62 EARC TRUST SC 413	99 EARC TRUST SC 482
26 EARC TRUST SC 348	63 EARC TRUST SC 415	100 EARC TRUST SC 483
27 EARC TRUST SC 351	64 EARC TRUST SC 416	101 EARC TRUST SC 484
28 EARC TRUST SC 352	65 EARC TRUST SC 417	102 EARC TRUST SC 486
29 EARC TRUST SC 357	66 EARC TRUST SC 418	103 EARC TRUST SC 488
30 EARC TRUST SC 360	67 EARC TRUST SC 421	104 EARC TRUST SC 489
31 EARC TRUST SC 361	68 EARC TRUST SC 422	105 EARC TRUST SC 492
32 EARC TRUST SC 363	69 EARC TRUST SC 423	106 EARC TRUST SC 493
33 EARC TRUST SC 370	70 EARC TRUST SC 424	107 EARC TRUST SC 7 (upto 31 December 2023)
34 EARC TRUST SC 372	71 EARC TRUST SC 425	108 EARC TRUST SC 109 (upto 31 December 2023)
35 EARC TRUST SC 373	72 EARC TRUST SC 427	109 EARC TRUST SC 440 (upto 31 December 2023)
36 EARC TRUST SC 374	73 EARC TRUST SC 428	110 EARC TRUST SC 441 (upto 31 December 2023)
37 EARC TRUST SC 375	74 EARC TRUST SC 429	

**Edelweiss Financial Services 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):**

- (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
- (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 30th 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)



Edelweiss Financial Services 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):

(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
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
8	Remuneration paid to	Mr. Rashesh Shah	110.03	80.01
		Mr. Venkatchalam Ramaswamy	67.15	64.42
		Mr. Himanshu Kaji	23.85	32.50
		Mr. Rujan Panjwani	-	34.07
		Mr Tarun Khurana	13.05	11.11
		Ms Ananya Suneja	30.98	25.11
9	Dividend paid on Equity Shares	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 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
		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

Edelweiss Financial Services 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):

(I) Transactions and balances with Related Parties:				
Sr.No	Nature of Transaction	Related Party Name	31 March 2024	31 March 2023
10	Loan given to KMP	Mr Tarun Khurana	5.00	-
11	Loan repaid by KMP	Mr Tarun Khurana	5.00	-
12	Interest income received from loan given to employee	Mr Tarun Khurana	0.25	-
13	Share Application money received from KMP	Ms Ananya Suneja	0.41	-
14	Fee / commission paid to	Nuvama Wealth Management Limited	-	7.80
		Nuvama Financial Services Inc.	-	0.20
		Edelweiss Rural & Corporate Services Limited	0.55	0.42
		Edel Finance Company Limited	-	0.09
		Edelweiss Asset Reconstruction Company Limited	3.60	2.20
15	Management Fees paid to	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
16	Fee / commission earned from	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	-
17	Royalty Fees received from	Nuvama Wealth Management Limited	-	40.11
		Edelweiss Tokio Life Insurance Company Limited	42.50	37.50
		ZUNO General Insurance Limited	-	6.89
18	Fee / Guarantee commission earned from	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	-
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	-
		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

Edelweiss Financial Services 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):**

(I) Transactions and balances with Related Parties:				
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
		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
<b>9</b>	<b>Accrued interest on loans taken from</b>	Ecap Equities Limited	1.97	-
<b>10</b>	<b>Loan given to</b>	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
<b>11</b>	<b>Loans taken from</b>	Ecap Equities Limited	1,595.42	-
<b>12</b>	<b>Non Convertible Debentures held by</b>	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	-

Edelweiss Financial Services 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):**

(I) Transactions and balances with Related Parties:				
Sr.No	Nature of Transaction	Related Party Name	31 March 2024	31 March 2023
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	-
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.

## Edelweiss Financial Services Limited

### 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	As at 31 March 2023
Total Debt	29,677.23	25,886.54
Equity	54,628.43	72,552.63
Net Debt to Equity	0.54	0.36

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.

	31 March 2024		31 March 2023	
Entity	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

## Edelweiss Financial Services Limited

### 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 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

#### 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)

**Edelweiss Financial Services Limited**
**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)**
**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 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

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

#### 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.

##### **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.

##### **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.



**Edelweiss Financial Services Limited**
**Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)**

(Currency : Indian rupees in millions)

**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.

31 March 2024					
Particulars	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
31 March 2023					
Particulars	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.

As at 31 March 2024				
Particulars	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>
As at 31 March 2023				
Particulars	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>

**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>

**Edelweiss Financial Services Limited**

**Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)**

(Currency : Indian rupees in millions)

**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.

**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	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)

## Edelweiss Financial Services Limited

### 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>
<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>

## Edelweiss Financial Services Limited

### 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

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

## Edelweiss Financial Services Limited

### 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>

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

#### 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>

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>

**Edelweiss Financial Services Limited****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.

**Edelweiss Financial Services Limited**  
**Notes to the standalone 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.

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 (ERCSL)	Non convertible Debenture	04-Apr-22	2,300.00	Ecap Eq and ERCSL are subsidiary of EFSL.
2	Edelweiss Rural & Corporate Services Limited (ERCSL)	Loan Given	28-Dec-22	960.00	India Credit Investment Fund II (ICIF II)	Units of Funds	28-Dec-22	957.09	ERCSL is subsidiary of EFSL and ICIF II investments are held through ERCSL.
3	Edelweiss Rural & Corporate Services Limited (ERCSL)	Loan Given	Various Dates	2,120.00	Edel Finance Company Limited (EFCL)	Loan Given	24-Jun-22	2,120.00	ERCSL and EFCL are subsidiary of EFSL.
4	Edelweiss Rural & Corporate Services Limited (ERCSL)	Loan Given	Various Dates	1,750.00	Edelweiss Retail Finance Limited (ERFL)	Loan Given	26-Dec-22	1,750.00	ERCSL and ERFL are subsidiary of EFSL.
5	Edelweiss Rural & Corporate Services Limited (ERCSL)	Loan Given	Various Dates	2,148.00	Edelweiss Investment Advisors Limited (EIAL)	Loan Given	30-Dec-22	2,148.00	ERCSL and EIAL are subsidiary of EFSL.
6	Edelweiss Rural & Corporate Services Limited (ERCSL)	Loan Given	Various Dates	200.00	Ecap Equities Limited (Ecap Eq)	Loan Given	Various Dates	200.00	ERCSL 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.

(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
1					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.



## Edelweiss Financial Services Limited

### 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.

**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.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

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.,18th 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.

Particulars	Amount
<b>ASSETS</b>	
Financial assets	
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>
Non-financial assets	
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>	
Financial liabilities	
Trade Payables	35.64
Other financial liabilities	353.10
<b>Total financial liabilities (D)</b>	<b>388.74</b>
Non-financial liabilities	
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.
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.

## Edelweiss Financial Services Limited

### Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

- 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.
- 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:**

- 1) Debt-equity Ratio = Total debt (Debt securities + Borrowings other than debt securities) / Net worth
- 2) Interest Service Coverage Ratio = Profit before interest and Tax / interest expense
- 3) Total debt to Total assets = (Debt securities + Borrowings other than debt securities) / Total assets
- 4) Net profit margin = Net Profit for the year / Total income
- 5) 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

- 67.** 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.

**Edelweiss Financial Services Limited**

**Notes to the standalone financial statements for the year ended 31 March 2024 (Continued)**

CIN-L99999MH1995PLC094641

(Currency : Indian rupees in millions)

68. Previous year's figures have been regrouped / reclassified to conform to current year presentation.
69. 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

**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

Ananya Suneja  
Chief Financial Officer

Tarun Khurana  
Company Secretary  
Membership No: 12344

Mumbai 14 May 2024

14 May 2024

# 2023 Audited Standalone Financial Statement

**S.R. BATLIBOI & Co. LLP**  
Chartered Accountants

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

## INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Financial Services Limited

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Edelweiss Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. 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.

Key audit matters	How our audit addressed the key audit matter
Impairment of investments in subsidiary companies (as described in note 1.4.1.3 and note 6 of the standalone financial statements)	
The Company has investments in various subsidiaries aggregating Rs. 48,456.95 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.	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: <ul style="list-style-type: none"><li>Considered management's assessment of impairment from the management experts wherever considered necessary and assessed</li></ul>

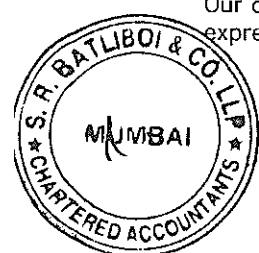
S.R. Batliboi & Co. LLP, a Limited Liability Partnership with LLP Identity No. AAB-4294  
Regd. Office: 22, Canine Street, Block B - 2nd Floor, Kolkata-700 016

Key audit matters	How our audit addressed the key audit matter
<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>whether any impairment indicators existed for investment in individual subsidiaries.</p> <ul style="list-style-type: none"> <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>
IT systems and controls	
<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>

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the standalone financial statements and our auditor's report thereon, which we obtained prior to the date of this auditors report, and the Annual report, which is expected to be made available to us after that date.

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



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

When we read the Board report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### Responsibilities of Management for the Standalone Financial Statements

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

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

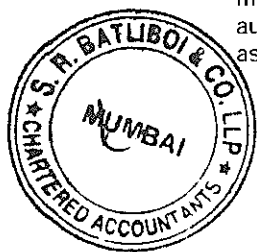
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

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



- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

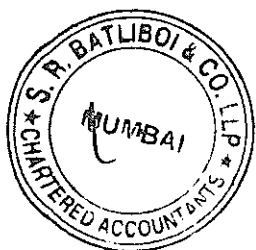
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the confirmation received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (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 32(1)(a) and (b) to the standalone financial statements);
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – (Refer Note 68 to the standalone financial statements);





- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 51 (A) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 51 (B) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

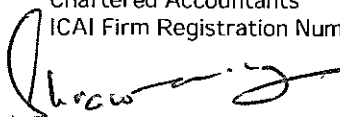
As stated in note 55 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 23102102BGXJET6688

Place of Signature: Mumbai

Date: May 26, 2023



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 intangibles assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment and are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and no discrepancies were noticed in respect of assets verified during the year.

(c) The title deeds of all the immovable properties are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

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

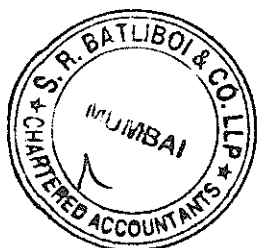
(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not 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:

	Rs in million				
	Guarantees	Put Option	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year to					
-Subsidiaries	8,922.70	12,000.00	Nil	46,507.42	Nil
- Others	Nil	Nil		Nil	Nil
*Balance outstanding as at balance sheet date in respect of above cases					
- Subsidiaries	28,943.90(**)	Rs 14,464.01	1,712.41	28,723.65	Nil
- Others	4,138.30(**)	Nil	Nil	Nil	Nil

\* the above balance includes outstanding as at March 31, 2023

\*\* Guarantees originally issued against the above was Rs. 68,520.70 million



(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) 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) 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.

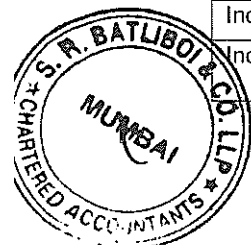
(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to it though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to custom, duty of excise, value added tax. and sales tax are not applicable to company.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, service tax, and other statutory dues have not been deposited on account of any dispute, are as follows, The provisions relating to duty of custom, duty of excise, value added tax and sales tax are not applicable to the Company.

Rs in million

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	3.23	AY 2001-02	High Court
Income Tax Act, 1961	Income Tax	17.95	AY 2008-09	High Court
Income Tax Act, 1961	Income Tax	122.73	AY 2009-10	High Court
Income Tax Act, 1961	Income Tax	219.45	AY 2010-11	High Court
Income Tax Act, 1961	Income Tax	83.53	AY 2011-12	High Court
Income Tax Act, 1961	Income Tax	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	16.22	AY 2015-16	Commissioner of Income Tax (Appeals)



Rs in million

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Service Tax	Service Tax	414.60	2008-09 to 2011-12	CESTAT, Mumbai
Service Tax	Service Tax	119.75	2009-10 up to Jun 2012	CESTAT, Mumbai

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) 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) The Company did not raise any funds on short term basis during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries as per details below:

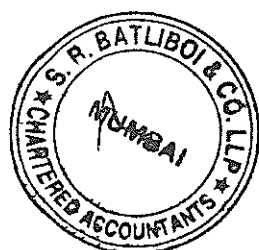
(Rs in million)

Nature Of fund taken	Name of lender	Amount involved	Name of the subsidiary	Relation	Nature of transaction for which funds utilized	Remarks
Non convertible debenture (NCD)	Beacon Trusteeship Limited	4,000	ECL finance Limited	Subsidiary	During the previous year, amount was utilized for lending to the subsidiary of the company to repay its existing banking liabilities (This is as per the agreement)	Non-convertible debenture repaid during the year.

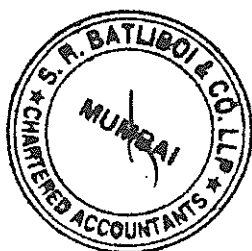
- (f) The Company has raised loans during the year on the pledge of securities held in its subsidiary company as per details below. Further, the Company has not defaulted in repayment of such loans raised.

Rs in million

Nature of loan taken	Name of lender	Amount of loan	Name of the Subsidiary	Relation	Details of security pledged
Non-Convertible debenture	Beacon Trusteeship Limited	3,973.91	Edel Finance Company Limited (EFCL)	Subsidiary	Pledge of compulsory convertible debentures of Edelweiss Rural & Corporate Services Limited held by EFCL.



- (x) (a) 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, though idle/surplus funds which were not required for immediate utilization was invested in fixed deposits.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) The Group has one Core Investment Company as part of the Group.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.



## **S.R. BATLIBOI & Co. LLP**

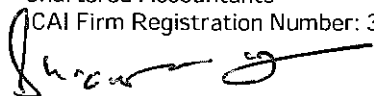
Chartered Accountants

- (xix) On the basis of the financial ratios disclosed in note 69 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 25(b) to the standalone financial statements.
- (b) There are no unspent amounts, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 25(b) to the standalone financial statements.

For S.R. Batliboi & Co. LLP

Chartered Accountants

CAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 23102102BGXJET6688

Place of Signature: Mumbai

Date: May 26, 2023



Annexure 2 to the Independent Auditor's Report of Even Date on the Standalone Financial Statements of Edelweiss Financial Services Limited

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

We have audited the internal financial controls with reference to standalone financial statements of Edelweiss Financial Services Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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



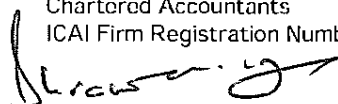
#### Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

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

#### Opinion

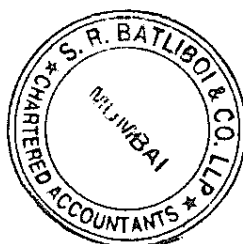
In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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



per Shrawan Jalan  
Partner  
Membership Number: 102102  
UDIN: 23102102BGXJET6688

Place of Signature: Mumbai  
Date: May 26, 2023





Edelweiss Financial Services Limited  
Balance Sheet as at 31 March 2023

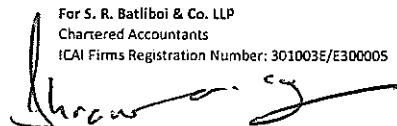
(Currency: Indian rupees in millions)	Note	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	2	1,350.09	4,619.34
(b) Bank balances other than cash and cash equivalents	3	39.17	539.08
(c) Trade Receivables	4	305.64	123.64
(d) Loans	5	29,023.40	21,703.81
(e) Investments	6	72,100.70	49,632.63
(f) Other financial assets	7	199.89	915.64
<b>Total financial assets</b>		<b>103,018.89</b>	<b>77,534.14</b>
<b>Non-financial assets</b>			
(a) Current tax assets (net)		1,143.22	951.08
(b) Deferred tax assets (net)	8	1,895.05	1,159.14
(c) Property, Plant and Equipment	9	10.34	5.71
(d) Other Intangible assets	9	-	0.83
(e) Other non-financial assets	10	1,118.36	769.70
<b>Total Non-financial assets</b>		<b>4,166.96</b>	<b>2,886.46</b>
<b>TOTAL ASSETS</b>		<b>107,185.86</b>	<b>80,420.60</b>
<b>EQUITIES &amp; LIABILITIES</b>			
<b>Financial liabilities</b>			
(a) Trade Payables	11		
(i) total outstanding dues of micro enterprises and small enterprises		1.30	0.15
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,232.69	952.00
(b) Debt securities	12	25,886.54	24,322.12
(c) Other financial liabilities	13	6,480.45	5,052.01
<b>Total financial liabilities</b>		<b>34,600.90</b>	<b>30,326.28</b>
<b>Non-financial liabilities</b>			
(a) Current tax liabilities		7.86	7.94
(b) Provisions	14	9.31	7.19
(c) Other non-financial liabilities	15	15.08	77.03
<b>Total non-financial liabilities</b>		<b>32.25</b>	<b>92.16</b>
<b>TOTAL LIABILITIES</b>		<b>34,633.23</b>	<b>30,418.44</b>
<b>EQUITY</b>			
(a) Equity Share capital	16	898.38	898.20
(b) Other equity	17	71,654.25	49,103.96
<b>TOTAL EQUITY</b>		<b>72,552.63</b>	<b>50,002.16</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>107,185.86</b>	<b>80,420.60</b>

The accompanying notes are an integral part of the Standalone Financial Statements.

1 to 73

As per our report of even date attached

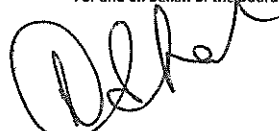
For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firms Registration Number: 301003E/E300005



per Shrawan Jalan  
Partner  
Membership No: 102102

Mumbai 26 May 2023

For and on behalf of the Board of Directors



Rashesh Shah  
Chairman & Managing Director  
DIN: 00008322

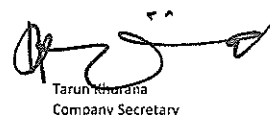


Ananya Juneja  
Chief Financial Officer

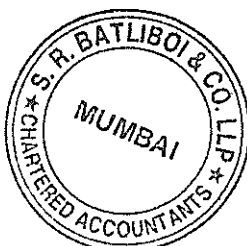
Mumbai 26 May 2023



Venkatchalam Ramaswamy  
Vice- Chairman & Executive Director  
DIN: 00008509



Tarun Khurana  
Company Secretary



**Edelweiss Financial Services Limited**  
**Statement of profit and loss for the year ended 31 March 2023**

(Currency: Indian rupees in millions)	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Revenue from operations</b>			
Interest income	18	3,499.18	2,918.12
Dividend income		-	386.01
Fee and commission income	19	821.49	889.65
Net gain on fair value changes	22	19,770.41	4,170.71
<b>Total Revenue from operations</b>		<b>24,091.08</b>	<b>8,364.49</b>
<b>Other income</b>	20	<b>6,795.84</b>	<b>5,360.25</b>
<b>Total income</b>		<b>30,886.92</b>	<b>13,724.74</b>
<b>Expenses</b>			
Finance costs	21	3,027.37	2,142.50
Impairment on financial instruments	23	1,493.56	(54.92)
Employee benefits expense	24	334.17	426.32
Depreciation, amortisation and impairment	9	3.57	3.53
Other expenses	25	2,881.69	2,859.37
<b>Total expenses</b>		<b>7,740.36</b>	<b>5,177.30</b>
<b>Profit before tax</b>		<b>23,146.56</b>	<b>8,547.44</b>
<b>Tax expense:</b>	26 & 27		
Current tax		-	(5.08)
Deferred tax		(735.91)	(761.06)
<b>Profit for the year</b>		<b>23,882.47</b>	<b>9,333.53</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		0.33	(0.10)
<b>Other comprehensive income</b>		<b>0.33</b>	<b>(0.10)</b>
<b>Total comprehensive income</b>		<b>23,882.80</b>	<b>9,333.43</b>
<b>Earnings per share (₹) (Face value ₹ 1 each)</b>	28		
- Basic		26.59	10.44
- Diluted		26.59	10.43

The accompanying notes are an integral part of the Standalone Financial Statements

1 to 73

As per our report of even date attached

For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firms Registration Number: 301003E/E300905

*Shrawan*

per Shrawan Jalan  
Partner  
Membership No: 102102

Mumbai 26 May 2023

For and on behalf of the Board of Directors

*Rashesh Shah*

Rashesh Shah  
Chairman & Managing Director  
DIN: 00008322

*Adarsh Suneja*  
Chief Financial Officer

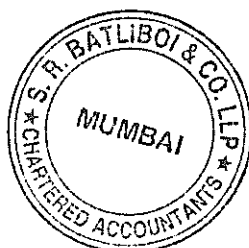
Mumbai 26 May 2023

*Ar Venkatchalam*

Venkatchalam Ramaswamy  
Vice-Chairman & Executive Director  
DIN: 00008509

*Tarun Khurana*

Tarun Khurana  
Company Secretary



Edelweiss Financial Services Limited  
Statement of Cash Flow for the year ended 31 March 2023

(Currency : Indian rupees in millions)	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A Cash flow from operating activities</b>		
Profit / (loss) before tax	23,146.56	8,547.44
Adjustments for:		
Depreciation and amortisation expenses	3.57	3.53
Fair value change in investments	(23,552.48)	(3,249.57)
Fair value change in provisions	2,052.85	(1,264.01)
Profit on sale of investments (net)	(6,799.59)	(5,315.75)
Impairment / (reversal) on financial instruments	1,493.56	(54.92)
Dividend on investments	-	(366.01)
(Profit)/loss on sale of property, plant and equipment	0.21	(0.97)
Interest income	(3,499.18)	(2,918.12)
ESOP and SAR cost	14.23	22.97
Finance costs	3,027.37	2,142.50
Operating cash flow before working capital changes	(4,112.90)	(2,472.91)
Adjustments for:		
Decrease / (Increase) in trade receivables	(160.91)	123.87
Decrease / (Increase) in other financial assets	896.35	(29.38)
Decrease / (Increase) in other non-financial assets	(348.66)	(633.35)
(Decrease)/increase in trade payables	1,080.69	(1,291.56)
(Decrease)/increase in provisions and other financial liabilities	(386.44)	(757.60)
(Decrease)/increase in other non-financial liabilities	(61.56)	(43.28)
Cash generated from / (used in) operations	(3,093.83)	(5,104.21)
Income taxes paid (net of refund)	(192.25)	(257.25)
Net cash generated from / (used in) operating activities - A	(3,286.08)	(5,361.46)
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(8.31)	(4.52)
Sale of property, plant and equipment	0.74	2.57
Purchase of investments	(6,150.00)	(5,969.26)
Sale of investments	12,332.29	8,128.50
Dividend on investments	-	386.01
Decrease / (Increase) in other bank balances	499.91	(530.68)
Loan (given) / Repayment of loans (Refer note 1 below)	(7,818.19)	(9,114.31)
Interest received	3,499.18	2,918.12
Net cash generated from / (used in) investing activities - B	2,854.22	(4,302.97)
<b>C Cash flow from financing activities</b>		
Proceeds from issuance of Share capital (including securities premium)	1.65	319.44
Repayment of Debt securities	(6,710.00)	(710.00)
Proceeds from Debt securities	7,617.42	16,751.80
Proceeds from/(repayment of) borrowing (Refer note 1 below)	-	(1,091.16)
Dividend paid	(1,376.06)	(1,315.98)
Finance costs	(2,370.40)	(1,150.63)
Net cash generated from / (used in) financing activities - C	(2,837.39)	12,901.97
<b>Net increase in cash and cash equivalents (A+B+C)</b>	(3,269.25)	3,137.53
Cash and cash equivalents as at the beginning of the year	4,619.34	1,481.81
Cash and cash equivalents as at the end of the year	1,350.09	4,619.34

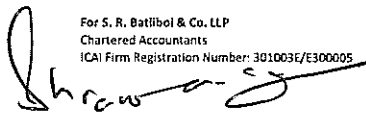
Notes:

- 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 31 for changes in liabilities arising from financing activities.

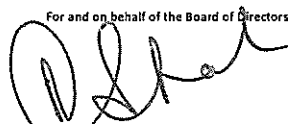
The accompanying notes are an integral part of the Standalone Financial Statements

1 to 73

As per our report of even date attached

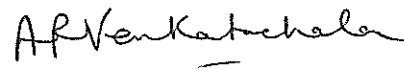
  
For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 3010036/E300005

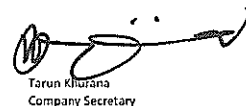
per Shrawan Jalan  
Partner  
Membership No: 102102

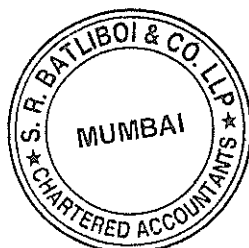
  
For and on behalf of the Board of Directors  
Rakesh Shah  
Chairman & Managing Director  
DIN: 00008332

  
Suneja  
Chief Financial Officer

Mumbai 26 May 2023

  
Venkatchalam Ramaswamy  
Vice- Chairman & Executive Director  
DIN: 00008509

  
Tarun Khurana  
Company Secretary



A Equity share capital

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Balance at the beginning of the year	898.20	810.90
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting year	898.20	810.90
Changes in equity share capital during the year	0.18	7.30
Balance at the end of the year	898.38	818.20

Notes:

1 Edelweiss Employees Welfare Trust and Edelweiss Employees Incentive and Welfare Trust are extension of Company's financial statements, these trusts are holding 1,45,96,760 number of equity shares amounting to ₹ 44.90 million (Previous year ₹ 44.90 million). These are deducted from total outstanding equity shares.

2 Refer note 16 for detailed quantitative information including investors holding more than 5% of equity share capital.

3 The above two Welfare Trusts hold an aggregate 44,596,760 equity shares of the Company for incentive and welfare benefit 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 Benefit) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.

B. Other equity (Refer Note 17)

Particulars	Reserves and Surplus						Total attributable to equity shareholders
	Share application money pending allotment	Capital Redemption Reserve	Securities Premium	Employee Stock Option Plan (ESOP) reserve/Stock appreciation rights (SAR)	General reserve	Retained earnings	
Balance at 01-Apr-21	1.70	2.03	30,246.81	1,128.20	508.64	8,481.52	40,368.98
Profit for the year	-	-	-	-	-	9,332.53	9,332.53
Changes in accounting policy or error period errors	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	(6.10)	(6.10)
Total Comprehensive Income for the year	-	-	-	-	-	9,326.43	9,326.43
Dividends to equity shareholders	-	-	-	-	-	(708.64)	(708.64)
Transfers to securities premium on exercise of ESOP	-	-	110.75	(110.75)	-	-	-
Issue of equity instruments on ESOP	(320.14)	-	310.84	-	-	-	(9.30)
Share application money received	316.44	-	-	-	-	-	316.44
ESOP charges transferred to reserves	-	-	-	-	-	55.55	55.55
Reversion on account of issue of ESOP/SAR	-	-	-	(439.64)	-	-	(439.64)
ESOP Charge	-	-	-	439.64	-	-	439.64
Stock appreciation rights (SAR) charge	-	-	-	110.64	-	-	110.64
Balance at 31-Mar-22	-	2.03	30,678.40	781.58	508.64	17,161.31	49,103.96
Profit for the year	-	-	-	-	-	23,682.47	23,682.47
Changes in accounting policy or error period errors	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	0.53	0.53
Total Comprehensive Income for the year	-	-	-	-	-	23,683.00	23,683.00
Dividends to equity shareholders	-	-	-	-	-	(11,316.39)	(11,316.39)
Transfers to securities premium on exercise of ESOP & SAR	-	-	23.39	(23.39)	-	-	-
Issue of equity instruments on ESOP	(1.65)	-	1.47	-	-	-	(0.18)
Share application money received	1.65	-	-	-	-	-	1.65
ESOP charges transferred to reserves	-	-	-	(30.65)	-	30.65	-
Reversion on account of issue of ESOP/SAR	-	-	-	(143.65)	-	-	(143.65)
ESOP Charge	-	-	-	30.65	-	-	30.65
Stock appreciation rights (SAR) charge	-	-	-	103.31	-	-	103.31
Balance at 31-Mar-23	-	2.03	30,695.15	698.72	508.64	39,749.71	71,654.25

The accompanying notes are an integral part of the Standalone Financial Statements

1 to 73

As per our report of even date attached.

For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm's Registration Number: 3010031E/EX00005

per Shrawan Jain  
Partner  
Membership No: 102102

Mumbai 26 May 2023

For and on behalf of the Board of Directors

Rajesh Shah  
Chairman & Managing Director  
DIN: 00008328

Vijay S. Singh  
Joint Financial Officer

Mumbai 26 May 2023

For Venkatesh Ramaswamy

Venkatesh Ramaswamy  
Vice-Chairman & Executive Director  
DIN: 00003509

Sharan Khanna  
Company Secretary



## Edelweiss Financial Services Limited

### Notes to the financial statements for the year ended 31 March 2023

#### 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.

#### Significant Accounting Policies

##### 1.1 Basis of preparation of financial statements

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

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

##### 1.2 Presentation of 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) is presented in Note no. 40.

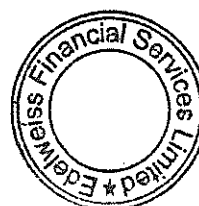
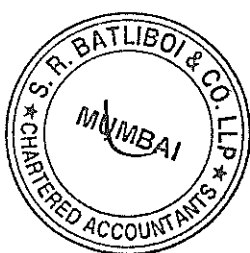
Financial assets and financial liabilities are generally reported on gross basis in the balance sheet. They are only offset and reported net only where it is permissible by Ind AS, or in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent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

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

##### 1.3 Financial Instruments

###### 1.3.1 Date of recognition

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



### 1.3.2 Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. 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.

### 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 other comprehensive income (FVTOCI)**

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

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

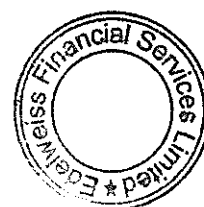
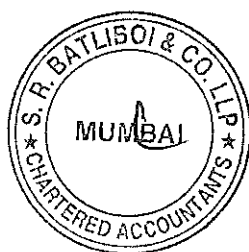
A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets are recognised in Profit and loss account.

#### 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.

**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.

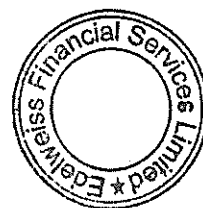
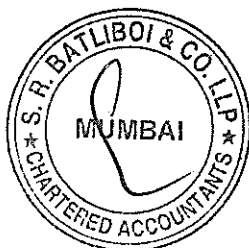
**1.4.2.1 Debt securities and other borrowed funds**

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.



Notes to the financial statements for the year ended 31 March 2023 (Continued)

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using effective interest rate.

**1.4.2.3 Financial guarantee:**

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

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

**1.4.3 Financial liabilities and equity instruments**

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company entity are recognised at the proceeds received, net of direct issue costs.

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

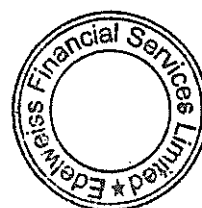
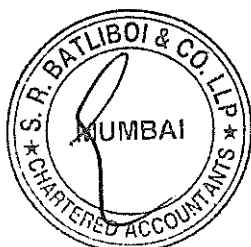
**1.4.4 Derivative contracts (Derivative assets / Derivative liability)**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss is recognised in profit or loss immediately.

**1.5 Reclassification of financial assets and financial liabilities**

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.





**1.6 Employee welfare trust**

The Company is a sponsor to two trusts namely: (i) Edelweiss Employees' Welfare Trust; and (ii) Edelweiss Employees' Incentives and Welfare Trust. These trusts have been formed exclusively to provide benefits to employees of the Company and its subsidiaries and associates. These trusts have been treated as an extension of the Company for the purpose of these financial statements. Accordingly, the equity shares of the Company held by these trusts have been treated as treasury shares. The excess of the cost of such shares over the face value of shares has been reduced from the securities premium account of the Company.

**1.7 Derecognition of financial assets and financial liabilities**

**1.7.1 Derecognition of financial assets due to substantial modification of terms and conditions**

The Company derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

**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.

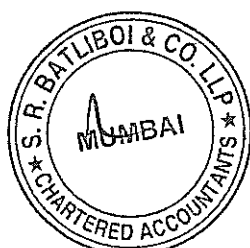
The Company has transferred the financial asset if, and only if, either:

- 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.



Notes to the financial statements for the year ended 31 March 2023 (Continued)

**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.

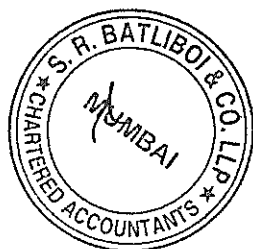
The Company follows 'simplified approach' for recognition of Impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs 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.

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

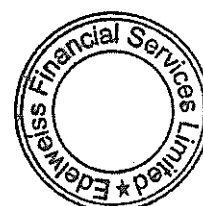
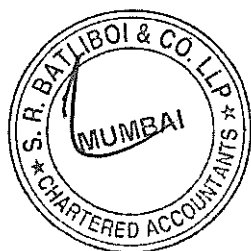
The principal or the most advantageous market must be accessible by the Company.

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.
- 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:



Notes to the financial statements for the year ended 31 March 2023 (Continued)

- i. Identification of contract(s) with customers;
- ii. Identification of the separate performance obligations in the contract;
- iii. Determination of transaction price;
- iv. Allocation of transaction price to the separate performance obligations; and
- v. Recognition of revenue when (or as) each performance obligation is satisfied

Revenue Recognition for different heads of Income are as under:

**(i) Investment banking advisory fees, Syndication fees (net of tax)**

Advisory/Syndication fees are recognised on an accrual basis in accordance with agreement entered into with respective investment managers / advisors.

**(ii) Interest income**

Interest income is recognized using the effective interest rate.

**(iii) Dividend income**

Dividend income is recognized in the 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.

**1.12 Earnings per share**

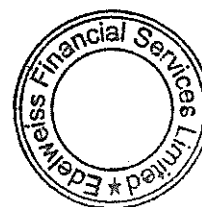
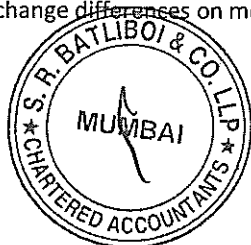
Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

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 Foreign currency transactions**

These financial statements are presented in Indian Rupees which is also the functional currency of the Company. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.



**1.14 Retirement and other employee benefit**

**Provident fund and national pension scheme**

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss 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

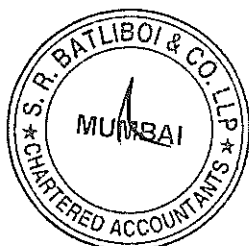
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

**Compensated Absences**

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

The liability is provided based on the number of days of unutilised leave at each balance sheet date based on a valuation by an independent actuary.



**1.15 Share-based payment arrangements**

Equity-settled share-based payments to employees of the Group and others providing similar services that are granted by the Company are measured by reference to the fair value of the equity instruments at the grant date. These includes Stock Appreciation Rights (SARs) which are equity settled share-based payments. 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.

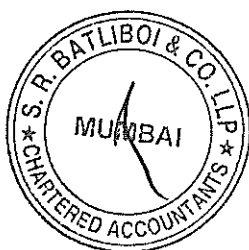
b. with respect to employees of the Group:

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.

**1.16 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.



## Notes to the financial statements for the year ended 31 March 2023 (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.

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.

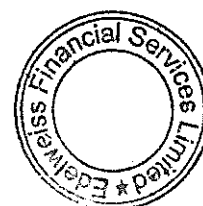
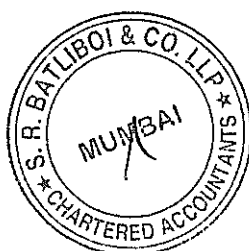
Amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying 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.

#### 1.17 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.



**1.18 Impairment of non-financial assets**

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

**1.19 Cash and cash equivalents**

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

**1.20 Provisions and other contingent liabilities**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

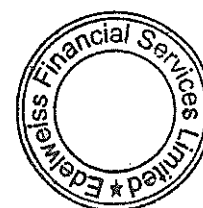
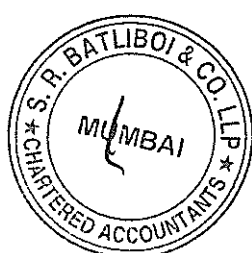
**1.21 Income tax**

Income tax expense represents the sum of the current tax and deferred tax.

**1.21.1 Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the 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.





Notes to the financial statements for the year ended 31 March 2023 (Continued)

**1.21.2** 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.

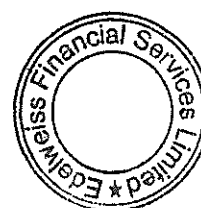
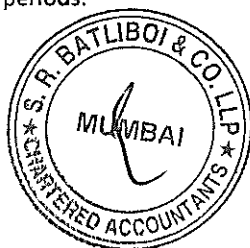
**1.21.3** Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**1.22 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described above, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



### 1.23 Critical judgements in applying accounting policies

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

#### 1.23.1 Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments for principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Group of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. 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.

### 1.24 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.

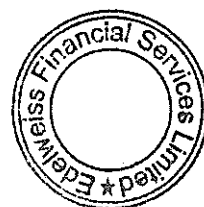
#### 1.24.1 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation, and volatility.

#### 1.24.2 Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.



Notes to the financial statements for the year ended 31 March 2023 (Continued)

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

**1.25 Standards issued but not yet effective**

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

**(i) Amendment to Ind AS 8 - Definition of Accounting Estimates**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

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

**(ii) Amendment to Ind AS 1- Disclosure of Accounting Policies**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Consequential amendments have been made in Ind AS 107.

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

**(iii) Amendment to Ind AS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

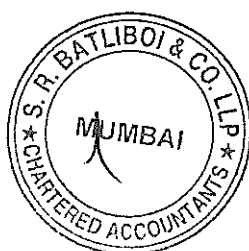
The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

Consequential amendments have been made in Ind AS 101.

The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The company is currently assessing the impact of the amendments.



**Edelweiss Financial Services Limited**

**Notes to the financial statements for the year ended 31 March 2023 (Continued)**

(Currency : Indian rupees in millions)

**2. Cash and cash equivalents**

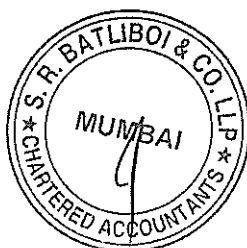
	As at 31 March 2023	As at 31 March 2022
Cash in hand	0.01	0.01
Balances with banks:		
-in Current accounts	1,350.08	4,619.33
<b>Total</b>	<b>1,350.09</b>	<b>4,619.34</b>

**3. Bank Balance other than cash and cash equivalents**

	As at 31 March 2023	As at 31 March 2022
Fixed deposits with banks to the extent held as security against borrowings (Refer Note 1)	31.61	30.48
Fixed deposits with banks (Original maturity more than 3 months)	-	500.00
- Earmarked balance with bank (unpaid dividends)	7.56	8.60
<b>Total</b>	<b>39.17</b>	<b>539.08</b>

**Note 1:**

Fixed deposit aggregating to ₹ 30.87 million (previous year ₹ 30.00 million) have been pledged with Trustee against coupon payment of Debt Securities. Interest accrued on fixed deposit is included in the carrying value of fixed deposits.



Edelweiss Financial Services Limited  
Notes to the financial statements for the year ended 31 March 2023 (Continued)  
(Currency : Indian rupees in millions)

4 Trade Receivables

	As at 31 March 2023	As at 31 March 2022
Receivables considered good - unsecured		
Receivables from related parties	135.89	101.38
Receivables from other than related parties	169.75	21.26
Receivables - credit impaired	27.31	55.86
<b>Gross Receivables</b>	<b>332.95</b>	<b>179.50</b>
Less: Provision for impairment - unsecured	(0.71)	(1.71)
Less: Allowance for expected credit losses	(26.60)	(54.15)
<b>Total</b>	<b>305.64</b>	<b>123.64</b>

4.1 Trade Receivable Ageing Schedule

As at 31 March 2023	Outstanding for following periods from due date of payment					Total
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	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>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>(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>305.64</b>

As at 31 March 2022	Outstanding for following periods from due date of payment					Total
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	123.64					123.64
(ii) Undisputed Trade Receivables - which have significant increase in credit risk						
(iii) Undisputed Trade Receivables - credit impaired	27.73	5.90	4.16	5.01	13.06	55.86
(iv) Disputed Trade Receivables-considered good						
(v) Disputed Trade Receivables - which have significant increase in credit risk						
(vi) Disputed Trade Receivables - credit impaired						
<b>Gross receivables (A)</b>	<b>151.37</b>	<b>5.90</b>	<b>4.16</b>	<b>5.01</b>	<b>13.06</b>	<b>179.50</b>
(i) Undisputed Trade receivables - considered good	(1.71)					(1.71)
(ii) Undisputed Trade Receivables - which have significant increase in credit risk						
(iii) Undisputed Trade Receivables - credit impaired	(26.02)	(5.90)	(4.16)	(5.01)	(13.06)	(54.15)
(iv) Disputed Trade Receivables-considered good						
(v) Disputed Trade Receivables - which have significant increase in credit risk						
(vi) Disputed Trade Receivables - credit impaired						
<b>Total ECL Provision on receivables (B)</b>	<b>(27.73)</b>	<b>(5.90)</b>	<b>(4.16)</b>	<b>(5.01)</b>	<b>(13.06)</b>	<b>(55.86)</b>
<b>Total receivables net of provision = (A)-(B)</b>	<b>123.64</b>					<b>123.64</b>

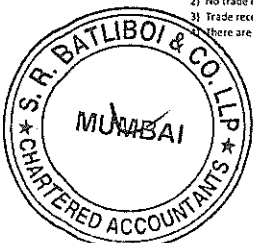
4.2 Reconciliation of impairment allowance on trade receivables:

Particulars	Amount
Impairment allowance measured as per simplifying approach	
Impairment allowance as on 01 April 2021	(114.98)
(Add)/ less: asset originated or acquired / reversals (net)	54.12
Impairment allowance as on 31 March 2022	(55.86)
(Add)/ less: asset originated or acquired / reversals (net)	28.55
Impairment allowance as on 31 March 2023	(27.31)

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.
- Trade receivables are non-interest earning and are generally on terms of 1 to 30 days.

There are no unbilled or not due trade receivables as at 31 March 2023 and 31 March 2022.



# Edelweiss Financial Services Limited

## Notes to the financial statements for the year ended 31 March 2023 (Continued)

(Currency : Indian rupees in millions)

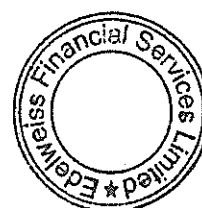
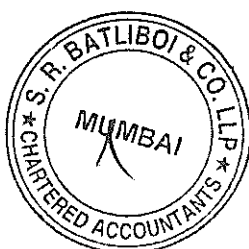
### 5. Loans

	As at 31 March 2023	As at 31 March 2022
<b>Term Loans (at amortised cost)</b>		
Loans to related parties ( Refer note 34)	29,027.73	21,707.64
<b>Total Gross (A)</b>	<b>29,027.73</b>	<b>21,707.64</b>
Less: Impairment loss allowance	(4.33)	(3.83)
<b>Total (Net) (A)</b>	<b>29,023.40</b>	<b>21,703.81</b>
<b>Unsecured</b>	<b>29,027.73</b>	<b>21,707.64</b>
<b>Total Gross (B)</b>	<b>29,027.73</b>	<b>21,707.64</b>
Less: Impairment loss allowance	(4.33)	(3.83)
<b>Total (Net) (B)</b>	<b>29,023.40</b>	<b>21,703.81</b>
<b>Loans in India</b>		
Public sector	-	-
Others	29,027.73	21,707.64
<b>Total Gross (C)</b>	<b>29,027.73</b>	<b>21,707.64</b>
Less: Impairment loss allowance	(4.33)	(3.83)
<b>Total (Net) (C) (I)</b>	<b>29,023.40</b>	<b>21,703.81</b>
<b>Loans outside India</b>		
Less: Impairment loss allowance	-	-
<b>Total (Net) (C) (II)</b>	<b>-</b>	<b>-</b>
<b>Total (C) (I) and (C) (II)</b>	<b>29,023.40</b>	<b>21,703.81</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 ₹ 15,739.10 million (Previous year ₹ 15,729.71 million).



**Edelweiss Financial Services Limited**

**Notes to the financial statements for the year ended 31 March 2023 (Continued)**

(Currency : Indian rupees in millions)

**5.1 Credit Quality**

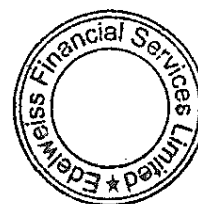
The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal grading and year-end stage classification. The amounts presented are gross of impairment allowances.

Loans at amortised cost

	31-Mar-2023				31-Mar-2022			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing								
High grade	29,027.73	-	-	29,027.73	21,707.64	-	-	21,707.64
Standard grade	-	-	-	-	-	-	-	-
Non-performing								
Impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>29,027.73</b>	<b>-</b>	<b>-</b>	<b>29,027.73</b>	<b>21,707.64</b>	<b>-</b>	<b>-</b>	<b>21,707.64</b>

**5.2 Gross carrying amount and corresponding ECL reconciliation – Loans**

	Non-credit impaired		Credit impaired				Total	
	Stage I		Stage II		Stage III		Gross carrying amount	Allowance for ECL
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL		
Balance at 31 March 2021	12,474.66	2.23	-	-	-	-	12,474.66	2.23
Net new and further lending/(repayments)	9,232.98	1.60	-	-	-	-	9,232.98	1.60
<b>Balance at 31 March 2022</b>	<b>21,707.64</b>	<b>3.83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,707.64</b>	<b>3.83</b>
Net new and further lending/(repayments)	7,320.09	0.50	-	-	-	-	7,320.09	0.50
<b>Balance at 31 March 2023</b>	<b>29,027.73</b>	<b>4.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,027.73</b>	<b>4.33</b>



# Edelweiss Financial Services Limited

## Notes to the financial statements for the year ended 31 March 2023 (Continued)

(Currency : Indian rupees in millions)

### 6. Investments

As at 31 March 2023	At Fair Value through profit and Loss	Others at cost ( subsidiaries)	Total
Equity Instruments	23,643.75	48,413.05	72,056.80
Preference Shares	-	1,650.00	1,650.00
<b>Total</b>	<b>23,643.75</b>	<b>50,063.05</b>	<b>73,706.80</b>
Investments in India	23,643.75	50,056.90	73,700.65
Investments outside India	-	6.15	6.15
<b>Total</b>	<b>23,643.75</b>	<b>50,063.05</b>	<b>73,706.80</b>
Less - Impairment Loss allowance	-	1,606.10	1,606.10
<b>Total</b>	<b>23,643.75</b>	<b>48,456.95</b>	<b>72,100.70</b>
Aggregate amount of quoted investments			3.07
Aggregate market value of quoted investments			3.07
Aggregate amount of unquoted investments			72,097.63

As at 31 March 2022	At Fair Value through profit and Loss	At cost ( subsidiaries, associates and others)	Total
Equity Shares	92.14	47,896.64	47,988.78
Preference Shares	-	1,650.00	1,650.00
<b>Total</b>	<b>92.14</b>	<b>49,546.64</b>	<b>49,638.78</b>
Investments in India	92.14	49,540.49	49,632.63
Investments outside India	-	6.15	6.15
<b>Total</b>	<b>92.14</b>	<b>49,546.64</b>	<b>49,638.78</b>
Less - Impairment Loss allowance	-	6.15	6.15
<b>Total</b>	<b>92.14</b>	<b>49,540.49</b>	<b>49,632.63</b>
Aggregate amount of quoted investments			2.89
Aggregate market value of quoted investments			2.89
Aggregate amount of unquoted investments			49,629.74

#### Notes:

1) Investments in equity shares of subsidiaries and associates are pledged against Debt securities issued by the company is amounting to ₹ Nil million (previous year ₹ 573.16 million).

2) 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).

3) Impairment on investment has been assessed based on business projection approved by Board of directors of respective subsidiaries / associates. Impairment is recognised, based on management assessment, if the recoverable value is less than carrying amount.

4) The Company has Employee Stock Option Plans (ESOP) in force. Based on such ESOP schemes, the Company has granted options to acquire equity shares of the Company that would vest in a graded manner to certain employees of subsidiaries / associates. To the extent that the Company has not charged and recovered the fair value of such stock options from its subsidiaries / associates, it has been included in the above carrying value of investment in those subsidiaries / associates.

5) Edelweiss Financial Services Limited (the "Company" or "EFSL") holds 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 March 30, 2023, EFSL does not have 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 has been re-measured at fair value as per requirements Ind AS 28 and has recorded a fair value gain of ₹ 23,434.87 million during the year ended 31 March 2023.

6) During the 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) During the previous year ended 31 March 2022, the Company has recorded a fair value gain of ₹ 3,150 million for its investment in Edelweiss Securities and Investments Private Limited based on fair valuation report obtained from registered valuer and on account of Composite scheme of Arrangement between the Company's subsidiary and associate Companies i.e. Edelweiss Securities Limited ("ESL"), Edelweiss Securities and Investments Private Limited ("ESIPL"), Edelweiss Global Wealth Management Limited ("EGWML") and their respective shareholders and creditors, under section 230 to 232 and other applicable provisions of the Companies Act, 2013 for Demerger of Asset Management Business from ESL into ESIPL. The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned Scheme on 31 March 2022 under the applicable provisions of the Companies Act, 2013. Certified copy of the said order of the Tribunal was received by the Company on 05 April 2022 and filed with the Registrar of Companies on 22 April 2022.

### 6.1 Investments measured at amortised cost

The table below shows the gross carrying amount of the Group's investments measured at amortised cost by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances.

	31-Mar-23	31-Mar-22
	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 1)
High grade	-	-
Standard grade	-	-
Individually impaired	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Reconciliation of gross carrying amount for investments measured at amortised cost

	31-Mar-23	31-Mar-22
	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 1)
Gross carrying amount - opening balance	-	250.12
New assets originated or sold	-	(250.12)
Gross carrying amount - closing balance	-	-





## Edelweiss Financial Services Limited

### Notes to the financial statements for the year ended 31 March 2023 (Continued)

(Currency : Indian rupees in millions)

#### 7. Other financial assets

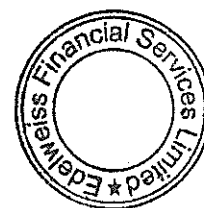
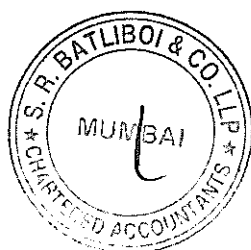
	As at 31 March 2023	As at 31 March 2022
Margin placed with broker	0.46	0.46
Deposits- others	19.94	19.94
Corporate guarantee fees receivable	121.24	248.54
Receivable on account of sale of investments (Refer Note 1 below)	-	590.66
Advances recoverable in cash for value to be received	58.25	56.04
<b>Total</b>	<b>199.89</b>	<b>915.64</b>

#### Notes:

- 1 During the F.Y. 2021-22 Company had sold its controlling stake in the insurance broking business (Edelweiss Gallagher Insurance Broking Limited) to its joint venture partner Arthur J Gallagher & Co. The Company has received appropriate approval including Insurance Regulatory and Development Authority (IRDA) for selling its investment in Edelweiss Insurance Broking business. Based on sale agreement, contingent consideration will be received over a period of time based on revenue achievement. Accordingly, an amount of ₹ 590.66 million recorded as receivables on account of such sale as per terms of the agreement, the said amount has been received in F.Y. 2022-23.

#### 8. Deferred tax assets (net)

	As at 31 March 2023	As at 31 March 2022
<b>Deferred tax assets</b>		
<b>Trade Receivables</b>		
Provision for expected credit losses	7.96	15.02
<b>Property, Plant and Equipment and Intangible assets</b>		
Difference between book and tax depreciation	7.80	9.09
<b>Unused tax losses</b>		
Unused tax losses / credits	783.04	336.54
<b>Employee benefit obligations</b>		
Disallowances under section 43B of the Income Tax Act, 1961	2.15	1.81
<b>Investments and other financial instruments</b>		
Fair valuation of investments - loss in valuation	-	0.68
<b>Others</b>		
Provision on risk and reward undertaking and EIR on Borrowing	1,121.94	796.00
<b>Total Deferred Tax Asset(A)</b>	<b>1,922.89</b>	<b>1,159.14</b>
<b>Deferred tax liabilities</b>		
Fair value gain on investment	(27.84)	-
<b>Total Deferred Tax Liability (B)</b>	<b>(27.84)</b>	<b>-</b>
<b>Deferred tax assets (net) (A-B)</b>	<b>1,895.05</b>	<b>1,159.14</b>

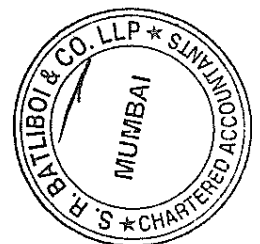


**Edelweiss Financial Services Limited**  
**Notes to the financial statements for the year ended 31 March 2023 (Continued)**  
(Currency : Indian rupees in millions)

**9. Property, plant and equipment and intangibles**

Particulars	Gross Block			Depreciation and amortisation			Net Block	
	As at 01 April 2022	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2023	As at 01 April 2022	Charge for the year	Deductions/ adjustments during the year	As at 31 March 2023
<b>a) Property, Plant and Equipments</b>								
Freehold Building	1.75	-	-	1.75	0.40	0.07	-	0.47
Furniture and Fixtures	0.23	-	-	0.23	0.08	0.03	-	0.11
Vehicles	0.95	6.00	0.75	6.20	0.30	0.98	0.43	0.85
Office equipment	1.92	0.50	0.53	1.89	0.50	0.20	0.48	1.10
Computers	12.75	1.81	4.34	10.22	9.73	1.94	4.24	7.42
<b>Total (A)</b>	<b>17.60</b>	<b>8.31</b>	<b>5.62</b>	<b>20.29</b>	<b>11.88</b>	<b>3.22</b>	<b>5.15</b>	<b>9.95</b>
<b>b) Intangibles</b>								
Software	78.57	-	1.23	77.34	77.74	0.35	0.76	77.34
<b>Total (B)</b>	<b>78.57</b>	<b>-</b>	<b>1.23</b>	<b>77.34</b>	<b>77.74</b>	<b>0.35</b>	<b>0.76</b>	<b>77.34</b>
<b>Total (A+B)</b>	<b>96.17</b>	<b>8.31</b>	<b>6.85</b>	<b>97.63</b>	<b>89.62</b>	<b>3.57</b>	<b>5.90</b>	<b>87.29</b>
								<b>10.34</b>

Particulars	Gross Block			Depreciation and amortisation			Net Block	
	As at 01 April 2021	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2022	As at 01 April 2021	Charge for the year	Deductions/ adjustments during the year	As at 31 March 2022
<b>a) Property, Plant and Equipments</b>								
Freehold Building	1.75	-	-	1.75	0.33	0.07	-	0.40
Furniture and Fixtures	0.15	0.09	0.01	0.23	0.06	0.03	0.01	0.08
Vehicles	3.74	0.95	3.74	0.95	2.90	0.42	3.02	0.30
Office equipment	1.96	0.25	0.29	1.92	1.15	0.37	0.14	1.38
Computers	15.55	2.74	5.54	12.75	12.71	1.79	4.77	9.73
<b>Total (A)</b>	<b>23.15</b>	<b>4.03</b>	<b>9.58</b>	<b>17.60</b>	<b>17.15</b>	<b>2.68</b>	<b>7.94</b>	<b>11.88</b>
<b>b) Intangibles</b>								
Software	78.08	0.49	-	78.57	76.89	0.85	-	77.74
<b>Total (B)</b>	<b>78.08</b>	<b>0.49</b>	<b>-</b>	<b>78.57</b>	<b>76.89</b>	<b>0.85</b>	<b>-</b>	<b>77.74</b>
<b>Total (A+B)</b>	<b>101.23</b>	<b>4.52</b>	<b>9.58</b>	<b>96.17</b>	<b>94.04</b>	<b>3.53</b>	<b>7.94</b>	<b>89.62</b>
								<b>6.54</b>



**Edelweiss Financial Services Limited**

**Notes to the financial statements for the year ended 31 March 2023 (Continued)**

(Currency : Indian rupees in millions)

**10. Other non-financial assets**

	As at 31 March 2023	As at 31 March 2022
Input tax credit	1,020.84	612.55
Prepaid expenses	62.24	138.42
Vendor Advances	17.95	5.47
Contribution to gratuity fund (net) (Refer note 30)	17.33	13.26
<b>Total</b>	<b>1,118.36</b>	<b>769.70</b>

**11. Trade payables**

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (MSME)	1.30	0.15
Trade payables to related parties	2,056.66	904.39
Trade payables to non-related parties	176.03	47.61
<b>Total</b>	<b>2,233.99</b>	<b>952.15</b>

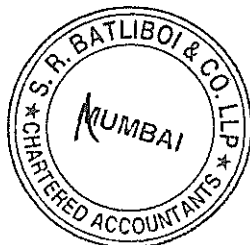
**11.1 Trade payables ageing schedule**

As at 31 March 2023	Outstanding for following periods from due date of payment				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(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>

As at 31 March 2022	Outstanding for following periods from due date of payment				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.15	-	-	-	0.15
(ii) Others	952.00	-	-	-	952.00
(iii) Disputed dues- of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
<b>Total</b>	<b>952.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>952.15</b>

Particular	As at 31 March 2023	As at 31 March 2022
i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.30	0.15
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	0.15	-
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 ₹ 1.30 million (Previous Year ₹ 0.15 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 ₹ 0.15 million (Previous year: ₹ Nil 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.



# Edelweiss Financial Services Limited

## Notes to the financial statements for the year ended 31 March 2023 (Continued)

(Currency : Indian rupees in millions)

### 12. Debt securities

	As at 31 March 2023	As at 31 March 2022
<b>Secured Debt (At amortised cost)</b>		
Non-Convertible Debentures (refer Note 1 below)	25,886.54	24,322.12
(i) Debt securities in India	25,886.54	24,322.12
(ii) Debt securities outside India	-	-
<b>Total</b>	<b>25,886.54</b>	<b>24,322.12</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.

### 12.1 Debt Securities - as at 31 March 2023

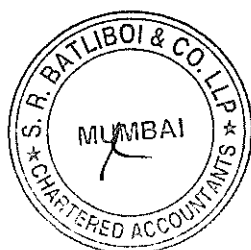
Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
9.00 - 9.99%	1,595.32	8,215.23	10,234.61	20,045.16
14.00-14.99%	-	-	-	-
19.00 - 19.99%	210.00	2,370.00	-	2,580.00
Various (benchmark linked)	1,472.20	560.00	-	2,032.20
Accrued Interest and EIR	-	-	-	1,229.18
<b>Total</b>	<b>3,277.52</b>	<b>11,145.23</b>	<b>10,234.61</b>	<b>25,886.54</b>

### Debt Securities - as at 31 March 2022

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
9.00 - 9.99%	-	5,712.73	6,715.01	12,427.74
14.00-14.99%	-	6,500.00	-	6,500.00
19.00 - 19.99%	210.00	402.50	2,177.50	2,790.00
Various (benchmark linked)	-	1,472.20	560.00	2,032.20
Accrued Interest and EIR	-	-	-	572.18
<b>Total</b>	<b>210.00</b>	<b>14,087.43</b>	<b>9,452.51</b>	<b>24,322.12</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.



# Edelweiss Financial Services Limited

## Notes to the financial statements for the year ended 31 March 2023 (Continued)

(Currency : Indian rupees in millions)

### 13. Other financial liabilities (at amortised cost unless otherwise specified)

	As at 31 March 2023	As at 31 March 2022
Accrued salaries and benefits	416.93	851.49
Unpaid dividends	7.56	8.60
Dividend payable	235.82	235.77
Risk and Reward undertaking (Refer note 57 )	5,215.24	3,162.45
Financial guarantee obligation	121.24	248.54
Other advances	467.51	467.51
Other payables	16.15	77.65
<b>Total</b>	<b>6,480.45</b>	<b>5,052.01</b>

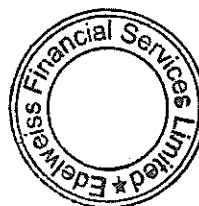
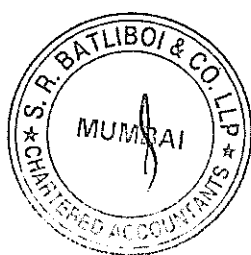
### 14. Provisions

	As at 31 March 2023	As at 31 March 2022
<b>Provision for employee benefits and related costs</b>		
Compensated absences	8.53	7.19
Provision for Capex	0.78	-
<b>Total</b>	<b>9.31</b>	<b>7.19</b>

### 15. Other non-financial liabilities

	As at 31 March 2023	As at 31 March 2022
Statutory dues*	9.06	70.92
Others	6.02	6.11
<b>Total</b>	<b>15.08</b>	<b>77.03</b>

\* Includes withholding taxes, provident fund, profession tax and other statutory dues payables.



# Edelweiss Financial Services Limited

Notes to the financial statements for the year ended 31 March 2023 (Continued)  
(Currency : Indian rupees in millions)

## 16. Equity share capital

	As at 31 March 2023		As at 31 March 2022	
	No of shares	Amount	No of shares	Amount
Authorised :				
Equity Shares of ₹ 1 each	1,230,000,000	1,230.00	1,230,000,000	1,230.00
Preference shares of ₹ 5 each	4,000,000	20.00	4,000,000	20.00
	<b>1,234,000,000</b>	<b>1,250.00</b>	<b>1,234,000,000</b>	<b>1,250.00</b>
Issued, Subscribed and Paid up:				
Equity Shares of ₹ 1 each	943,275,276	943.28	943,097,965	943.10
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>898,378,496</b>	<b>898.38</b>	<b>898,201,185</b>	<b>898.20</b>

### A. Reconciliation of number of shares (Before deducting treasury shares)

	As at 31 March 2023		As at 31 March 2022	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	943,097,965	943.10	935,798,077	935.80
Shares issued during the year:				
-Under Employee Stock Options Plans (ESOPs)	177,311	0.18	7,299,888	7.30
Outstanding at the end of the year	<b>943,275,276</b>	<b>943.28</b>	<b>943,097,965</b>	<b>943.10</b>

#### Note :

1. Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Company's financial statements. These trusts are holding 44,896,780 number of equity shares amounting to ₹ 44.90 million (Previous year ₹ 44.90 million). These are deducted from total outstanding equity shares.
2. 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.

### C. Details of shares held by promoters in the Company

#### As at 31 March 2023

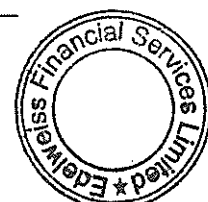
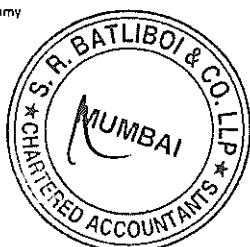
Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Rashesh Chandrakant Shah	145,601,730	-	145,601,730	15.44%	0.00%
Venkatchalam A Ramaswamy	58,126,560	-	58,126,560	6.16%	0.00%
Vidya Rashesh Shah	31,031,200	-	31,031,200	3.29%	0.00%
Aparna T Chandrashekar	12,210,000	-	12,210,000	1.29%	0.00%
Kaavya Venkat Arakoni	11,790,000	-	11,790,000	1.25%	0.00%
Neel Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Sneha Sripad Desai	1,025,000	-	1,025,000	0.11%	0.00%
Shilpa Urvi 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 Up	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>

#### As at 31 March 2022

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Rashesh Chandrakant Shah	145,601,730	-	145,601,730	15.44%	0.00%
Venkatchalam A Ramaswamy	58,126,560	-	58,126,560	6.16%	0.00%
Vidya Rashesh Shah	31,031,200	-	31,031,200	3.29%	0.00%
Aparna T Chandrashekar	12,210,000	-	12,210,000	1.29%	0.00%
Kaavya Venkat Arakoni	11,790,000	-	11,790,000	1.25%	0.00%
Neel Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Sneha Sripad Desai	1,025,000	-	1,025,000	0.11%	0.00%
Shilpa Urvi 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 Up	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>

### D. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 March 2023		As at 31 March 2022	
	No of shares	% holding	No of shares	% holding
Rashesh Shah	145,601,730	15.44%	145,601,730	15.44%
Venkatchalam Ramaswamy	58,126,560	6.16%	58,126,560	6.16%
Bih Sa	45,634,784	4.84%	48,257,748	5.12%
	<b>249,363,074</b>	<b>26.44%</b>	<b>251,986,038</b>	<b>26.72%</b>



# Edelweiss Financial Services Limited

## Notes to the financial statements for the year ended 31 March 2023 (Continued)

(Currency : Indian rupees in millions)

### 17. Other equity

	As at 31 March 2023	As at 31 March 2022
Capital redemption reserve	2.03	2.03
Securities premium	30,695.15	30,670.40
ESOP and SAR outstanding	698.72	761.58
General reserve	508.64	508.64
Retained earnings	39,749.71	17,161.31
<b>Total</b>	<b>71,654.25</b>	<b>49,103.96</b>

For movement of the above components refer statement of changes in equity.

#### Nature & purpose of reserves

#### 17.1 Capital redemption reserve

The Company has recognised capital redemption reserve on buy back of equity share capital.

#### 17.2 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.

#### 17.3 General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

#### 17.4 Stock Option and Shares appreciation rights outstanding

ESOP and SAR option outstanding represents the amount transferred to reserves pursuant to the "ESOP 2011" and "SAR 2019" schemes.

#### 17.5 Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.



Edelweiss Financial Services Limited

Notes to the financial statements for the year ended 31 March 2023 (Continued)

(Currency : Indian rupees in millions)

18. Interest income

	For the year ended 31 March 2023	For the year ended 31 March 2022
On financial assets measured at Amortised cost		
Interest on loans	3,454.60	2,898.03
Interest on deposits with Banks	44.58	5.04
Other interest income	-	15.05
Total	3,499.18	2,918.12

19. Fee and commission income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Advisory and other fees	821.49	889.65
Total	821.49	889.65

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Service transferred at a point in time	821.49	889.65
Service transferred over time	-	-
Total revenue from contract with customers	821.49	889.65
Geographical Markets	2022-23	2021-22
India	788.33	832.90
Outside India	33.16	56.75
Total revenue from contract with customers	821.49	889.65

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.

20. Other income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Net gain/ loss on foreign currency	0.13	17.02
Miscellaneous income	0.07	27.48
Profit on sale of stake in subsidiaries (Refer note 67)	6,795.64	5,315.75
Total	6,795.84	5,360.25

21. Finance cost

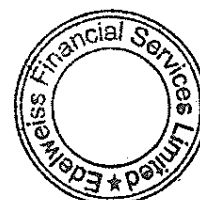
	For the year ended 31 March 2023	For the year ended 31 March 2022
(at amortised cost unless otherwise stated)		
Interest on deposits	-	8.74
Interest on borrowings (other than debt securities)	-	24.28
Interest on debt securities	3,017.55	2,099.68
Other finance charges	9.82	9.80
Total	3,027.37	2,142.50

22. Net gain/(loss) on fair value changes

	For the year ended 31 March 2023	For the year ended 31 March 2022
Net gain/(loss) on financial instruments at fair value through profit or loss		
On Investments		
Fair Value gain/(loss) (unrealised) (Refer note below)	23,552.48	3,249.57
Profit/(loss) on trading of securities (net)	3.94	-
Investments at fair value through profit or loss		
Fair value gain/(loss) on risk and reward (Refer note below)	(3,786.01)	921.14
Total Net gain/(loss) on fair value changes	19,770.41	4,170.71

Note:

Refer footnote 5 of note no 6.





**Edelweiss Financial Services Limited**
**Notes to the financial statements for the year ended 31 March 2023 (Continued)**

(Currency : Indian rupees in millions)

**23. Impairment on financial instruments**

	For the year ended 31 March 2023	For the year ended 31 March 2022
On loans	0.50	1.00
On investments*	1,599.95	-
On trade receivables	(106.89)	(56.52)
<b>Total</b>	<b>1,493.56</b>	<b>(54.92)</b>

\* Refer footnote 6 of note no 6

**24. Employee benefits expense**

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages (Refer Note 66)	283.05	378.11
Contribution to provident and other funds	20.87	20.14
Expense on employee stock option scheme/stock appreciation rights (Refer Note 37)	14.23	22.97
Staff welfare expenses	16.02	5.10
<b>Total</b>	<b>334.17</b>	<b>426.32</b>

**25. Other expenses**

	For the year ended 31 March 2023	For the year ended 31 March 2022
Advertisement and business promotion	53.94	7.51
Auditors' remuneration (Refer note 25(a))	30.15	32.68
Commission and brokerage	8.77	46.05
Communication	2.07	2.29
Computer software and other expenses	79.71	67.30
Commission to non-executive directors	12.50	14.00
Electricity charges	1.01	1.34
Contribution towards corporate social responsibility (Refer Note 25 b)	100.00	75.04
Directors' sitting fees	3.00	1.88
Insurance	2.25	5.46
Legal and professional fees	334.44	102.04
Management fees (Refer Note 58)	2,099.80	2,166.33
Foreign exchange loss	0.20	-
Membership and subscription	34.55	30.20
Goods and Service tax expenses	3.50	15.61
Office expenses	4.46	2.29
Clearing & Custodian charges	6.78	6.77
Printing and stationery	6.52	4.03
Rates and taxes	5.22	7.66
Rent ( Refer Note 25.c)	69.26	55.76
Repairs and maintenance - others	0.15	0.04
Seminar and conference expenses	-	0.47
Travelling and conveyance	21.87	12.35
Postage and courier	0.75	0.68
Loss on sale/ write-off of PPE (net)	0.21	(0.97)
Miscellaneous expenses	0.58	3.05
<b>Total</b>	<b>2,881.69</b>	<b>2,659.87</b>

**25. (a) Auditors' remuneration**

	For the year ended 31 March 2023	For the year ended 31 March 2022
Statutory Audit	6.80	5.90
Limited review	3.60	3.60
Certification & others	19.44	22.88
Towards reimbursement of expenses	0.31	0.30
<b>Total</b>	<b>30.15</b>	<b>32.68</b>

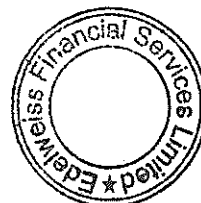
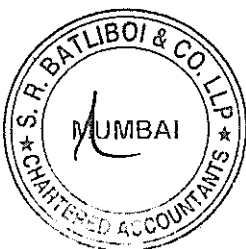
**25. (b) Details of CSR Expenditure**

	For the year ended 31 March 2023	For the year ended 31 March 2022
As per the provisions of Section 135 of Companies Act 2013,		
Gross Amount required to be spent by the Company	100.00	75.04
Amount Spent (Paid in Cash)	-	-
(i) Construction/ Acquisition of any assets	-	-
(ii) on purpose other than (i) above	100.00	75.04
Amount Spent (Yet to be paid in Cash)	-	-
(i) Construction/ Acquisition of any assets	-	-
(ii) on purpose other than (i) above	-	-
<b>Total</b>	<b>100.00</b>	<b>75.04</b>

The Company has paid the above amount for CSR expenditure to Edelgive Foundation (subsidiary) section 8 company under Companies Act 2013.

**25. (c) Leases**

Rental expenses for the year ended March 31, 2023 aggregated to ₹ 69.26 million (Previous year: ₹ 55.76 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.



# Edelweiss Financial Services Limited

## Notes to the financial statements for the year ended 31 March 2023 (Continued)

(Currency : Indian rupees in millions)

### 26. Income tax

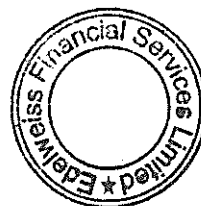
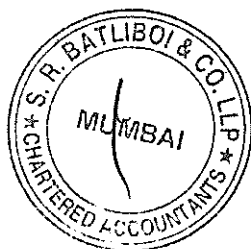
The components of income tax expense recognised in profit or loss for the years ended 31 March 2023 and 31 March 2022 are:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax	-	-
Adjustment in respect of current income tax of prior years	-	(5.08)
Deferred tax relating to origination and reversal of temporary differences	(735.91)	(781.06)
<b>Total tax expense</b>	<b>(735.91)</b>	<b>(786.14)</b>
Total current tax	-	(5.08)
Total deferred tax	(735.91)	(781.06)

#### 26.1. 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 2023 and 31 March 2022 is, as follows:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	23,146.56	8,547.44
Tax rate	25.17%	25.17%
Income tax expense calculated based on above tax rate	5,825.99	2,151.39
Adjustment in respect of income tax of prior years	-	(5.08)
Income not charged to tax or chargeable to lower tax rate	(6,905.24)	(1,412.14)
<b>DTA not created on</b>		
Expenditure of current year	318.07	(72.70)
DTA created on expenses of earlier year	-	(1,466.50)
Non Deductible Expenses	25.27	18.89
<b>Tax expense recognised in profit or loss</b>	<b>(735.91)</b>	<b>(786.14)</b>



**Edelweiss Financial Services Limited**

**Notes to the financial statements for the year ended 31 March 2023 (Continued)**

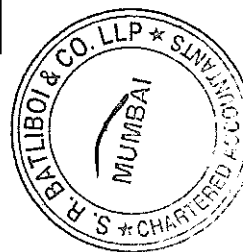
(Currency : Indian rupees in millions)

**27. 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 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)
<b>Deferred tax Assets</b>							
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	0.68	(28.52)	-	-	-	(28.52)	(27.84)
Fair valuation of Derivatives	-	-	-	-	-	-	-
Property, Plant and Equipment and Intangible assets	9.09	(1.29)	-	-	-	(1.29)	7.80
Provision on risk and reward undertaking and EIR on Borrowing	796.00	325.94	-	-	-	325.94	1,121.94
<b>Total</b>	<b>1,159.14</b>	<b>735.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>735.91</b>	<b>1,895.05</b>

For the year ended 31 March 2022	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>Deferred tax Assets</b>							
Trade receivables- expected credit losses	29.50	(14.48)	-	-	-	(14.48)	15.02
Unused tax losses / credits	336.54	0.00	-	-	-	0.00	336.54
Employee benefits obligations	0.90	0.91	-	-	-	0.91	1.81
Fair valuation of Investments - loss in valuation	0.68	0.00	-	-	-	0.00	0.68
Fair valuation of Derivatives	0.00	-	-	-	-	0.00	-
Property, Plant and Equipment and Intangible assets	12.00	(2.91)	-	-	-	(2.91)	9.09
Provision on risk and reward undertaking	0.00	796.00	-	-	-	796.00	796.00
<b>Deferred tax Liabilities</b>							
Unrealised gain on Derivatives	(1.54)	1.54	-	-	-	1.54	0.00
<b>Total</b>	<b>378.08</b>	<b>781.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>781.06</b>	<b>1,159.14</b>



**Edelweiss Financial Services Limited**

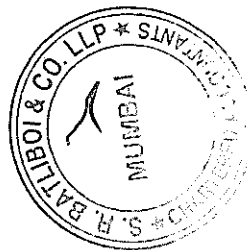
**Notes to the financial statements for the year ended 31 March 2023 (Continued)**

(Currency : Indian rupees in millions)

**27.1. Deductible temporary differences, unused tax (losses) and unused tax credits on which deferred tax asset is not recognised in balance sheet**

As at 31-Mar-2023				Unused tax losses				Unused tax credits		
Financial Year to which the loss related to	Deductible temporary differences		Expiry year- financial year	Unabsorbed depreciation		Unabsorbed long term capital losses		Unabsorbed business losses		Total
	Amount	Expiry year- financial year		Amount	Expiry year- financial year	Amount	Expiry year- financial year	Amount	Expiry year- financial year	
FY 2022-23				-		1,599.95	FY 2030-31	-		1,599.95
FY 2021-22	200.00	Not Applicable		-		3,267.39	FY 2028-29	-		3,267.39
FY 2020-21										-
										3,267.39

As at 31-Mar-2022				Unused tax losses				Unused tax credits		
Financial Year to which the loss related to	Deductible temporary differences		Expiry year- financial year	Unabsorbed depreciation		Unabsorbed long term capital losses		Unabsorbed business losses		Total
	Amount	Expiry year- financial year		Amount	Expiry year- financial year	Amount	Expiry year- financial year	Amount	Expiry year- financial year	
FY 2021-22	200.00	Not Applicable		-		3,267.39	FY 2028-29	-		3,267.39
FY 2020-21										-
										3,267.39



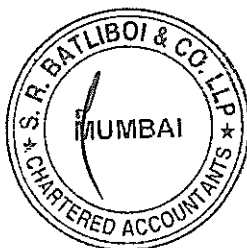
**Edelweiss Financial Services Limited****Notes to the financial statements for the year ended 31 March 2023 (Continued)**

(Currency : Indian rupees in millions)

**28. 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:

	31 March 2023	31 March 2022
Profit for the year	23,882.47	9,333.58
<b>Calculation of weighted average number of equity shares of ₹1 each</b>		
Number of shares outstanding at the beginning of the year	898,201,185	890,901,297
Number of shares issued during the year	177,311	7,299,888
Total number of equity shares outstanding at the end of the year	898,378,496	898,201,185
<b>Weighted average number of shares outstanding at the end of the year (based on the date of issue of shares) for basic EPS</b>		
	898,207,466	893,981,653
<b>Number of dilutive potential equity shares</b>		
	115,119	792,995
<b>Weighted average number of shares outstanding at the end of the year (based on the date of issue of shares) for diluted EPS</b>		
	898,322,585	894,774,648
<b>Earnings per share (EPS) (Face value ₹ 1 each)</b>		
Basic earnings share (in ₹)	26.59	10.44
Diluted earning per share (in ₹)	26.59	10.43



## Edelweiss Financial Services Limited

### Notes to the financial statements for the year ended 31 March 2023 (Continued)

(Currency : Indian rupees in millions)

#### 29. Segment information

##### Primary Segment (Business Segment)

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

Segment	Activities Covered
Agency	Advisory and transactional services
Holding company activities	Development, managerial and financial support to the businesses of Edelweiss group entities

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis.

The 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

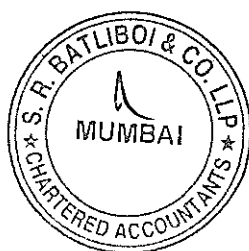
##### Secondary Segment

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

As at 31 March 2023				Amount in millions
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>-</b>	<b>23,146.56</b>
Tax expense				(735.91)
<b>Net profit / (loss) for the period</b>				<b>23,882.47</b>
Segment Assets	98.31	104,049.28	3,038.27	107,185.86
Segment Liabilities	242.50	34,382.88	7.85	34,633.23
Capital Expenditure	4.45	3.86	-	8.31
Depreciation and Amortisation	1.91	1.66	-	3.57
Significant Non-Cash Expenses / (Income) other than Depreciation and Amortisation	(21.09)	23,099.79	-	23,078.70

As at 31 March 2022				Amount in millions
Particulars	Agency business	Holding company activities	Un-allocated	Total
<b>Segment Revenue</b>				
Revenue	750.22	12,947.48	27.04	13,724.74
Inter Segment Revenue	-	-	-	-
Revenue from External Customers	750.22	12,947.48	27.04	13,724.74
Segment Expenditure	537.54	4,639.76	-	5,177.30
<b>Segment Results (Total profit before Tax)</b>	<b>212.68</b>	<b>8,307.72</b>	<b>27.04</b>	<b>8,547.44</b>
Tax expense				(786.14)
<b>Net profit / (loss) for the period</b>				<b>9,333.58</b>
Segment Assets	156.43	78,153.96	2,110.21	80,420.60
Segment Liabilities	162.80	30,247.70	7.94	30,418.44
Capital Expenditure	2.23	2.29	-	4.52
Depreciation and Amortisation	1.74	1.79	-	3.53
Significant Non-Cash Expenses / (Income) other than Depreciation and Amortisation	(56.52)	(4,170.08)	-	(4,226.60)



# Edelweiss Financial Services Limited

## Notes to the financial statements for the year ended 31 March 2023 (Continued)

(Currency : Indian rupees in millions)

### 30. 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 ₹ 17.60 million (Previous year: ₹ 16.75 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 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

#### Statement of profit and loss

##### Expenses recognised in the Statement of Profit and Loss:

	31 March 2023	31 March 2022
Current service cost	4.05	3.96
Interest on defined benefit obligation	(0.77)	(0.56)
<b>Total Included in 'Employee benefits expense'</b>	<b>3.28</b>	<b>3.40</b>

##### Movement in Other Comprehensive Income:

	31 March 2023	31 March 2022
Balance at start of year (Loss)/ Gain	8.71	8.81
Re-measurements on defined benefit obligation (DBO)		
a. Actuarial (Loss)/ Gain from changes in financial assumptions	2.05	(0.50)
b. Actuarial (Loss)/ Gain from experience over the past year	(0.45)	1.10
c. Actuarial Loss/(Gain) from changes in demographic assumptions	-	(2.12)
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	(1.27)	1.42
<b>Balance at end of year (Loss)/ Gain</b>	<b>9.04</b>	<b>8.71</b>

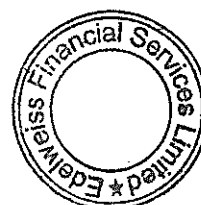
#### Balance sheet

##### Reconciliation of defined benefit obligation (DBO) :

	31 March 2023	31 March 2022
Present value of DBO at the beginning of the year	40.46	36.41
Acquisition/ (Divestiture)		
Interest cost	2.39	1.92
Current service cost	4.05	3.96
Benefits paid	(7.02)	(5.34)
Past service cost	-	-
Actuarial (gain)/loss	(1.60)	1.52
Transfer in / (Out)	0.00	1.99
<b>Present value of DBO at the end of the year</b>	<b>38.28</b>	<b>40.46</b>

##### Reconciliation of fair value of plan assets:

	31 March 2023	31 March 2022
Fair value of plan assets at the beginning of the year	53.72	49.82
Contributions by Employer	7.02	5.34
Benefits paid	(7.02)	(5.34)
Interest income	3.16	2.48
Acquisition/ (Divestiture)/ Curtailment	-	-
Return on plan asset excluding amount included in net interest on the net defined benefit liability/ (asset)	(1.27)	1.42
<b>Fair value of plan assets at the end of the year</b>	<b>55.61</b>	<b>53.72</b>
Actual Return on Plan Assets	1.89	3.90



## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

### 30. Retirement benefit plan (Continued)

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

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

	31 March 2023	31 March 2022
Present value of DBO	38.28	40.46
Fair value of plan assets at the end of the year	55.61	53.72
<b>Net Liability / (Assets)</b>	<b>(17.33)</b>	<b>(13.26)</b>
Less: Effect of limiting net assets to asset ceiling	-	-
<b>Liability / (Assets) recognised in the balance sheet</b>	<b>(17.33)</b>	<b>(13.26)</b>
Funded Status (Surplus/ (Deficit))	17.33	13.26
Of which, Short term Liability	-	-
<b>Experience Adjustment on Plan Liabilities: (Gain)/ Loss</b>	<b>0.45</b>	<b>2.12</b>

##### Experience adjustments:

	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019
On plan liabilities: loss / (gain)	0.45	2.12	(2.95)	(3.08)	(1.84)
On plan assets: gain / (loss)	-	-	-	-	-
Estimated contribution for next year	-	-	-	2.00	1.00

##### Percentage Break-down of Total Plan Assets

	31 March 2023	31 March 2022
Investment in Unit linked funds with insurance company	99.9%	99.9%
Cash and cash equivalents	0.1%	0.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

##### Principal actuarial assumptions at the balance sheet date:

	31 March 2023	31 March 2022
Discount rate	7.1%	5.9%
Salary escalation	7.0%	7.0%
Employees attrition rate	16.0%	16.0%
Mortality Rate	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Interest Rate on Net DBO / (Asset) (%)	5.9%	5%
Expected weighted average remaining working life (years)	3.5 years	4 years

##### Sensitivity Analysis

	31-Mar-23	31-Mar-22
DOB increases / (decreases) by		
1 % Increase in Salary Growth Rate	1.16	1.20
1 % Decrease in Salary Growth Rate	(1.08)	(1.20)
1 % Increase in Discount Rate	(1.07)	(1.20)
1 % Decrease in Discount Rate	1.17	1.23
1 % Increase in Withdrawal Rate	0.01	(0.06)
1 % Decrease in Withdrawal Rate	(0.01)	0.06
Mortality (Increase in expected lifetime by 1 year)	-	1.00
Mortality (Increase in expected lifetime by 3 year)	-	4.00

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant there are no changes from the previous year to the methods and assumptions underlying the sensitivity analyses.

##### Movement in Surplus / (Deficit)

	31-Mar-23	31-Mar-22
Surplus / (Deficit) at start of the year	13.26	13.40
Net Transfer (In)/ Out	-	(1.99)
Current Service Cost	(4.05)	(3.96)
Net Interest on net DBO	0.77	0.56
Re-measurements	0.33	(0.10)
Contributions / Benefits	7.02	5.34
<b>Surplus / (Deficit) at end of year</b>	<b>17.33</b>	<b>13.26</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

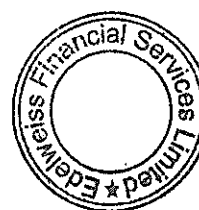
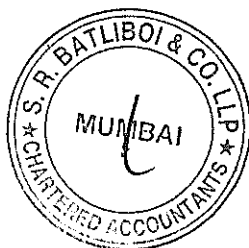
The Company has an insurance plans invested in market linked bonds. The investment returns of the market linked plan are sensitive to the changes in interest rates. The liabilities' duration is not matched with the assets' duration.

##### 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 3.5 years (31 March 2022: 4 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.





# Edelweiss Financial Services Limited

## Notes to the financial statements for the year ended 31 March 2023 (Continued)

(Currency : Indian rupees in millions)

### 31. Changes in liabilities arising from financing activities

Particulars	01 April 2022	Cash flows(net)	Changes in fair values	Exchange difference	Others**	31 March 2023
Borrowings*	24,322.12	907.42	-	-	657.00	25,886.54
Total liabilities from financing activities	24,322.12	907.42	-	-	657.00	25,886.54

Particulars	01 April 2021	Cash flows(net)	Changes in fair values	Exchange difference	Others**	31 March 2022
Borrowings*	8,380.01	14,950.13	-	-	991.98	24,322.12
Total liabilities from financing activities	8,380.01	14,950.13	-	-	991.98	24,322.12

\* Comprises of Debt securities and other borrowings.

\*\* Refers to interest accrued during the year.

### 32. Contingent liabilities & commitments :

#### 32.1 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: ₹ 7.80 million).
- Service Tax matters in respect of which appeal is pending ₹ 534.36 million (Previous year: ₹ 534.36 million).

##### b) Other claim not acknowledged as debt:

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with Income tax, service tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

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

##### c) Guarantees excluding financial guarantees :

Corporate/other guarantee not acknowledged as debt:

Corporate/other guarantee given by the Company on behalf of its subsidiaries and associate companies and to third party which is outstanding as at 31 March 2023 and 31 March 2022 is given below:

	As at 31 March 2023	As at 31 March 2022
Guarantee to trustees and others for non convertible debentures and other borrowings	25,849.37	23,527.47
Guarantee to Banks for loan taken by subsidiaries and associates	7,232.80	11,353.20
Total	33,082.17	34,880.67

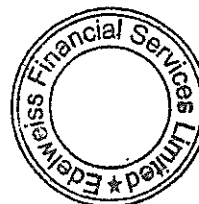
#### 32.2 Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ Nil million (Previous year: ₹ Nil million).

### 33 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.



**Edelweiss Financial Services Limited**

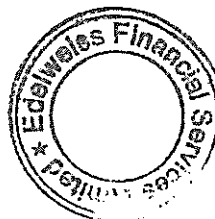
**Notes to the financial statements for the year ended 31 March 2023 (Continued)**

(Currency : Indian rupees in millions)

**34 Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure” (Continued):**

**(A) Subsidiaries which are controlled by the Company:**

- 1 ECL Finance Limited
- 2 Edelcap Securities Limited (through ECap Equities Limited)
- 3 ECap Securities and Investments Limited
- 4 Edelweiss Alternative Asset Advisors Limited (through Edelweiss Securities and Investments Private Limited)
- 5 Ecap Equities Limited (formerly known as Edel Land Limited)
- 6 Edel Investments Limited (through ECap Securities and Investments Limited)
- 7 Edelweiss Tokio Life Insurance Company Limited
- 8 Edelweiss Trusteeship Company Limited
- 9 Edelweiss Asset Management Limited
- 10 Edelweiss Investment Adviser Limited (through Edelweiss Rural & Corporate Services Limited)
- 11 EC International Limited, Mauritius
- 12 Edelgive Foundation
- 13 Edelweiss Alternative Asset Advisors Pte. Limited (through Edelweiss Alternative Asset Advisors Limited)
- 14 Edelweiss International (Singapore) Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited)
- 15 Edelweiss Retail Finance Limited (through Edelcap Securities Limited)
- 16 NIDO Home Finance Limited (formerly known as Edelweiss Housing Finance Limited (through Edelweiss Rural & Corporate Services Limited))
- 17 Edelweiss Rural & Corporate Services Limited (through Edel Finance Company Limited)
- 18 Comtrade Commodities Services Limited (through Edelweiss Rural & Corporate Services Limited)
- 19 Edel Finance Company Limited
- 20 Nuvama Investment Advisors LLC (formerly known as EAAA, LLC)
- 21 EW Special Opportunities Advisors LLC, Mauritius (through Nuvama EC International Limited) (upto 30 June 2022)
- 22 Edelweiss Resolution Advisors LLP (upto 01 July 2022)
- 23 Edelweiss Multi Strategy Fund Advisors LLP (through Edelweiss Rural and Corporate Services Limited)
- 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 (through Ecap Equities Limited)
- 27 Edelweiss Value and Growth Fund (through Ecap Equities Limited)
- 28 Edelweiss Securities and Investments Private Limited
- 29 Edelweiss Employees Welfare Trust
- 30 Edelweiss Employees Incentive and Welfare Trust
- 31 Allium Finance Private Limited (through Edelweiss Rural and Corporate Services Limited)
- 32 Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited)
- 33 India Credit Investment Fund - II
- 34 Edelweiss Real Asset Managers Limited (through Edelweiss Securities and Investments Private Limited)
- 35 Sekura India Management Limited (through Edelweiss Securities and Investments Private Limited)
- 36 Edelweiss Global Wealth Management Limited
- 37 India Credit Investment Fund - III (w.e.f 23 March 2023)
- 38 Gallagher Insurance Brokers Private Limited (upto 18 October 2021)
- 39 Aster Commodities DMCC (upto 7 December 2021)

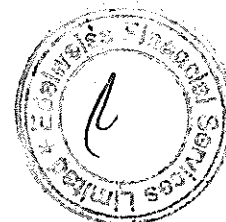


**Edelweiss Financial Services Limited****Notes to the financial statements for the year ended 31 March 2023 (Continued)**

(Currency : Indian rupees in millions)

**34. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" (Continued)****(B) Enterprises over which control is exercised by the Company:****Trust name :**

1 EARC TRUST SC - 130	40 EARC TRUST SC - 372	75 EARC TRUST SC - 436
2 EARC SAF-2 TRUST	41 EARC TRUST SC - 373	76 EARC TRUST SC - 421
3 EARC TRUST SC - 238	42 EARC TRUST SC - 374	77 EARC TRUST SC - 422
4 EARC TRUST SC - 266	43 EARC TRUST SC - 392	78 EARC TRUST SC - 423
5 EARC TRUST SC - 306	44 EARC TRUST SC - 395	79 EARC TRUST SC - 424
6 EARC TRUST SC - 332	45 EARC TRUST SC - 393	80 EARC TRUST SC - 440
7 EARC TRUST SC - 334	46 EARC TRUST SC - 380	81 EARC TRUST SC - 441
8 EARC TRUST SC - 344	47 EARC TRUST SC - 387	82 EARC TRUST SC - 447
9 EARC TRUST SC - 347	48 EARC TRUST SC - 388	83 EARC TRUST SC - 444
10 EARC TRUST SC - 351	49 EARC TRUST SC - 375	84 EARC TRUST SC - 425
11 EARC TRUST SC - 352	50 EARC TRUST SC - 394	85 EARC TRUST SC - 451
12 EARC TRUST SC - 357	51 EARC TRUST SC - 385	86 EARC TRUST SC - 448
13 EARC TRUST SC - 360	52 EARC TRUST SC - 401	87 EARC TRUST SC - 449
14 EARC TRUST SC - 363	53 EARC TRUST SC - 402	88 EARC TRUST SC - 459
15 EARC TRUST SC - 370	54 EARC TRUST SC - 376	89 EARC TRUST SC - 443
16 EARC SAF-1 TRUST INVESTOR ACCOUNT	55 EARC TRUST SC - 406	90 EARC TRUST SC - 461
17 EARC TRUST SC - 6	56 EARC TRUST SC - 377	91 EARC TRUST SC - 477
18 EARC TRUST SC - 9	57 EARC TRUST SC - 378	92 EARC TRUST SC - 293
19 EARC TRUST SC - 102	58 EARC TRUST SC - 396	93 EARC TRUST SC - 318
20 EARC TRUST SC - 112	59 EARC TRUST SC - 410	94 EARC TRUST SC - 321
21 EARC TRUST SC - 229	60 EARC TRUST SC - 405	95 EARC TRUST SC - 325
22 EARC TRUST SC - 245	61 EARC TRUST SC - 428	96 EARC TRUST SC - 349
23 EARC TRUST SC - 251	62 EARC TRUST SC - 429	97 EARC TRUST SC - 223
24 EARC TRUST SC - 262	63 EARC TRUST SC - 412	98 EARC TRUST SC - 399
25 EARC TRUST SC - 297	64 EARC TRUST SC - 415	99 EARC TRUST SC - 342
26 EARC TRUST SC - 298	65 EARC TRUST SC - 430	100 EARC TRUST SC - 427
27 EARC TRUST SC - 308	66 EARC TRUST SC - 413	101 EARC SAF-3 TRUST
28 EARC TRUST SC - 314	67 EARC TRUST SC - 416	102 EARC TRUST SC - 7
29 EARC TRUST SC - 329	68 EARC TRUST SC - 417	103 EARC TRUST SC - 462
30 EARC TRUST SC - 331	69 EARC TRUST SC - 397	104 EARC TRUST SC - 481
31 EARC TRUST SC - 361	70 EARC TRUST SC - 431	105 EARC TRUST SC - 482
32 EARC TRUST SC - 109	71 EARC TRUST SC - 227	106 EARC Trust - SC 442
33 EARC TRUST SC - 386	72 EARC TRUST SC - 228	107 EARC Trust - SC 483
34 EARC TRUST SC - 263	69 EARC TRUST SC - 397	108 EARC Trust - SC 484
35 EARC TRUST SC - 348	70 EARC TRUST SC - 431	109 EARC Trust SC - 452
36 EARC TRUST SC - 381	71 EARC TRUST SC - 227	
37 EARC TRUST SC - 383	72 EARC TRUST SC - 228	
38 EARC TRUST SC - 384	73 EARC TRUST SC - 434	
39 EARC TRUST SC - 391	74 EARC TRUST SC - 418	

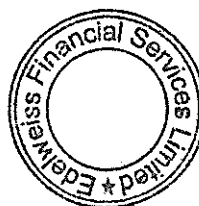
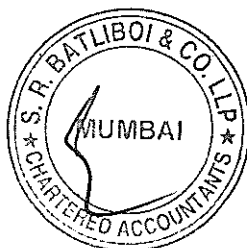


**Edelweiss Financial Services Limited**

**Notes to the financial statements for the year ended 31 March 2023 (Continued)**

(Currency : Indian rupees in millions)

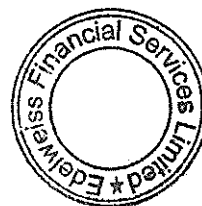
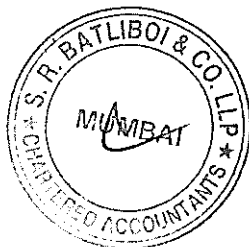
- (C) **Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them control or significant influence over the Company:**  
Mr. Rashesh Shah  
Mr. Venkatchalam Ramaswamy  
Ms. Vidya Shah  
Ms. Aparna T. C.
- (D) **Key managerial personnel (KMP):**  
Mr. Rashesh Shah - Chairman and Managing Director  
Mr. Venkatchalam Ramaswamy - Vice Chairman and Executive Director  
Mr. Himanshu Kaji - Executive Director  
Ms. Ananya Suneja – Chief Financial Officer (from 01 March 2022)  
Mr. B. Renganathan (upto 23 April 2021)  
Mr. Tarun Khurana - Company Secretary (from 23 April 2021)  
Mr. Rujan Panjwani - Executive Director (upto 2 September 2022)  
Mr. Sarju Simaria - Chief Financial Officer (upto 28 Feb 2022))
- (E) **Relatives of KMP / Promoter Individuals with whom transactions have taken place**  
Ms. Kaavya Venkat  
Ms. Shilpa Mody  
Ms. Sejal Premal Parekh  
Mr. A V Ramaswamy  
Ms. Sneha Sripad Desai  
Shah Family Discretionary Trust  
Spire Investment Advisors LLP  
Ms. Shabnam Panjwani (upto 2 September 2022)  
Ms. Avanti Shah  
Mr. Neel Shah
- (F) **Independent Directors**  
Mr. Berjis Desai (upto 6 November 2021)  
Mr. Biswamohan Mahapatra  
Mr. Kunnasagaran Chinniah (upto 2 September 2022)  
Mr. Navtej S. Nandra (upto 2 September 2022)  
Mr. P. N. Venkatachalam (upto 2 September 2022)  
Mr. Ashok Kini  
Dr. Ashima Goyal  
Mr. Shiva Kumar (from 4 August 2022)
- (G) **Associate Entities (upto 30th March 2023):**  
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)



Edelweiss Financial Services Limited  
Notes to the financial statements for the year ended 31 March 2023 (Continued)  
(Currency : Indian rupees in millions)

34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure" (Continued):

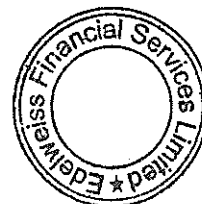
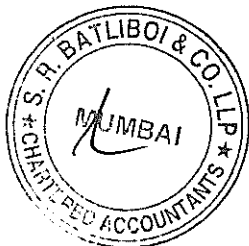
(1B) Transactions and balances with Related Parties:		In million		
Sr.No	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
1	Sale of Equity shares to	Edel Finance Company Limited	4,031.50	2,668.02
		Ecap Equities Limited	3,714.72	1,134.72
		Ecap Securities And Investments Limited	315.20	-
		Edelweiss Securities And Investments Private Limited	2,136.27	-
		Edelweiss Alternative Asset Advisors Limited	2,134.20	-
2	Purchase of Equity shares from	Nuvama Wealth Management Limited	-	1,022.41
		Edelweiss Rural & Corporate Services Limited	-	0.10
3	Investment in Equity shares of	Edel Finance Company Limited	2,000.00	-
		ZUNO General Insurance Limited	1,650.00	1,200.00
		Ecap Securities And Investments Limited	-	310.00
		Nuvama Custodial Services Limited	-	15.30
		Edelweiss Global Wealth Management Limited	-	500.00
		Edelweiss Tokio Life Insurance Company Limited	2,500.00	2,918.00
4	Term loans given to	Ecap Securities And Investments Limited	-	5,771.31
		Edelweiss Rural & Corporate Services Limited	8,320.00	36,891.63
		ECL Finance Limited	1,300.00	7,100.00
		Edelweiss Global Wealth Management Limited	-	500.00
		Ecap Equities Limited	12,076.22	-
		Edel Finance Company Limited	9,698.30	8,055.30
		Edelweiss Securities And Investments Private Limited	5,800.00	2,296.50
		Edelweiss Investment Adviser Limited	7,992.90	-
		Edel Investments Limited	1,100.00	-
		Edelweiss Alternative Asset Advisors Limited	220.00	-
5	Term loans repaid by	Ecap Securities And Investments Limited	-	3,715.31
		Edelweiss Rural & Corporate Services Limited	13,559.23	29,749.48
		Nuvama Wealth Finance Limited	-	3,355.00
		ECL Finance Limited	1,300.00	10,900.00
		Edelweiss Global Wealth Management Limited	488.36	163.14
		Ecap Equities Limited	6,948.04	790.00
		Edelweiss Securities And Investments Private Limited	2,746.50	850.00
		Edel Finance Company Limited	6,364.08	2,110.00
		Edelweiss Investment Adviser Limited	6,403.00	-
		Edel Investments Limited	1,100.00	-
		Edelweiss Alternative Asset Advisors Limited	220.00	-
6	Sale of Property Plant and Equipment from	Nuvama Wealth Finance Limited	-	0.33
		Edelweiss Rural & Corporate Services Limited	-	0.14
		Nuvama Wealth and Investment Limited	0.00	0.15
		Nuvama Wealth Management Limited	-	0.04
		ECL Finance Limited	-	0.05
		Edelcap Securities Limited	-	0.00
		Edelweiss Alternative Asset Advisors Limited	-	0.03
		Edel Investments Limited	-	0.00
		EdelGive Foundation	-	0.01
		Edelweiss Asset Reconstruction Company Limited	-	0.03
		Edelweiss Retail Finance Limited	-	0.00
		Edelweiss Tokio Life Insurance Company Limited	-	0.00
		Nuvama Asset Management Limited	-	0.03
		Ecap Equities Limited	0.00	-
7	Purchase of Property Plant and Equipment from	Edelweiss Rural & Corporate Services Limited	-	0.11
		ECL Finance Limited	0.01	0.00
		Nuvama Wealth Management Limited	-	0.06
		Nuvama Wealth and Investment Limited	-	0.06
		EdelGive Foundation	-	0.00
		Edelweiss Investment Adviser Limited	-	0.00
		Nuvama Wealth Finance Limited	-	0.15
		Nuvama Custodial Services Limited	-	0.01
8	Remuneration paid to	Mr. Rashesh Shah	80.01	86.77
		Mr. Venkatchalam Ramaswamy	64.42	65.58
		Mr. Himanshu Kaj	32.50	41.59
		Mr. Rupan Panjwani	34.07	32.05
		Mr. Sarpa Samana	-	18.42
		Mr. Tarun Khurana	11.11	7.50
		Mr. Ananya Suneja	25.11	1.79
		Mr. B. Ranganathan	-	2.64
9	Dividend paid on Equity Shares	Mr. Rashesh Shah	211.12	211.12
		Mr. Venkatchalam Ramaswamy	84.28	84.28
		Ms. Vidya Shah	45.00	45.00
		Shah Family Discretionary Trust	56.19	56.19
		Spire Investment Advisors LLP	4.64	4.64
		Ms. Aparna T. C.	17.70	17.70
		Ms. Kasuya Venkat	17.10	17.10
		Mr. Rupan Panjwani	14.34	16.97
		Mr. Himanshu Kaj	4.31	4.28
		Ms. Sneha Kirpal Desai	1.49	1.49
		Ms. Shilpa Khady	1.38	1.38
		Ms. Sejal Premal Parekh	1.38	1.38
		Mr. Shalnam Panjwani	0.19	0.93
		Mr. A.V. Ramaswamy	0.07	0.07
		Mr. Navroj S. Nandra	1.93	11.56
		Ms. Avani Shah	2.90	2.90
		Mr. P.N. Venkatchalam	0.07	0.39
		Mr. Neel Shah	2.90	2.90
		Mr. Tarun Khurana	0.09	0.09
		Mr. Kunasagar Chinniah	0.05	0.29
		Mr. B. Ranganathan	-	0.08



Edelweiss Financial Services Limited  
Notes to the financial statements for the year ended 31 March 2023 (Continued)  
(Currency : Indian rupees in millions)

34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure" (Continued):

(1) Transactions and balances with Related Parties:			In million	
Sr.No	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
10	Dividend income received from	Gallagher Insurance Brokers Private Limited	-	384.80
11	Fee / commission paid to	Nuvama Wealth Management Limited	7.80	30.86
		Nuvama Wealth and Investment Limited	-	8.00
		Nuvama Financial Services Inc	0.20	0.17
		Edelweiss Rural & Corporate Services Limited	0.42	0.34
		Edel Finance Company Limited	0.09	-
		Edelweiss Asset Reconstruction Company Limited	2.30	-
12	Management Fees paid to	ECL Finance Limited	1,139.24	1,629.94
		Edelweiss Asset Reconstruction Company Limited	509.93	98.31
		NIDO Home Finance Limited	11.39	89.03
		Edelweiss Retail Finance Limited	11.66	29.17
13	Fee / commission earned from	NIDO Home Finance Limited	2.50	-
		Nuvama Wealth and Investment Limited	0.85	-
14	Royalty Fees received from	Nuvama Wealth Management Limited	40.11	40.48
		Edelweiss Tokio Life Insurance Company Limited	37.50	35.00
		ZUNO General Insurance Limited	6.89	5.83
15	Fee / Guarantee commission earned from	Edel Finance Company Limited	0.71	1.12
		Nuvama Wealth Finance Limited	1.41	1.44
		Edelweiss Asset Reconstruction Company Limited	30.13	45.13
		NIDO Home Finance Limited	-	4.44
		Edelweiss Retail Finance Limited	-	0.86
		Ecap Equities Limited	2.10	7.57
		Edelweiss Alternative Asset Advisors Limited	0.04	0.06
		Edelweiss Investment Advisor Limited	0.19	-
16	Interest income on margin from	Nuvama Clearing Services Limited	-	0.24
17	Interest income on Debenture	Edelweiss Alternative Asset Advisors Limited	-	11.71
18	Interest expense on short term loan taken	Ecap Securities And Investments Limited	-	1.99
19	Interest income on short term loan given	Edelweiss Rural & Corporate Services Limited	1,009.00	2,005.73
		Nuvama Wealth Finance Limited	-	162.73
		ECL Finance Limited	3.73	71.69
		Edelweiss Global Wealth Management Limited	16.63	24.41
		Ecap Equities Limited	538.81	493.50
		Edel Finance Company Limited	1,445.50	136.65
		Edelweiss Securities And Investments Private Limited	217.20	3.33
		Edelweiss Investment Advisor Limited	201.42	-
		Edel Investments Limited	1.65	-
		Edelweiss Alternative Asset Advisors Limited	0.66	-
20	Interest Expense on NCD	Ecap Equities Limited	40.70	-
		Edelweiss Tokio Life Insurance Company Limited	39.27	-
		ZUNO General Insurance Limited	13.67	-
21	Clearing Charges paid to	Nuvama Clearing Services Limited	-	0.00
22	Cost reimbursements paid to	Edelweiss Rural & Corporate Services Limited	75.93	71.92
		Nuvama Wealth Management Limited	172.62	383.39
		ECL Finance Limited	0.01	-
		Nuvama Clearing Services Limited	167.39	20.91
		Edelweiss Global Wealth Management Limited	-	2.53
		Nuvama Wealth and Investment Limited	378.45	401.56
		Nuvama Asset Management Limited	5.33	-
		NIDO Home Finance Limited	-	0.01
23	Cost reimbursements recovered from	Nuvama Wealth Management Limited	-	0.33
		Edelweiss Rural & Corporate Services Limited	-	0.62
		ECL Finance Limited	-	0.19
		Edelweiss Tokio Life Insurance Company Limited	-	0.64
		Nuvama Clearing Services Limited	0.59	2.66
		Edelweiss Asset Management Limited	0.14	0.39
		Edelweiss Asset Reconstruction Company Limited	0.70	1.23
		NIDO Home Finance Limited	0.68	1.34
		Edelweiss Retail Finance Limited	0.20	0.33
		Edelweiss Alternative Asset Advisors Limited	0.01	0.88
		Gallagher Insurance Brokers Private Limited	-	0.06
		ZUNO General Insurance Limited	-	0.27
		Ecap Securities Limited	0.64	0.66
24	Directors' sitting fees paid to	Mr Berjo Desai	-	0.28
		Mr Biswamohan Mahapatra	0.65	0.26
		Mr Kunnasagar Chinniah	0.20	0.24
		Mr Navtej S. Nandra	0.18	0.24
		Mr P N Venkatachalam	0.22	0.31
		Ms Dr. Ashima Goyal	0.48	0.12
		Mr Ashok Kiri	0.71	0.12
		Mr Shiva Kumar	0.57	-
25	Commission paid to Non executive directors	Mr Berjo Desai	-	2.00
		Mr Biswamohan Mahapatra	2.00	2.00
		Mr Kunnasagar Chinniah	2.00	2.00
		Mr Navtej S. Nandra	2.00	2.00
		Mr P N Venkatachalam	2.00	2.00
		Ms Dr. Ashima Goyal	2.00	2.00
		Mr Ashok Kiri	2.00	2.00
		Mr Shiva Kumar	-	-
		Ms Vidya Shah	2.00	2.00
26	Contribution towards corporate social responsibility	EdelGlow Foundation	100.00	75.04



34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure" (Continued):

(II)	Transactions and balances with Related Parties:		In million	
Sr.No	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
Balances with Related Parties				
1	Investments in Equity Shares in	ECL Finance Limited	11,504.95	15,492.85
		Edelweiss Tokio Life Insurance Company Limited	11,443.58	8,943.58
		Edelweiss Asset Management Co. 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
		Edel Investments Limited	-	46.67
		ECap Equities Limited	147.71	147.71
		EdelGive Foundation	0.10	0.10
		HDDO Home Finance Limited	195.98	195.98
		Edelweiss Trustee Company Limited	1.00	1.00
		Edelweiss Global Wealth Management Limited	790.01	790.01
		ZUNO General Insurance Limited	6,788.16	5,136.16
		Edel Finance Company Limited	9,871.55	7,871.55
		Nuvama Wealth Management Limited	23,531.82	124.52
		Edelweiss Asset Reconstruction Company Limited	-	448.54
		Edelweiss Securities And Investments Private Limited	4,072.99	4,072.99
		Edelweiss Alternative Asset Advisors Pte. Limited	-	1,025.86
2	Investments in Preference shares of	Edel Finance Company Limited	1,650.00	1,650.00
3	Gratuity Payable to	Nuvama Wealth Management Limited	-	0.33
		Nuvama Wealth Finance Limited	-	0.44
		Edelweiss Alternative Asset Advisors Limited	0.00	0.00
		Edelweiss Asset Reconstruction Company Limited	0.42	0.42
		ECL Finance Limited	-	1.79
4	Gratuity Receivable from	Edelweiss Rural & Corporate Services Limited	-	2.80
5	ESOP Charges Payable to	Nuvama Wealth Management Limited	-	29.70
		Nuvama Wealth and Investment Limited	-	0.87
		Edelweiss Alternative Asset Advisors Limited	0.33	15.98
		Edelweiss Tokio Life Insurance Company Limited	-	0.96
		ECap Securities Limited	7.39	4.58
		Edelweiss Rural & Corporate Services Limited	1.63	-
		Edelweiss Asset Reconstruction Company Limited	0.08	-
		Edelweiss Alternative Asset Advisors Pte. Limited	2.11	-
		ECL Finance Limited	0.71	-
6	ESOP Charges Receivable from	Nuvama Wealth Finance Limited	-	1.04
		Edelweiss Rural & Corporate Services Limited	0.62	1.17
		Edelweiss Asset Management Limited	2.54	1.85
		ECL Finance Limited	6.73	6.54
		Edelweiss Alternative Asset Advisors Limited	9.27	-
		Nuvama Clearing Services Limited	-	3.65
		Edelweiss Tokio Life Insurance Company Limited	3.44	-
		Edelweiss Asset Reconstruction Company Limited	5.17	3.34
		ZUNO General Insurance Limited	2.13	1.91
		Nuvama Asset Management Limited	-	2.35
		Nuvama Custodial Services Limited	-	0.22
		Edelweiss Alternative Asset Advisors Pte. Limited	-	0.10
		Edelweiss Retail Finance Limited	0.33	0.65
		Nuvama Investment Advisors Private Limited	-	0.65
		Nuvama Financial Services Inc.	-	0.06
		ECap Equities Limited	14.03	2.74
		Edel Investments Limited	0.01	1.44
		HDDO Home Finance Limited	1.47	0.67
		Edelweiss International (Singapore) Pte. Limited	0.11	0.07
7	Accrued Interest on loans given to	Edelweiss Rural & Corporate Services Limited	50.63	244.11
		Edel Finance Company Limited	152.73	41.65
		ECL Finance Limited	3.36	-
		Edelweiss Global Wealth Management Limited	-	2.87
		ECap Equities Limited	56.99	30.59
		Edelweiss Securities And Investments Private Limited	5.36	3.00
		Edelweiss Investment Adviser Limited	32.66	-
		Edelweiss Alternative Asset Advisors Limited	0.50	-
		Edel Investments Limited	1.49	-
8	Long Term Loan given to	Edelweiss Rural & Corporate Services Limited	4,100.00	9,270.00
		ECap Equities Limited	2,050.00	2,050.00
		Edel Finance Company Limited	11,389.53	8,051.20
		Edelweiss Securities And Investments Private Limited	4,500.00	1,446.50
		Edelweiss Investment Adviser Limited	1,583.90	-
9	Short Term Loan given to	Edelweiss Global Wealth Management Limited	-	488.36
		ECap Equities Limited	5,094.22	5.04
		Edel Finance Company Limited	-	4.10
		Edelweiss Rural & Corporate Services Limited	-	69.23
10	NCD held by	ECap Equities Limited	33.29	-
		Edelweiss Tokio Life Insurance Company Limited	1,250.80	-



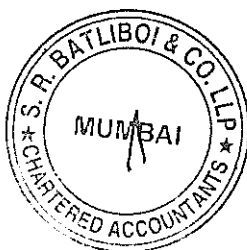
34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure" (Continued):

(II) Transactions and balances with Related Parties:			In million	
Sr No	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
11	Trade payable to	Nuvama Financial Services Inc	-	0.21
		NIDDO Home Finance Limited	9.65	19.57
		ECL Finance Limited	1,989.36	772.01
		Edelweiss Rural Finance Limited	23.46	6.39
		Nuvama Wealth Management Limited	-	1.53
		Nuvama Wealth and Investment Limited	-	1.72
		EdelGIVE Foundation	0.00	0.00
		Edelweiss Alternative Asset Advisors Limited	-	71.69
		Edelweiss Asset Reconstruction Company Limited	19.21	16.42
		Nuvama Clearing Services Limited	-	1.78
		Edelweiss Rural & Corporate Services Limited	14.14	8.40
		Edelweiss Securities And Investments Private Limited	0.25	0.23
		Edelweiss Alternative Asset Advisors Pte. Limited	-	2.42
		Edel Finance Company Limited	0.00	-
		Ecap Equities Limited	0.50	-
		Edelweiss Tokio Life Insurance Company Limited	37.48	7.31
		Edelcap Securities Limited	0.08	0.83
		Edel Finance Company Limited	0.13	0.09
		Edelweiss Asset Management Limited	0.02	0.01
12	Trade receivable from	Edelweiss Asset Reconstruction Company Limited	4.86	-
		Nuvama Wealth Finance Limited	-	0.14
		Edelweiss Alternative Asset Advisors Limited	0.07	-
		Ecap Equities Limited	0.41	0.42
		ZuluO General Insurance Limited	6.89	6.71
		Edel Investments Limited	-	0.85
		Nuvama Investment Advisors (Hongkong) Private Limited	-	0.00
		Nuvama Financial Services (UK) Limited	-	0.02
		Nuvama Investment Advisors Private Limited	-	0.05
		Edelweiss Rural & Corporate Services Limited	0.00	-
		Edelweiss Investment Advisor Limited	0.05	0.01
		Edelweiss International (Singapore) Pte. Limited	0.07	0.07
		EMAA LLC	-	0.01
		Edelweiss Securities And Investments Private Limited	0.02	-
		ECL Finance Limited	85.29	-
		Edelweiss Retail Finance Limited	0.41	-
		NIDDO Home Finance Limited	0.16	-
		Nuvama Clearing Services Limited	-	0.47
		Nuvama Wealth Management Limited	-	0.06
14	Risk and Reward undertaking	Edelweiss Retail Finance Limited	702.32	1,102.84
		NIDDO Home Finance Limited	1,915.98	2,299.55
		ECL Finance Limited	32,880.84	42,906.27
15	Guarantee given on behalf of Group Company	Nuvama Clearing Services Limited	-	8,950.00
		Ecap Equities Limited	6,523.30	1,209.10
		Edelweiss Asset Reconstruction Company Limited	16,575.40	18,782.40
		Edel Finance Company Limited	470.00	470.00
		Nuvama Wealth Finance Limited	-	139.77
		NIDDO Home Finance Limited	917.10	1,324.40
		Edelweiss Investment Advisor Limited	3,284.69	1,830.00
		ECL Finance Limited	1,200.00	1,625.00
		Edelweiss Alternative Asset Advisors Limited	-	550.00

0.00 indicates amounts less than ₹ 0.01 million

Notes:

- Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and provision made for bonus which are provided for group of employees on an overall basis.





## Edelweiss Financial Services Limited

### Notes to the financial statements for the year ended 31 March 2023 (Continued)

(Currency : Indian rupees in millions)

#### 35. 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 2023 and 31 March 2022.

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 2023	As at 31 March 2022
Total Debt	25,886.54	24,322.12
Equity	72,552.63	50,002.16
Net Debt to Equity	0.36	0.49

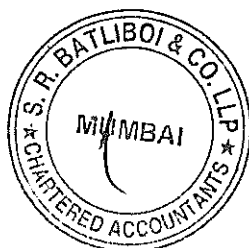
Total Debt = Debt securities

#### 36. 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.

	31 March 2023		31 March 2022	
Entity	Loan outstanding	Maximum amount outstanding during the year*	Loan outstanding	Maximum amount outstanding during the year
Edelweiss Rural and Corporate Services Limited	4,150.63	10,929.23	9,583.35	22,885.95
Nuvama Wealth Finance Limited	-	-	-	3,355.00
ECL Finance Limited	3.36	1,300.00	-	4,000.00
Edelweiss Global Wealth Management Limited	-	488.36	491.23	651.50
Ecap Equities Limited	7,201.21	7,338.19	2,086.62	6,193.89
Edel Finance Company Limited	11,542.26	14,638.30	8,096.94	8,055.30
Edelweiss Investment Adviser Limited	1,622.56	3,828.10	-	-
Edelweiss Alternative Asset Advisors Limited	0.60	220.00	-	-
Edel Investments Limited	1.49	1,100.00	-	-
Edelweiss Securities And Investments Private Limited	4,505.36	4,500.00	1,449.50	2,296.50

All the above loans have maturity of 0-3 years as per contracted terms.

\*Maximum amount outstanding during the year represents principle outstanding.



**Edelweiss Financial Services Limited**  
**Notes to the financial statements for the year ended 31 March 2023 (Continued)**  
(Currency : Indian rupees in millions)

**37. 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 2023 and 31 March 2022 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.

	SAR 2019	ESOP 2011
Dates of grant	Varying	Varying
Option Type	Equity settled	Equity settled
No. of outstanding options at 31 March 2023*	8,057,420	4,592,500
No. of outstanding options at 31 March 2022	10,914,200	7,182,488
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 3,45,050, 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 shall vest as follows:

	SAR 2019	ESOP 2011
Duration from grant date	% options vesting	% options vesting
12 months from the grant date	-	25.00%
24 months from the grant date	33.33%	25.00%
36 months from the grant date	-	25.00%
48 months from the grant date	33.33%	25.00%
60 months from the grant date	-	-
72 months from the grant date	33.34%	-
Total	100.00%	100.00%

**Plan description**

Plan Name	Grant Date	Vesting Conditions	Term of Options	Payout
ESOP Plan 2011	Various	As specified in tables above	1-4 years	Equity settled
SAR Plan 2019	Various	As specified in tables above	2-6 years	Equity settled

**Movement of number of Options for FY 2022-23 and 2021-22**

Number of options	2022-23			2021-22		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Outstanding at the start of the year	10,914,200	7,182,488	18,096,688	16,780,500	18,260,651	35,041,151
Granted during the year*	-	-	-	-	-	-
Exercised during the year	(1,034,220)	(25,000)	(1,059,220)	-	(6,627,263)	(6,627,263)
Lapsed/ cancelled during the year	(1,822,560)	(2,564,988)	(4,387,548)	(5,866,300)	(4,450,900)	(10,317,200)
Outstanding at the end of the year*	8,057,420	4,592,500	12,649,920	10,914,200	7,182,488	18,096,688
Exercisable at the end of the year	-	3,263,050	3,263,050	-	4,030,525	4,030,525

\*Includes, SAR 2019 3,45,050, ESOP Nil (Previous year SAR 2019 345,050, ESOP Nil) approved but not granted.

**Weighted Average Exercise Price for FY 2022-23 and 2021-22**

Weighted Average Exercise Price (₹)	31 March 2023		31 March 2022	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Outstanding at the start of the year	123.38	172.77	132.90	132.00
Granted during the year	-	-	-	-
Exercised during the year	61.00	60.75	-	44.70
Lapsed/ cancelled during the year	104.55	184.47	150.57	196.21
Outstanding at the end of the year	136.20	166.84	123.38	172.77
Exercisable at the end of the year	NA	187.44	NA	191.57
Weighted Average Share price at the exercise date	58.85	58.98	NA	44.81



**Edelweiss Financial Services Limited**  
**Notes to the financial statements (Continued)**  
(Currency : Indian rupees in millions)

**37. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (Continued)**

**Outstanding Options as at March 31 - 2023 and 2022**

	31 March 2023		31 March 2022	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options outstanding	8,057,420	4,592,500	10,914,200	7,182,488
Weighted average strike price (₹)	136.20	166.84	123.38	172.77
Weighted average remaining lifetime of options (in years)	1.65	0.16	2.33	0.39
Number of employees covered under the scheme	122	166	152	210

**Options granted during FY 2022-23 and 2021-22**

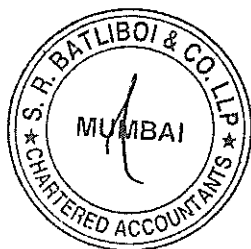
	31 March 2023		31 March 2022	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options granted	-	-	-	-
Weighted average strike price (in ₹)	NA	NA	NA	NA
Weighted average remaining lifetime of options (in years)	NA	NA	NA	NA
Number of employees covered under the scheme	NA	NA	NA	NA
Weighted Average Fair 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 2022-23 and 2021-22**

	31 March 2023		31 March 2022	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Weighted average share price (in ₹)	136.33	169.52	123.12	175.10
Weighted average strike price (in ₹)	136.20	166.84	123.38	172.77
Weighted average remaining lifetime of options (in years)	1.65	0.16	2.33	0.39
Expected volatility (% p.a.)	56% p.a. - 72% p.a.	41% p.a. - 72% p.a.	56% p.a. - 72% p.a.	35% 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.	4.3% 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**

	31 March 2023			31 March 2022		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Charges during the year due to share based payments	10.71	3.52	14.23	12.89	10.08	22.97
Changes in fair value of share based payments due to any modifications made during the year	-	-	-	-	-	-
Liability due for share based payments	343.65	355.07	698.72	264.88	496.70	761.58
Intrinsic value of the liability above	4.83	20.36	25.19	2.50	16.06	18.56



## Edelweiss Financial Services Limited

### Notes to the financial statements for the year ended 31 March 2023 (Continued)

(Currency : Indian rupees in millions)

#### 38. Risk Management

The Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

##### Risk management strategy:

The strategy at an execution level is supported by -

1. Three tiered risk management structure to manage and oversee risks
2. Board and Executive Level Committees to review and approve risk exposures
3. Risk Management framework to ensure each risk the Company is exposed to is given due importance and managed through a well-defined framework and guidelines
4. Well-defined Standard Operating Procedures and Product approval framework to ensure risks are mitigated at operational level
5. Adequate segregation of duties to ensure multi-layered checks and balances
6. Exception reporting framework to ensure process and policy deviations are adequately addressed

##### Risk management structure:

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has appointed the Risk Committee which is responsible for monitoring the overall risk process within the Company and reports to the Audit Committee

The Risk Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits

The Company is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Company works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

##### Credit risk

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial /contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. The Company's lending activities is restricted to only its subsidiaries within the Edelweiss Group, the Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. Credit risk is monitored using various internal risk management measures and within limits approved by the board within a framework of delegated authorities. It is managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers. Presently Company has credit exposure only to its subsidiaries where adequate control and monitoring is ensured.

##### Liquidity risk

Liquidity risk emanates from the possible mismatches due to differences in maturity and repayment profile of assets and liabilities. To avoid such a scenario, the Company has maintained cash reserves in the form of Fixed Deposits, Cash, Loans which are callable any time at the Company's discretion, etc. These assets carry minimal credit risk and can be liquidated. These would be to take care of immediate obligations while continuing to honour commitments as a going concern.

##### Analysis of financial assets and liabilities by remaining contractual maturities

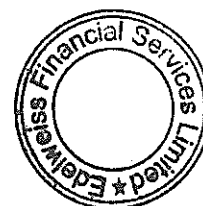
The table below at note number 41 summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31 March. All OTC derivatives used for hedging are shown by maturity, based on their contractual undiscounted payment obligations. All exchange traded 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, 2023.

2022-23				
Currency	Increase in currency rate (%)	Effect on profit before tax	Decrease in currency rate (%)	Effect on profit before tax
NA				
2021-22				
Currency	Increase in currency rate (%)	Effect on profit before tax	Decrease in currency rate (%)	Effect on profit before tax
NA				



**Edelweiss Financial Services Limited**  
**Notes to the financial statements for the year ended 31 March 2023 (Continued)**  
(Currency : Indian rupees in millions)

**39. Fair Value Measurement**

**39.1 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.

**39.2. 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.

**39.3. Financial instruments measured at Amortised**

The following table sets out the fair values and fair value hierarchy of financial instruments not measured at Amortised Cost, fair value and analysing them by the level in the fair value hierarchy into which each fair value measurement is categorised. The information given below is with respect to financial instruments assets and financial liabilities measured at amortised cost for which the fair value differs is different than from the carrying amount. Carrying amounts of cash and cash equivalents, trade receivables, trade and other payables as on 31 March 2023 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets and other financial liabilities is not significant in each of the years presented.

31-Mar-23					
Particulars	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	-
31-Mar-22					
Particulars	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Loans	21,703.81	23,086.52	-	-	23,086.52
<b>Financial liabilities</b>					
Debt securities	24,322.12	24,576.46	20,728.18	3,848.28	-

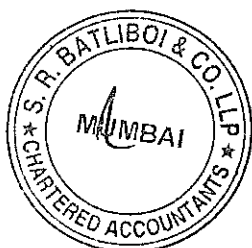
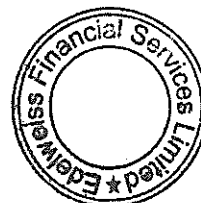
**39.4.** The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy. Exchange traded and OTC derivatives are at gross amount i.e. before offsetting margin money.

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	-	-	-	-
<b>Total derivative financial instruments (assets) - A</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	108.86	23,531.82	23,643.75
<b>Total financial assets measured at fair value on a recurring basis</b>	3.07	108.86	23,531.82	23,643.75
As at 31 March 2022				
	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	-	-	-	-
<b>Total derivative financial instruments (assets)</b>	-	-	-	-
<b>Investments</b>				
Equity instruments	2.89	89.25	-	92.14
<b>Total investments measured at fair value</b>	2.89	89.25	-	92.14
<b>Total financial assets measured at fair value on a recurring basis</b>	2.89	89.25	-	92.14

**39.5. 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.

	Financial assets
	Equity Instruments at FVTPL
As at 31-Mar-2022	-
Transfer into level 3	23,531.92
As at 31-Mar-2023	23,531.92



**Edelweiss Financial Services Limited**  
**Notes to the Standalone financial statements (Continued)**  
(Currency : Indian rupees in millions)

**39.6. 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.

**39.7. Fair valuation techniques :**

**Equity instruments**

The equity instruments which are actively traded on recognised stock exchanges are valued at readily available active prices on a regular basis. Such instruments are classified as Level 1. Equity instruments in non-listed entities are initially measured at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Such unlisted equity securities are classified at Level 2.

**Derivatives:**

The Company enters into certain derivative financial instruments primarily with banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly forward exchange contracts.

**Exchange traded derivatives:**

Company has entered into certain exchange-traded currency futures. The Company uses latest traded prices at the reporting date to value these derivatives and classifies these instruments as Level 1 in the hierarchy.

**39.8. Transfer between Level 1 and level 2**

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

**39.9. 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 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)



# Edelweiss Financial Services Limited

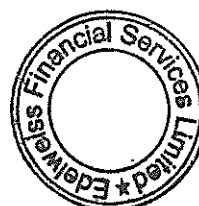
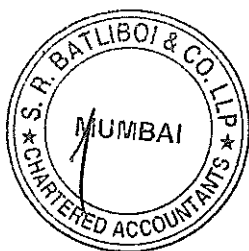
## Notes to the financial statements for the year ended 31 March 2023 (Continued)

(Currency : Indian rupees in millions)

### 40. 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.

	As at 31 March 2023			As at 31 March 2022		
	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	1,350.09	-	1,350.09	4,619.34	-	4,619.34
(b) Bank balances other than cash and cash equivalents	39.17	-	39.17	539.08	-	539.08
(c) Trade Receivables	305.64	-	305.64	123.64	-	123.64
(d) Loans	7,393.97	21,629.43	29,023.40	886.11	20,817.70	21,703.81
(e) Investments	111.93	71,988.77	72,100.70	92.14	49,540.49	49,632.63
(f) Other financial assets	58.71	141.18	199.89	667.10	248.54	915.64
<b>Total financial assets (A)</b>	<b>9,259.51</b>	<b>93,759.38</b>	<b>103,018.89</b>	<b>6,927.41</b>	<b>70,606.73</b>	<b>77,534.14</b>
<b>Non-financial assets</b>						
(a) Current tax assets (net)	-	1,143.22	1,143.22	-	951.08	951.08
(b) Deferred tax assets (net)	-	1,895.05	1,895.05	-	1,159.14	1,159.14
(c) Property, Plant and Equipment	-	10.34	10.34	-	5.71	5.71
(d) Other intangible assets	-	-	-	-	0.83	0.83
(e) Other non-financial assets	80.19	1,038.17	1,118.36	-	769.70	769.70
<b>Total non-financial assets (B)</b>	<b>80.19</b>	<b>4,086.78</b>	<b>4,166.96</b>	<b>-</b>	<b>2,886.46</b>	<b>2,886.46</b>
<b>TOTAL ASSETS (C = A+B)</b>	<b>9,339.70</b>	<b>97,846.16</b>	<b>107,185.86</b>	<b>6,927.41</b>	<b>73,493.19</b>	<b>80,420.60</b>
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
(a) Trade Payables	2,233.99	-	2,233.99	952.15	-	952.15
(b) Debt securities	3,047.02	22,039.52	25,886.54	343.35	23,978.77	24,322.12
(c) Other financial liabilities	1,120.26	5,360.19	6,480.45	1,563.37	3,488.64	5,052.01
<b>Total financial liabilities (D)</b>	<b>7,201.27</b>	<b>27,399.71</b>	<b>34,600.98</b>	<b>2,858.87</b>	<b>27,467.41</b>	<b>30,326.28</b>
<b>Non-financial liabilities</b>						
(a) Current tax liabilities (net)	-	7.86	7.86	-	7.94	7.94
(b) Provisions	9.31	-	9.31	7.19	-	7.19
(c) Other non-financial liabilities	15.08	-	15.08	77.03	-	77.03
<b>Total non-financial liabilities (E)</b>	<b>24.39</b>	<b>7.86</b>	<b>32.25</b>	<b>84.22</b>	<b>7.94</b>	<b>92.16</b>
<b>TOTAL LIABILITIES (F = D+E)</b>	<b>7,225.66</b>	<b>27,407.57</b>	<b>34,633.23</b>	<b>2,943.09</b>	<b>27,475.35</b>	<b>30,418.44</b>
<b>NET TOTAL ASSETS / (LIABILITIES) (C-F)</b>	<b>2,114.04</b>	<b>70,438.59</b>	<b>72,552.63</b>	<b>3,984.32</b>	<b>46,017.84</b>	<b>50,002.16</b>



# Edelweiss Financial Services Limited

## Notes to the financial statements for the year ended 31 March 2023 (Continued)

(Currency : Indian rupees in millions)

### 41 Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities

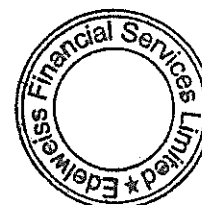
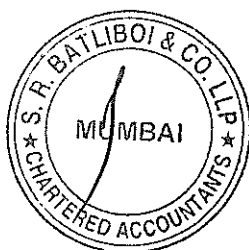
The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities, financial assets, derivatives and financial commitments as at 31 March. All OTC derivatives used for hedging are shown by maturity, based on their contractual undiscounted payment obligations. All exchange traded derivatives held for trading are analysed based on expected maturity.

As at 31 March 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
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 designated at fair value through profit or loss	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

As at 31 March 2022

Non-derivative financial liabilities	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	952.15	-	-	-	-	952.15
Debt securities	143.85	86.19	113.31	14,062.35	9,916.42	24,322.12
Other financial liabilities	1,563.37	-	-	3,488.64	-	5,052.01
<b>Total undiscounted non-derivative financial liabilities</b>	<b>2,659.37</b>	<b>86.19</b>	<b>113.31</b>	<b>17,550.99</b>	<b>9,916.42</b>	<b>30,326.28</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	5,158.42	-	-	-	-	5,158.42
Trade receivables	123.64	-	-	-	-	123.64
Loans	886.11	-	-	20,817.70	-	21,703.81
Investments at fair value through profit or loss	92.14	-	-	-	49,540.49	49,632.63
Other financial assets	76.44	-	590.66	248.54	-	915.64
<b>Total undiscounted non-derivative financial assets</b>	<b>6,336.75</b>	<b>-</b>	<b>590.66</b>	<b>21,066.24</b>	<b>49,540.49</b>	<b>77,534.14</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	10,796.00	2,504.90	16.60	15,830.27	5,732.90	34,880.67





# Edelweiss Financial Services Limited

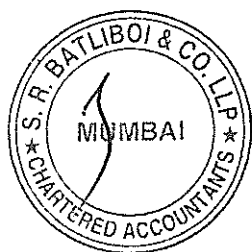
## Notes to the financial statements for the year ended 31 March 2023 (Continued)

(Currency : Indian rupees in millions)

### 42 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.

	As at 31 March 2023			As at 31 March 2022		
	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	1,389.26	-	1,389.26	5,158.42	-	5,158.42
Trade receivables	305.64	-	305.64	123.64	-	123.64
Loans at amortised cost	29,023.40	-	29,023.40	21,703.81	-	21,703.81
Financial investments- FVTPL	23,643.75	111.93	23,531.82	92.14	92.14	-
Financial investments- at cost	48,456.95	-	48,456.95	49,540.49	-	49,540.49
Other Financial assets	199.89	-	199.89	915.64	-	915.64
<b>Total</b>	<b>103,018.89</b>	<b>111.93</b>	<b>102,906.96</b>	<b>77,534.14</b>	<b>92.14</b>	<b>77,442.00</b>
<b>Liability</b>						
Debt securities	25,886.54	-	25,886.54	24,322.12	-	24,322.12
Trade payables	2,211.99	-	2,233.99	952.15	-	952.15
Other financial liabilities	6,480.45	-	6,480.45	5,052.01	-	5,052.01
<b>Total</b>	<b>34,600.98</b>	<b>-</b>	<b>34,600.98</b>	<b>30,326.28</b>	<b>-</b>	<b>30,326.28</b>



# Edelweiss Financial Services Limited

## Notes to the financial statements for the year ended 31 March 2023 (Continued)

(Currency : Indian rupees in millions)

### 43 Disclosure related to collateral

Following table sets out availability of Company assets to support funding

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>

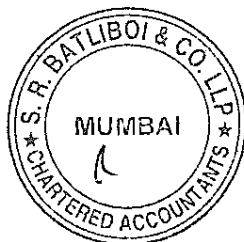
As at 31 March 2022	Pledge as collateral	Available as collateral	Total carrying amount
Cash and cash equivalent including bank balance	30.00	4,884.05	4,914.05
Trade receivables	123.64	-	123.64
Loans	15,729.71	5,974.10	21,703.81
Investments	2,285.56	47,347.07	49,632.63
Other financial assets	-	667.10	667.10
Property, plant and equipment	-	5.71	5.71
Other non financial assets	-	769.70	769.70
<b>Total assets</b>	<b>18,168.91</b>	<b>59,647.73</b>	<b>77,816.64</b>

### 44 Analysis of risk concentration

#### Industry analysis - risk concentration

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>

As at 31 March 2022	Financial services	Others	Total
<b>Financial assets</b>			
Cash and cash equivalent and other bank balances	5,158.42	-	5,158.42
Trade receivables	123.64	-	123.64
Loans	21,703.81	-	21,703.81
Investments	49,632.63	-	49,632.63
Other financial assets	915.64	-	915.64
<b>Total assets</b>	<b>77,534.14</b>	<b>-</b>	<b>77,534.14</b>



**Edelweiss Financial Services Limited**  
**Notes to the financial statements for the year ended 31 March 2023 (Continued)**  
(Currency : Indian rupees in millions)

**45. 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 except as disclosed in Note 60.

**46. 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.

**47. Where the Company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose the following:-**

The Company has been sanctioned working capital limits from bank during the F.Y 2022 on the basis of security of current assets of the Company. The Company had closed the sanctioned working capital limit within a month and accordingly was not required to file any return/statement with the bank. During the previous year the Company had availed overdraft facility from one Bank and pursuant to confirmation received from the said bank, there was no requirement to file any return/statement with the bank. There is no such working capital limits sanctioned during F.Y 2023 by bank to the Company.

**48. Wilful Defaulter**

The Company is not declared as wilful defaulter by any bank or financial institution or other lender.

**49. 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-Mar-23

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

As at 31 Mar 22

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Provenance Land Private Limited	Business Promotions	-	None
Aakanksha Leasing And Services Private Ltd	Commission and Brokerage Expense	-	None
Br Wealth Advisors Private Limited	Commission and Brokerage Expense	-	None

0.00 indicates amounts less than Rs. 0.01 million

**50. 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.



# **Edelweiss Financial Services Limited**

## **Notes to the financial statements for the year ended 31 March 2023 (Continued)**

(Currency: Indian rupees in millions)

### **51. 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) be 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 subsidiary/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 said transactions are not in violation of the Prevention of Money-Laundering Act, 2002 (15 of 2002).

As at 31-Mar-23

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 (ERCSL)	Non convertible Debenture	04-Apr-22	2,300.00	Ecap Eq and ERCSL are subsidiary of EFSL
2	Edelweiss Rural & Corporate Services Limited (ERCSL)	Loan Given	28-Dec-22	960.00	India Credit Investment Fund II (ICIF II)	Units of Funds	28-Dec-22	957.09	ERCSL is subsidiary of EFSL and ICIF II investments are held through ERCSL
3	Edelweiss Rural & Corporate Services Limited (ERCSL)	Loan Given	Various Dates	2,120.00	Edel Finance Company Limited (EFCL)	Loan Given	24-Jun-22	2,120.00	ERCSL and EFCL are subsidiary of EFSL
4	Edelweiss Rural & Corporate Services Limited (ERCSL)	Loan Given	Various Dates	1,750.00	Edelweiss Retail Finance Limited (ERFL)	Loan Given	26-Dec-22	1,750.00	ERCSL and ERFL are subsidiary of EFSL
5	Edelweiss Rural & Corporate Services Limited (ERCSL)	Loan Given	Various Dates	2,148.00	Edelweiss Investment Advisors Limited (EIAL)	Loan Given	30-Dec-22	2,148.00	ERCSL and EIAL are subsidiary of EFSL
6	Edelweiss Rural & Corporate Services Limited (ERCSL)	Loan Given	Various Dates	200.00	Ecap Equities Limited (Ecap Eq)	Loan Given	Various Dates	200.00	ERCSL 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 (ESIPPL)	Loan Given	01-Mar-23	830.00	Ecap Eq and ESIPPL are subsidiary of EFSL
8	Ecap Equities Limited(Ecap Eq)	Loan Given	17-Mar-23	650.00	Edel Investment Limited (EIL)	Compulsorily Convertible Debenture Inflation	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 (ESIPPL)	Loan Given	28-Mar-23	2,300.00	Edelweiss Alternative Asset Advisors Limited (EAAA)	Compulsorily Convertible Debenture	28-Mar-23	2,300.00	ESIPPL is wholly owned subsidiary of EFSL. As per Group restructuring plan, ESIPPL will be holding Company for EAAA.

As at 31-Mar-22

S.No.	Name of Intermediary	Nature	Date	Rupees in millions	Name of Company in which investment done by Intermediary	Nature	Date	Rupees in millions	Remarks
1	Edelweiss Securities And Investments Private Limited (ESIPPL)	Loan Given	28-Mar-22	846.50	Edel Finance Company Limited (Edel Finance)	Investment in Equity	28-Mar-22	846.50	1) ESIPPL is wholly owned subsidiary of EFSL. As per Group restructuring plan, ESIPPL will be holding Company for Asset Reconstruction Business. 2) ESIPPL has purchased equity shares of Edelweiss Asset Reconstruction Company Limited (EARC) from Edel Finance and ERCSL.
2	Edelweiss Securities And Investments Private Limited (ESIPPL)	Loan Given	28-Mar-22	1,450.00	Edelweiss Rural & Corporate Services Limited (ERCSL)	Investment in Equity	28-Mar-22	1,450.00	3) During the year, ESIPPL has repaid ₹ 650 million to Edelweiss Financial Services Limited (EFSL) and Closing Balance as at 31 March 2022 is ₹ 1,447 million.
3	Edelweiss Rural & Corporate Services Limited (ERCSL)	Loan Given	Various dates	5,714.55	Edelweiss Investment Adviser Limited (EIAL)	Loan Given	Various dates	5,713.55	ERCSL and EIAL is wholly owned subsidiary of Edelweiss Financial Services Limited.
4	Edelweiss Rural & Corporate Services Limited	Loan Given	Various dates	6,585	Edel Finance Company Limited (Edel Finance)	Loan Given	Various dates	6,585.00	1) ERCSL and Edel Finance Company Limited (Edel Finance) are wholly owned subsidiary of Edelweiss Financial Services Limited. 2) Edel Finance has repaid ₹ 3,952.40 million back to ERCSL and ERCSL has also repaid the same back to EFSL.
5	Edelweiss Rural & Corporate Services Limited	Loan Given	Various dates	8,200	ECL Finance Limited (ECL Finance)	Loan Given	21-Dec-21	8,200.00	1) ERCSL and ECL Finance are wholly owned subsidiary of EFSL. 2) ECL Finance has repaid ₹ 7,420 million back to ERCSL and ERCSL has also repaid the same back to EFSL.
6	Edelweiss Rural & Corporate Services Limited	Loan Given	09-Jun-22	1,130	Edel Land Limited (Edel Land)	Loan Given	9-Jun-22	1,130.00	1) ERCSL and Edel Land are wholly owned subsidiary of EFSL. 2) Edel Land has repaid ₹ 1,130 million back to ERCSL and ERCSL has also repaid the same back to EFSL.

(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) be 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 said transactions are not in violation of the Prevention of Money-Laundering Act, 2002 (15 of 2002).

As at 31-Mar-23

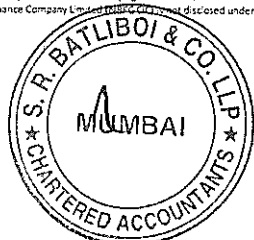
S.No.	Name of Lender	Nature	Date	Rupees in millions	Loan given	Nature	Date	Rupees in millions	Remarks
1					Nil				

As at 31-Mar-22

S.No.	Name of Lender	Nature	Date	Rupees in millions	Loan given	Nature	Date	Rupees in millions	Remarks
1	Beacon Trustee (Various lenders)	NCD Borrowing	5-Oct-21	4,000	ECL Finance	Loan given	6-Oct-21	4,000	1) As per agreement loan was taken by the Company for the purpose of repayment of existing banking liabilities of ECL Finance. 2) During the year ECL Finance has repaid ₹ 4,000 million to EFSL.

Note (3)

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



**Edelweiss Financial Services Limited**
**Notes to the financial statements for the year ended 31 March 2023 (Continued)**

(Currency : Indian rupees in millions)

**52. 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).

**53. The Company Doesn't have any immovable properties whose title deeds are not held in name of the Company.**
**54. Loans and Advances**
**As at 31-Mar-23**

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	-	-	-

\* Percentage of aggregate loans granted during the year

**As at 31-Mar-22**

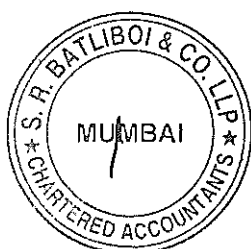
Type of Borrowers	Amount of loan or advance in the nature of loan outstanding	Aggregate amount of loans/ advances in nature of loans	Percentage to the total Loans and Advances in the nature of loans*
Promoters	-	-	-
Directors	-	-	-
KMPs	-	-	-
Related Parties	-	9,701.55	45.37%

\* Percentage of aggregate loans granted during the year

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.

**55. The Board of Directors at their meeting held on 26 May 2023, have recommended a final dividend of ₹ 1.25 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. 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.**
**57.1 During the 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 results. 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 results. Based on assessment of probability of default, loss given default in respect of these financial assets (i.e. sold during the year ended March 31, 2023 and in earlier years) and in light of various factors viz. exposures to certain sectors and assessment of credit and market risks for certain counter parties relative to such risks at initial recognition, the Company 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".**

During the previous year ended 31 March 2022, three subsidiaries of the Company had sold certain financial assets amounting to ₹ 1,675.60 million and ₹ 11,424.10 million respectively (net of provisions) to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 1,424.40 million and ₹ 9,455.70 million respectively from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from these subsidiaries' financial statement. The Company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognized in subsidiaries' financial statement. Based on assessment of probability of default, loss given default in respect of these financial assets and in light of various factors viz. exposures to certain sectors and assessment of credit and market risks for certain counter parties relative to such risks at initial recognition, the company has recorded fair value gain of ₹ 921.14 million (net) for the year ended respectively and is included in "Net gain on fair value changes".

**57.2 During the previous year ended 31 March 2022, certain assets amounting to ₹ 2,720.00 million were sold to alternative assets funds by the subsidiary NBFCs. The Company has, vide a put agreement dated 04 February 2022, has guaranteed / undertaken to purchase these financial assets amounting to ₹ 2,720.00 million on occurrence of certain trigger event as per the agreement.**


58. Pursuant to amendments in risk and rewards agreement between the subsidiaries and the Company (as mentioned in note above), with effect from 01 January 2021, fees payable on security receipts (ARC management Fee) has been agreed to be borne by the Company, as the risk and rewards are undertaken by the Company. Accordingly, an amount of ₹ 2,099.80 million (Previous year: ₹ 2,166.33 million) towards such expenses have been recorded by the Company.
- 59.1 The Company had amended its risk and rewards agreement with subsidiaries ECL Finance Limited (ECLF), NIDO Home Finance Limited (NHFL) and Edelweiss Retail & Finance Limited (ERFL), with effect from 01 January 2021, and agreed to bear fees payable on security receipts (ARC Fee), as the risk and rewards are undertaken / assumed by the Company. The said agreement has been extended with effect from 31 December 2022, and accordingly, an amount of ₹ 1,139.24 millions has been recorded by the Company towards such expenses for the year ended 31 March 2023.
- 59.2 Under the Shareholders' Agreement dated 05 March 2019, entered between Edelweiss Financial Services Limited (EFSL), CDPQ Private Equity Asia PTE. Limited (CDPQ) and ECL Finance Limited (together referred as Parties), EFSL had agreed, pursuant to clause 8.1 & 8.2 to make equity investment of an amount equivalent to the amount of losses on Select real estate/structured finance Loans (Select Loans) into ECL Finance Limited within six months of the default leading to loss incurred by the ECL Finance Limited on or before the date of the conversion of the Investor CCDs into Equity Shares. The rationale for this undertaking was to keep the total equity/net worth of ECL Finance Limited unimpacted on account of impairment in these loan accounts. During the year ended 31 March 2023, Parties have agreed and concluded that loss event for three of the borrowers in the Select Loans have crystallized 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 crystallized in respect of other Select Loans amounts mentioned in above said clauses of the agreement and hence there is no obligation of EFSL.
60. 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, 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. The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned Scheme vide its order dated 27 April 2023 under the applicable provisions of the Companies Act, 2013. Certified copy of the said order of the Tribunal was received by the Company on 12 May 2023 and filed with the Registrar of Companies on 18 May 2023. The Scheme came into the effect from 18 May 2023. As per the Scheme, the Appointed Date of the Scheme is 18 May 2023.
61. The Company's subsidiary ECL Finance Limited ('ECLF') has received the inspection report dated 12 January 2023 from Reserve Bank of India ('RBI') for the Financial Year 2021-22. The RBI in its inspection report has inter alia raised matter relating to the sharing of fair value gains of ₹ 1,994.10 million between the ECLF and the Company. This pertains to exposure towards certain borrowers that are covered under the Shareholders' agreement between the Company, ECLF and an investor and the Risk & Rewards sharing agreement between the Company and ECLF. ECLF has provided its justifications for recording such fair value gains in its financial statements to RBI. Further, ECLF has informed to its Board of Directors in its meeting dated 24 January 2023 that recording and sharing of such fair value gains between the Company and ECLF is in accordance with agreements referred above. In the month of April 2023, the ECLF submitted a detailed reply along with calculations, rationale for recognising such fair value gain and amended the Risk & Rewards sharing agreement with the Company. Further, the ECLF has sold/received redemption against such security receipts as on 31 March 2023. Accordingly, there is no impact of this observation on financial statements as on 31 March 2023.
62. During the year ended 31 March 2023, an investor has invested in Security receipts issued by ARC trusts as senior class investor in such trusts amounting to Rs. 12,000 million. 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.
63. The Income Tax Authorities ("the Department") had conducted a search under section 132 of the Income Tax Act, 1961 on the premises of the Company during March 2023. The Company had provided the requisite details which were sought by the income tax authorities during the course of the search. Subsequently, the Company has received summons under section 131 (1A) of the Income Tax Act, 1961 seeking certain data/information, which the Company is in the process of responding. The Company confirms that neither the Department has raised any tax demand nor the Company has admitted any tax liability. Further, no proceeding or assessment orders have been issued post the search conducted by the Department. While uncertainty exists regarding the outcome of the proceedings by the Department, the Company is extending its full cooperation with the concerned income tax authorities and based on current internal assessment, management is of the view that this will not have any impact on the financial statement for the year ended 31 March 2023.
64. The Company has complied with the Rule 3 of Companies (Accounts) Rules, 2014 amended on August 5, 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.
65. 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.



# Edelweiss Financial Services Limited

## Notes to the financial statements for the year ended 31 March 2023 (Continued)

(Currency : Indian rupees in millions)

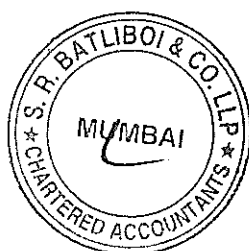
66. During the year ended 31 March 2023 employee benefits expense includes a reversal of bonus provision of ₹ 470 million. During the year ended 31 March 2022, employee benefits expense includes a reversal of long term incentive plan of ₹ 650.00 million and created additional bonus provision amounting to ₹ 731.00 million during the year ended 31 March 2022.
67. During the year ended 31 March 2023, other income includes gain amounting to ₹ 6,795.64 million (previous year ₹ 5,315.75 million) on sale of investments in its subsidiaries. ( Namely Edelweiss Asset Reconstruction Company Limited, ECL Finance Limited, Edel Investment Limited, Nuvama Wealth Management Limited ( formerly known as Edelweiss Securities Limited) & Edelweiss Alternative Asset Advisors Pte Limited )
68. The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.
69. Ratio Analysis

Particulars	Year Ended		Remarks
	31 March 2023	31 March 2022	
1 Debt-Equity Ratio	0.36	0.49	Increase in the equity is more than the increase in the Debt , resulted in decrease in Debt-Equity ratio during the year.
2 Interest Service Coverage Ratio	8.65	4.99	Increase in the profit before tax compare to the previous year has resulted in increase in Interest service coverage ratio.
3 Total debt to Total assets (%)	24.15%	30.24%	Increase in Total assets from ₹ 80,420.60 million in previous year to ₹ 1,07,185.86 million in current year, resulted in decrease in Total Debt-Total Assets ratio during the year.
4 Net profit margin (%)	77.32%	68.01%	Increase in Net Profit from ₹ 9,333 million in previous year to ₹ 23,882.47 million in current year, resulted in increase in Net profit margin ratio during the year.

### Notes:

- 1) Debt-equity Ratio = Total debt (Debt securities + Borrowings other than debt securities) / Net worth
- 2) Interest Service Coverage Ratio = Profit before interest and Tax / interest expense
- 3) Total debt to Total assets = (Debt securities + Borrowings other than debt securities) / Total assets
- 4) Net profit margin = Net Profit for the year / Total income
- 5) 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

70. The Company is in compliance with number of layers of companies, as prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.



**Edelweiss Financial Services Limited**

**Notes to the financial statements for the year ended 31 March 2023 (Continued)**

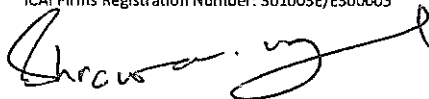
(Currency : Indian rupees in millions)

71. Previous year's figures have been regrouped / reclassified to conform to current year presentation.
72. 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.
73. These financial statements have been approved for issue by the Board of Directors of the Company on 26 May 2023

The accompanying notes are an integral part of financial statements.

As per our report of even date attached

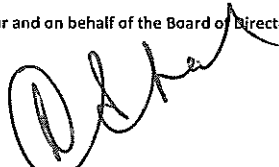
For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firms Registration Number: 301003E/E300005



per Shrawan Jalan  
Partner  
Membership No: 102102

Mumbai 26 May 2023

For and on behalf of the Board of Directors

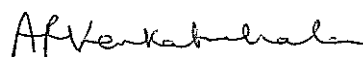


Rashesh Shah  
Chairman & Managing Director  
DIN: 00008322



Ananya Sunoj  
Chief Financial Officer

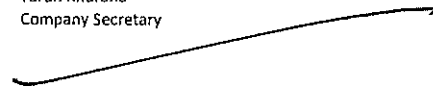
Mumbai 26 May 2023



Venkatchalam Ramaswamy  
Vice- Chairman & Executive Director  
DIN: 00008509



Tarun Khurana  
Company Secretary





## **MATERIAL DEVELOPMENTS**

Except as disclosed elsewhere in this Prospectus, there have been no material developments since April 01, 2025, till the date of filing of this Prospectus, which may have implications on the financials / credit quality at the time of the Issue, which may affect the Issue or the investor's decision to invest or continue to invest in the debt securities.

## FINANCIAL INDEBTEDNESS

As on March 31, 2025, the Company had outstanding total borrowings, on a standalone basis, of ₹ 30,724.42 million.

Sr. No.	Nature of Borrowings	Amount Outstanding (in ₹ million)*	%
1.	Secured borrowings	30,724.42	100%
2.	Unsecured borrowings	-	-
3.	Commercial Papers	-	-
Total Borrowings		30,724.42	100%

\* The above amount is calculated after considering IndAS adjustments.

Set forth below, is a summary of the borrowings by our Company outstanding as on March 31, 2025, together with a brief description of certain significant terms of such financing arrangements.

### Details of secured borrowings:

Our Company's outstanding borrowings through debt securities, on a standalone basis, as on March 31, 2025 amounts to ₹30,724.42 million (including IND-AS adjustment for effective interest rate on secured non-convertible debentures).

### Details of outstanding secured loan facilities

Our Company has not borrowed any amount by way of availing secured loan facilities as on March 31, 2025.

Name of the Lender	Type of facility	Amount sanctioned	Principal Amount Outstanding	Repayment Date/ Schedule	Security	Credit Rating, if applicable	Asset classification
Nil							

### Details of unsecured loan facilities:

Our Company has not borrowed any amounts by way of availing unsecured loans as on March 31, 2025.

Name of the Lender	Type of facility	Amount sanctioned	Principal Amount Outstanding	Repayment Date/ Schedule	Credit Rating, if applicable
Nil					

### Details of outstanding non-convertible securities, on a standalone basis:

#### 1. Secured, redeemable non-convertible debentures (public placements):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹ 1,000 on a public placement basis of which ₹ 1,299.65 million is outstanding (including accrued interest) as on March 31, 2025, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption / Maturity Date	Credit Rating	Description	Security
Series III	INE532F07 BM3	1,826	9.39	January 8, 2021	557.12	January 8, 2026	BWR A+/ Stable & CARE A/ Stable	Secured, rated, listed, non- convertible redeemable debentures	Please refer to the note below.
Series IV	INE532F07 BN1	1,826	9.80	January 8, 2021	346.34	January 8, 2026	BWR A+/ Stable & CARE A/ Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series V	INE532F07 BO9	1,826	NA	January 8, 2021	159.15	January 8, 2026	BWR A+/ Stable & CARE A/ Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series VI	INE532F07 BP6	3,652	9.53	January 8, 2021	169.19	January 8, 2031	BWR A+/ Stable & CARE A/ Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series VII	INE532F07 BQ4	3,652	9.95	January 8, 2021	67.85	January 8, 2031	BWR A+/ Stable & CARE A/ Stable	Secured, rated, listed, non- convertible redeemable debentures	

Above debentures are fully secured by receivables from Edel Finance Company Limited ₹ 1,431.12 million. Further, an amount of ₹ 1.02 million stands unclaimed and unpaid on account of matured ISINs.

\*Includes adjustment on account of EIR.

## 2. Secured redeemable non-convertible debentures (public placements):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹1,000 on a public placement basis of which ₹ 1,611.18 million is outstanding (including accrued interest) as on March 31, 2025, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption / Maturity Date	Credit Rating	Description	Security
Series III	INE532F07 BX0	1,826	9.16	April 29, 2021	811.61	April 29, 2026	BWR A+/ Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	Please refer to the note below.
Series IV	INE532F07 BY8	1,826	9.55	April 29, 2021	324.68	April 29, 2026	BWR A+/ Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption / Maturity Date	Credit Rating	Description	Security
Series VI	INE532F07CA6	3,652	9.30	April 29, 2021	180.64	April 29, 2031	BWR A+/ Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series VII	INE532F07CB4	3,652	9.70	April 29, 2021	162.38	April 29, 2031	BWR A+/ Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series V	INE532F07BZ5	1,826	NA	April 29, 2021	131.87	April 29, 2026	BWR A+/ Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	

Above debentures are fully secured by receivables from Edel Finance Company Limited ₹1,750.00 million (according to the amended debenture trust deed dated January 30, 2025). Further, an amount of ₹ 0.22 million stands unclaimed and unpaid on account of matured ISINs.

\*Includes adjustment on account of EIR.

### 3. Secured, redeemable non-convertible debentures (public placement):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹ 1,000 on a public placement basis of which ₹ 1,827.37 million is outstanding (including accrued interest) as on March 31, 2025, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest) *	Redemption / Maturity Date	Credit Rating	Description	Security
Series IV	INE532F07CF5	1826	9.15	September 10, 2021	814.48	September 10, 2026	ACUITE A+/ Rating Watch with Negative Implications & [ICRA] A+ (Stable)	Secured, rated, listed, non- convertible redeemable debentures	Please refer to the note below.
Series V	INE532F07CG3	1826	9.55	September 10, 2021	461.13	September 10, 2026	ACUITE A+/ Rating Watch with Negative Implications & [ICRA] A+ (Stable)	Secured, rated, listed, non- convertible redeemable debentures	
Series VI	INE532F07CH1	1826	NA	September 10, 2021	187.76	September 10, 2026	ACUITE A+/ Rating Watch with Negative Implications & [ICRA] A+ (Stable)	Secured, rated, listed, non- convertible redeemable debentures	
Series VII	INE532F07CI9	3652	9.30	September 10, 2021	264.86	September 10, 2031	ACUITE A+/ Rating Watch with Negative Implications & [ICRA] A+ (Stable)	Secured, rated, listed, non- convertible redeemable debentures	

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest) *	Redemption / Maturity Date	Credit Rating	Description	Security
Series VIII	INE532F07CJ7	3652	9.70	September 10, 2021	99.14	September 10, 2031	ACUITE A+/ Rating Watch with Negative Implications & [ICRA] A+ (Stable)	Secured, rated, listed, non-convertible redeemable debentures	

Above debentures are fully secured by investment in CCD of Edelweiss Rural and Corporate Services amounting to ₹ 4,500 million by Edel Finance Company Limited. Further, an amount of ₹ 1.44 million stands unclaimed and unpaid on account of matured ISINs.

\*Includes adjustment on account of EIR.

4. Secured, redeemable non-convertible debentures (public placement):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹ 1,000 on a public placement basis of which ₹2,106.61 million is outstanding (including accrued interest) as on March 31, 2025, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity date	Credit Rating	Description	Security
Series VI	INE532F07CQ2	1826	9.15	December 28, 2021	764.46	December 28, 2026	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non-convertible redeemable debentures	Please refer to the note below.
Series VII	INE532F07CR0	1826	9.55	December 28, 2021	763.05	December 28, 2026	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non-convertible redeemable debentures	
Series VIII	INE532F07CS8	1826	NA	December 28, 2021	161.46	December 28, 2026	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non-convertible redeemable debentures	
Series IX	INE532F07CT6	3652	9.30	December 28, 2021	290.88	December 28, 2031	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non-convertible redeemable debentures	
Series X	INE532F07CU4	3652	9.70	December 28, 2021	126.76	December 28, 2031	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non-convertible redeemable debentures	

Above debentures are fully secured by receivables from Edel Finance Company Limited amounting to ₹ 4,143.55 million Further, an amount of ₹ 0.76 million stands unclaimed and unpaid on account of matured ISINs.

\*Includes adjustment on account of EIR.

5. Secured, redeemable non-convertible debentures (public placement):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹ 1,000 on a public placement basis of which ₹ 3,345.76 million is outstanding (including accrued interest) as on March 31, 2025, the details of which are set forth below:

*(₹ in million, unless otherwise stated)*

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity date	Credit Rating	Description	Security
Series III	INE532F07 CX8	1,096	8.90	October 20, 2022	573.48	October 20, 2025	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	Please refer to the note below.
Series IV	INE532F07 CY6	1,096	9.25	October 20, 2022	435.26	October 20, 2025	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series V	INE532F07 CZ3	1,096	NA	October 20, 2022	278.25	October 20, 2025	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series VI	INE532F07 DB2	1,826	9.35	October 20, 2022	1,184.24	October 20, 2027	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series VII	INE532F07 DC0	1,826	9.75	October 20, 2022	327.84	October 20, 2027	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series VIII	INE532F07 DA4	1,826	NA	October 20, 2022	125.99	October 20, 2027	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series IX	INE532F07 DD8	3,653	9.65	October 20, 2022	234.56	October 20, 2032	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series X	INE532F07 DE6	3,653	10.10	October 20, 2022	186.14	October 20, 2032	Crisil A+/Stable & ACUITE A+/ Rating	Secured, rated, listed, non- convertible	

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity date	Credit Rating	Description	Security
							Watch with Negative Implications	redeemable debentures	

Above debentures are fully secured by receivables from Edel Finance Company Limited amounting to ₹ 4,000 million.

\*Includes adjustment on account of EIR

6. Secured, redeemable non-convertible debentures (public placement):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹ 1,000 on a public placement basis of which ₹ 3,651.25 million is outstanding (including accrued interest) as on March 31, 2025, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity date	Credit Rating	Description	Security
Series III	INE532F07DM9	1096	9.20	20-Jan-23	540.04	20-Jan-26	Crisil A+/Stable & ACUITE A+/Rating Watch with Negative Implications	Secured, rated, listed, non-convertible redeemable debentures	Please refer to the note below.
Series IV	INE532F07DN7	1096	9.60	20-Jan-23	502.22	20-Jan-26	Crisil A+/Stable & ACUITE A+/Rating Watch with Negative Implications	Secured, rated, listed, non-convertible redeemable debentures	
Series V	INE532F07DL1	1096	N.A.	20-Jan-23	244.60	20-Jan-26	Crisil A+/Stable & ACUITE A+/Rating Watch with Negative Implications	Secured, rated, listed, non-convertible redeemable debentures	
Series VI	INE532F07DK3	1826	9.67	20-Jan-23	1161.12	20-Jan-28	Crisil A+/Stable & ACUITE A+/Rating Watch with Negative Implications	Secured, rated, listed, non-convertible redeemable debentures	
Series VII	INE532F07DJ5	1826	10.10	20-Jan-23	362.84	20-Jan-28	Crisil A+/Stable & ACUITE A+/Rating Watch with Negative Implications	Secured, rated, listed, non-convertible redeemable debentures	
Series VIII	INE532F07DG1	1826	N.A.	20-Jan-23	186.26	20-Jan-28	Crisil A+/Stable & ACUITE A+/Rating	Secured, rated, listed, non-convertible	

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity date	Credit Rating	Description	Security
							Watch with Negative Implications	redeemable debentures	
Series IX	INE532F07 DH9	3653	10.00	20-Jan-23	431.44	20-Jan-33	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series X	INE532F07 DI7	3653	10.45	20-Jan-23	222.73	20-Jan-33	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	

Above debentures are fully secured by investment in CCD of Edelweiss Rural and Corporate Services amounting to ₹ 4,500 million by Edel Finance Company Limited.

\*Includes adjustment on account of EIR

7. Secured, redeemable non-convertible debentures (public placement):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹ 1,000 on a public placement basis of which ₹ 2,555.64 million is outstanding (including accrued interest) as on March 31, 2025, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest) (₹ million)*	Redemption/ Maturity Date	Credit Rating	Description	Security
Series I	INE532F07 DQ0	731	8.95	April 27, 2023	144.01	April 27, 2025	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	Please refer to the note below.
Series II	INE532F07 DR8	731	N.A.	April 27, 2023	92.11	April 27, 2025	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series III	INE532F07 DP2	1,096	9.20	April 27, 2023	375.13	April 27, 2026	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series IV	INE532F07 DS6	1,096	9.60	April 27, 2023	301.53	April 27, 2026	Crisil A+/Stable &	Secured, rated, listed, non-	



(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest) (₹ million)*	Redemption n/ Maturity Date	Credit Rating	Description	Security
							ACUITE A+/ Rating Watch with Negative Implications	convertible redeemable debentures	
Series V	INE532F07 DU2	1,096	N.A.	April 27, 2023	125.66	April 27, 2026	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series VI	INE532F07 DT4	1,827	9.67	April 27, 2023	658.48	April 27, 2028	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series VII	INE532F07 DV0	1,827	10.10	April 27, 2023	314.08	April 27, 2028	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series VIII	INE532F07 DW8	1,827	N.A.	April 27, 2023	114.99	April 27, 2028	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series IX	INE532F07 DX6	3,653	10.00	April 27, 2023	308.61	April 27, 2033	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series X	INE532F07 DY4	3,653	10.45	April 27, 2023	121.04	April 27, 2033	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	

Above debentures are fully secured by receivables from Edel Finance Company Limited amounting to ₹ 2,750 million (according to the amended debenture trust deed dated January 30, 2025).

\*Includes adjustment on account of EIR

8. Secured, redeemable non-convertible debentures (public placement):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹ 1,000 on a public placement basis of which ₹ 2,575.17 million is outstanding (including accrued interest) as on March 31, 2025, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest) *	Redemption/ Maturity Date	Credit Rating	Description	Security
Series I	INE532F07 EA2	731	8.95	July 21, 2023	106.02	July 21, 2025	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	Please refer to the note below.
Series II	INE532F07 EB0	731	N.A.	July 21, 2023	65.83	July 21, 2025	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series III	INE532F07 EC8	1,096	9.20	July 21, 2023	360.30	July 21, 2026	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series IV	INE532F07 ED6	1,096	9.60	July 21, 2023	311.89	July 21, 2026	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series V	INE532F07 EE4	1,096	N.A.	July 21, 2023	174.37	July 21, 2026	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series VI	INE532F07 EG9	1,827	9.67	July 21, 2023	753.33	July 21, 2028	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series VII	INE532F07 EH7	1,827	10.10	July 21, 2023	288.63	July 21, 2028	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series VIII	INE532F07 EF1	1,827	N.A.	July 21, 2023	97.83	July 21, 2028	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	
Series IX	INE532F07 EI5	3,653	10.00	July 21, 2023	308.83	July 21, 2033	Crisil A+/Stable &	Secured, rated, listed, non-	

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest) *	Redemption/ Maturity Date	Credit Rating	Description	Security
							ACUITE A+/ Rating Watch with Negative Implications	convertible redeemable debentures	
Series X	INE532F07 DZ1	3,653	10.45	July 21, 2023	108.14	July 21, 2033	Crisil A+/Stable & ACUITE A+/ Rating Watch with Negative Implications	Secured, rated, listed, non- convertible redeemable debentures	

Above debentures are fully secured by receivables from Edel Finance Company Limited amounting to ₹ 2,750 million (according to the amended debenture trust deed dated January 08, 2025)

\*Includes adjustment on account of EIR

9. Secured, redeemable non-convertible debentures (public placement):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹ 1,000 on a public placement basis of which ₹ 1,733.97 million is outstanding (including accrued interest) as on March 31, 2025, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity Date	Credit Rating	Description	Security
Series I	INE532F07EJ3	731	8.95	October 26, 2023	100.63	October 26, 2025	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	Please refer to the note below.
Series II	INE532F07ER6	731	NA	October 26, 2023	37.10	October 26, 2025	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series III	INE532F07EQ8	1,096	9.20	October 26, 2023	281.17	October 26, 2026	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series IV	INE532F07EP0	1,096	9.60	October 26, 2023	344.77	October 26, 2026	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series V	INE532F07ES4	1,096	NA	October 26, 2023	97.46	October 26, 2026	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity Date	Credit Rating	Description	Security
Series VI	INE532F07EO3	1,827	9.67	October 26, 2023	383.38	October 26, 2028	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series VII	INE532F07EM7	1,827	10.10	October 26, 2023	178.09	October 26, 2028	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series VIII	INE532F07EN5	1,827	NA	October 26, 2023	67.94	October 26, 2028	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series IX	INE532F07EL9	3,653	10.00	October 26, 2023	165.01	October 26, 2033	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series X	INE532F07EK1	3,653	10.45	October 26, 2023	78.42	October 26, 2033	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	

Above debentures are fully secured by receivables from Edel Finance Company Limited amounting to ₹ 1,950 million (according to the amended debenture trust deed dated January 08, 2025).

\*Includes adjustment on account of EIR

10. Secured, redeemable non-convertible debentures (public placement):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹ 1,000 on a public placement basis of which ₹ 2,077.86 million is outstanding (including accrued interest) as on March 31, 2025, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity Date	Credit Rating	Description	Security
Series I	INE532F07ET2	731	8.95	January 29, 2024	277.19	January 29, 2026	Crisil A+/Stable & [ICRA] A+ (Stable)	Secured, rated, listed, non-convertible redeemable debentures	Please refer to the note below.
Series II	INE532F07EV8	731	N.A	January 29, 2024	83.74	January 29, 2026	Crisil A+/Stable & [ICRA] A+ (Stable)	Secured, rated, listed, non-convertible redeemable debentures	

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity Date	Credit Rating	Description	Security
Series III	INE532F07EU0	1096	9.20	January 29, 2024	290.47	January 29, 2027	Crisil A+/Stable & [ICRA] A+ (Stable)	Secured, rated, listed, non-convertible redeemable debentures	
Series IV	INE532F07EW6	1096	9.60	January 29, 2024	333.19	January 29, 2027	Crisil A+/Stable & [ICRA] A+ (Stable)	Secured, rated, listed, non-convertible redeemable debentures	
Series V	INE532F07EX4	1096	N.A	January 29, 2024	119.75	January 29, 2027	Crisil A+/Stable & [ICRA] A+ (Stable)	Secured, rated, listed, non-convertible redeemable debentures	
Series VI	INE532F07EY2	1827	9.67	January 29, 2024	416.80	January 29, 2029	Crisil A+/Stable & [ICRA] A+ (Stable)	Secured, rated, listed, non-convertible redeemable debentures	
Series VII	INE532F07EZ9	1827	10.10	January 29, 2024	231.45	January 29, 2029	Crisil A+/Stable & [ICRA] A+ (Stable)	Secured, rated, listed, non-convertible redeemable debentures	
Series VIII	INE532F07FA9	1827	N.A	January 29, 2024	54.06	January 29, 2029	Crisil A+/Stable & [ICRA] A+ (Stable)	Secured, rated, listed, non-convertible redeemable debentures	
Series IX	INE532F07FB7	3653	10.00	January 29, 2024	190.24	January 29, 2034	Crisil A+/Stable & [ICRA] A+ (Stable)	Secured, rated, listed, non-convertible redeemable debentures	
Series X	INE532F07FC5	3653	10.45	January 29, 2024	80.97	January 29, 2034	Crisil A+/Stable & [ICRA] A+ (Stable)	Secured, rated, listed, non-convertible redeemable debentures	

Note: Above debentures are fully secured by receivables from Edel Finance Company Limited amounting to ₹ 2,350 million (according to the amended debenture trust deed dated January 30, 2025).

\*Includes adjustment on account of EIR

#### 11. Secured, redeemable non-convertible debentures (public placement):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹ 1,000 on a public placement basis of which ₹1,753.35 million is outstanding (including accrued interest) as on March 31, 2025, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity Date	Credit Rating	Description	Security
Series XI	INE532F07FJ0	3652	10.45	April 29, 2024	75.61	April 29, 2034	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	Please refer to the note below.
Series XII	INE532F07FG6	3652	10.45	April 29, 2024	25.96	April 29, 2034	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series VIII	INE532F07FH4	1826	N.A	April 29, 2024	47.67	April 29, 2029	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series IX	INE532F07FI2	1826	10.10	April 29, 2024	48.42	April 29, 2029	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series X	INE532F07FD3	3652	10.00	April 29, 2024	123.78	April 29, 2034	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series IV	INE532F07FL6	1095	9.60	April 29, 2024	268.38	April 29, 2027	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series V	INE532F07FM4	1095	N.A	April 29, 2024	64.53	April 29, 2027	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series VI	INE532F07FN2	1826	9.67	April 29, 2024	274.00	April 29, 2029	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series VII	INE532F07FO0	1826	10.10	April 29, 2024	149.73	April 29, 2029	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series I	INE532F07FF8	730	9.00	April 29, 2024	380.46	April 29, 2026	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity Date	Credit Rating	Description	Security
Series II	INE532F07FE1	730	N.A	April 29, 2024	32.17	April 29, 2026	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series III	INE532F07FK8	1095	9.20	April 29, 2024	262.64	April 29, 2027	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	

Note: Above debentures are fully secured by pari passu charge over present and future receivables of the Company excluding the receivables which are charged with other lenders, trustees or creditors.

\* Includes adjustment on account of EIR

## 12 Secured, redeemable non-convertible debentures (public placement):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹ 1,000 on a public placement basis of which ₹ 1,334.23 million is outstanding (including accrued interest) as on March 31, 2025, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest) (₹ million)*	Redemption/ Maturity Date	Credit Rating	Description	Security
Series I	INE532F07FP7	730	9.50	July 26, 2024	84.83	July 26, 2026	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	Please refer to the note below.
Series II	INE532F07FQ5	730	NA	July 26, 2024	35.46	July 26, 2026	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series III	INE532F07FR3	1095	9.57	July 26, 2024	216.75	July 26, 2027	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series IV	INE532F07FS1	1095	10.00	July 26, 2024	276.17	July 26, 2027	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series V	INE532F07FT9	1095	NA	July 26, 2024	51.34	July 26, 2027	Crisil A+/Stable	Secured, rated, listed, non-convertible	

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest) (₹ million)*	Redemption/ Maturity Date	Credit Rating	Description	Security
								redeemable debentures	
Series VI	INE532 F07FU7	1826	10.04	July 26, 2024	219.35	July 26, 2029	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series VII	INE532 F07FV5	1826	10.50	July 26, 2024	106.52	July 26, 2029	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series VIII	INE532 F07FW3	1826	NA	July 26, 2024	32.21	July 26, 2029	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series IX	INE532 F07GA7	1826	10.50	July 26, 2024	49.05	July 26, 2029	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series X	INE532 F07FZ6	3652	10.49	July 26, 2024	166.54	July 26, 2034	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series XI	INE532 F07FX1	3652	11.00	July 26, 2024	61.15	July 26, 2034	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series XII	INE532 F07FY9	3652	11.00	July 26, 2024	34.86	July 26, 2034	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	

Note: Above debentures are fully secured by *pari passu* charge over present and future receivables of the Company excluding the receivables which are charged with other lenders, trustees or creditors.

\* Includes adjustment on account of EIR.

### 13 Secured, redeemable non-convertible debentures (*public placement*):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹ 1,000 on a public placement basis of which ₹ 1,727.95 million is outstanding (including accrued interest) as on March 31, 2025, the details of which are set forth below:



(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity Date	Credit Rating	Description	Security
Series I	INE532F0 7GB5	730	9.50	October 24, 2024	547.57	October 24, 2026	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	Please refer to the note below.
Series II	INE532F0 7GC3	730	N.A.	October 24, 2024	49.88	October 24, 2026	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series III	INE532F0 7GD1	1095	9.57	October 24, 2024	181.79	October 24, 2027	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series IV	INE532F0 7GE9	1095	10.00	October 24, 2024	286.62	October 24, 2027	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series V	INE532F0 7GG4	1095	N.A.	October 24, 2024	55.38	October 24, 2027	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series VI	INE532F0 7GJ8	1826	10.04	October 24, 2024	187.91	October 24, 2029	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series VII	INE532F0 7GF6	1826	10.50	October 24, 2024	111.68	October 24, 2029	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series VIII	INE532F0 7GK6	1826	N.A.	October 24, 2024	33.81	October 24, 2029	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series X	INE532F0 7GI0	3652	10.49	October 24, 2024	166.70	October 24, 2034	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	
Series XI	INE532F0 7GL4	3652	11.00	October 24, 2024	69.82	October 24, 2034	Crisil A+/Stable	Secured, rated, listed, non- convertible redeemable debentures	

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity Date	Credit Rating	Description	Security
Series IX	INE532F07GH2	1826	10.50	October 24, 2024	17.81	October 24, 2029	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series XII	INE532F07GM2	3652	11.00	October 24, 2024	18.98	October 24, 2034	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	

Note: Above debentures are fully secured by pari passu charge over present and future receivables of the Company excluding the receivables which are charged with other lenders, trustees or creditors.

\* Includes adjustment on account of EIR.

#### 14 Secured, redeemable non-convertible debentures (public placement):

Our Company has issued secured redeemable non-convertible debenture of face value of ₹ 1,000 on a public placement basis of which ₹ 1,800.82 million is outstanding (including accrued interest) as on March 31, 2025, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity Date	Credit Rating	Description	Security
Series I	INE532F07GO8	730	9.50	January 24, 2025	125.85	January 24, 2027	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	Please refer to the note below.
Series II	INE532F07GP5	730	NA	January 24, 2025	39.00	January 24, 2027	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series III	INE532F07GQ3	1095	9.57	January 24, 2025	315.27	January 24, 2028	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series IV	INE532F07GZ4	1095	10.00	January 24, 2025	304.58	January 24, 2028	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series V	INE532F07GY7	1095	NA	January 24, 2025	104.75	January 24, 2028	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	

(₹ in million, unless otherwise stated)

Series	ISIN	Tenor/ period of maturity (Days)	Coupon (p.a.) in %	Date of allotment	Amount outstanding (including accrued interest)*	Redemption/ Maturity Date	Credit Rating	Description	Security
Series VI	INE532F07GX9	1826	10.04	January 24, 2025	313.18	January 24, 2030	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series VII	INE532F07GW1	1826	10.50	January 24, 2025	182.63	January 24, 2030	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series VIII	INE532F07GV3	1826	NA.	January 24, 2025	41.95	January 24, 2030	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series IX	INE532F07GU5	1826	10.50	January 24, 2025	42.29	January 24, 2030	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series X	INE532F07GT7	3652	10.49	January 24, 2025	242.29	January 24, 2035	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series XI	INE532F07GR1	3652	11.00	January 24, 2025	69.00	January 24, 2035	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	
Series XII	INE532F07GS9	3652	11.00	January 24, 2025	20.03	January 24, 2035	Crisil A+/Stable	Secured, rated, listed, non-convertible redeemable debentures	

*Note: Above debentures are fully secured by pari passu charge over present and future receivables of the Company excluding the receivables which are charged with other lenders, trustees or creditors.*

*\* Includes adjustment on account of EIR.*

#### 15 Secured, redeemable, rated, listed, non-convertible market linked debentures (private placements):

Our Company has issued secured, redeemable, rated, listed non-convertible market linked debentures on a private placement basis of which ₹ 1,320.17 million is outstanding (including accrued interest) as on March 31, 2025, the details of which are set forth below:

(₹ in million, unless otherwise stated)

Sr. No.	Series of non-convertible debentures	ISIN	Tenor/Period of Maturity (Days)	Coupon (p.a.) in %	Date of Allotment	Issue Amount	Amount outstanding	Redemption/ Maturity Date	Credit Rating	Description	Security
1.	J5A101A	INE532F07BT8	1825	NA	January 14, 2021	350.00	518.67	January 13, 2026	BWR PP-MLD A+/Stable	Secured, redeemable, rated, listed, non-convertible market linked debentures	Please refer to the note below.
2.	J5A101A	INE532F07BS0	1826	NA	January 14, 2021	50.00	73.38	January 14, 2026	BWR PP-MLD A+/Stable	Secured, redeemable, rated, listed, non-convertible market linked debentures	
3.	J5A101A01	INE532F07BS0	1815	NA	January 25, 2021	50.00	73.38	January 14, 2026	BWR PP-MLD A+/Stable	Secured, redeemable, rated, listed, non-convertible market linked debentures	
4.	J5A101A02	INE532F07BS0	1784	NA	February 25, 2021	25.00	36.76	January 14, 2026	BWR PP-MLD A+/Stable	Secured, redeemable, rated, listed, non-convertible market linked debentures	
5.	J5A101A03	INE532F07BS0	1765	NA	March 16, 2021	20.00	29.41	January 14, 2026	BWR PP-MLD A+/Stable	Secured, redeemable, rated, listed, non-convertible market linked debentures	
6.	J5A101A04	INE532F07BS0	1757	NA	March 24, 2021	20.00	29.41	January 14, 2026	BWR PP-MLD A+/Stable	Secured, redeemable, rated, listed, non-convertible market linked debentures	
7.	J5A101A05	INE532F07BS0	1720	NA	April 30, 2021	20.00	29.41	January 14, 2026	BWR PP-MLD A+/Stable	Secured, redeemable, rated, listed, non-convertible market linked debentures	
8.	J5A101A06	INE532F07BS0	1703	NA	May 17, 2021	10.00	14.66	January 14, 2026	BWR PP-MLD A+/Stable	Secured, redeemable, rated, listed,	

(₹ in million, unless otherwise stated)

Sr. No.	Series of non-convertible debentures	ISIN	Tenor/ Period of Maturity (Days)	Coupon (p.a.) in %	Date of Allotment	Issue Amount	Amount outstanding	Redemption/ Maturity Date	Credit Rating	Description	Security
										non-convertible market linked debentures	
9.	J5A101A07	INE532F07BS0	1699	NA	May 21, 2021	15.00	22.00	January 14, 2026	BWR PP-MLD A+/Stable	Secured, redeemable, rated, listed, non-convertible market linked debentures	
10.	A7J402A	INE532F07GN0	912	10.20	October 28, 2024	500.00	493.09	April 28, 2027	Crisil PPMLD A+ /Stable	Secured, redeemable, rated, listed, non-convertible debentures	Please refer to the note below.

Above debentures are fully secured by *pari passu* charge over present and future receivables of the Company excluding the receivables which are charged with other lenders, trustees or creditors.

\* Includes adjustment on account of EIR.

The amount of corporate guarantee or letter of comfort issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc.) on behalf of whom it has been issued, contingent liability including DSRA guarantees/ any put option etc:

#### Corporate Guarantee:

As on March 31, 2025, the details of the outstanding corporate guarantees amounting to ₹ 23,703.86 million issued by the Company are as under:

(₹ in million, unless otherwise stated)

Sr. No.	Company name	Nature of Counterparty	Nature of facility	Amount sanctioned	Amount outstanding
1	Ecap Equities Limited	Subsidiary	MLDs	15,000.00	12,855.50
2	ECL Finance Limited	Subsidiary	Banking facility	1100.00	1000
3	Edelweiss Asset Reconstruction Company Limited	Subsidiary	MLDs, non-convertible debentures and Banking facility	26,300.00	3,957.55
4	Edel Finance Company Limited	Subsidiary	MLDs and NCD	8,000.00	3,812.50
5	NIDO Home Finance Limited	Subsidiary	Banking facility	4,000.00	920.91
6.	Edelweiss Rural & Corporate Services Limited	Subsidiary	Non-Convertible Debentures	1,900.00	1,157.40
<b>Total</b>				<b>56,300.00</b>	<b>23,703.86</b>

**Letter of Comfort:**

List of Letter of Comfort (“LOCs”) issued by the Company as on March 31, 2025:

(₹ in million, unless otherwise stated)

Sr No	Beneficiary Entity	Nature of Beneficiary Entity	Type	Counterparty	Product	Sanctioned/ Issued	Utilised
1.	Nido Home Finance Limited	Subsidiary	LOC	Canara Bank	Term Loan	3,500.00	2,350.00
2.	ECL Finance Limited	Subsidiary	LOC	Axis Trustee Services Limited	Term Loan	8,000.00	3,910.40
3.	ECL Finance Limited	Subsidiary	LOC	Vivriti Capital Private Limited	Term Loan	300.00	135.00
4.	Edelweiss Retail Finance Limited	Subsidiary	LOC	Punjab & Sind Bank	WCDL/Cash Credit	100.00	65.10
5.	Edelweiss Retail Finance Limited	Subsidiary	LOC	Punjab National Bank	WCDL/Cash Credit	187.50	-
6.	Nido Home Finance Limited	Subsidiary	LOC	Indian Overseas Bank	Term Loan	1,500.00	1,500.00
7.	Nido Home Finance Limited*	Subsidiary	LOC	State Bank of India (lead bank of the security trustee arrangement)	Term Loan	1,650.00	1,219.92
8.	ECap Equities Limited	Subsidiary	LOC	Tata Capital Limited	Term Loan	3,000.00	2,504.10
9.	Nido Home Finance Limited	Subsidiary	LOC	Maanaveeya Development & Finance Pvt Ltd	Term Loan	500.00	500.00

\*The amount considered for the term loan is the issued amount.

**Details of commercial paper issuances undertaken by the Company as on March 31, 2025:**

Sr. No.	ISIN	Tenor/ Period of Maturity (Days)	Coupon (p.a.) in %	Date of Allotment	Amount outstanding (₹ million)	Redemption/ Maturity Date	Credit Rating	Description	Security	IPA	Credit Rating Agency
NIL											

**Inter-Corporate Deposits:**

Our Company has not borrowed any amount by way of inter-corporate deposits as on March 31, 2025.

**Inter-Corporate Loans:**

Our Company has not borrowed any amount by way of availing inter-corporate loans as on March 31, 2025.

**Loan from Directors and Relatives of Directors:**

Our Company has not raised any loan from Directors and relatives of Directors as on March 31, 2025.

**Covenants under our Financing Arrangements:**

Our financing agreements include various conditions and covenants restricting certain corporate actions and our Company is required to take the prior approval of the debenture trustee before carrying out such activities.

For instance, our Company, inter-alia, is required to obtain the prior written consent in the following instances:

- a) Effect any change in control of our Company.
- b) Permit any transfer of the controlling interest or make any drastic change in the management set-up.
- c) Change or in any way alter the capital structure.
- d) Implement a new scheme of expansion or take up an allied line of business or manufacture.
- e) Effect any scheme of amalgamation or reconstruction.
- f) to amend the constituent documents of certain companies of our Company.

Penalty: Upon any delay in allotment, unblocking, listing, dematerialized credit, execution of the debenture trust deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, the Company shall pay default interest at the stipulated rates as per Applicable Law.

Events of Default: An indicative list of events of default include:

- a) Default in redemption of NCDs,
- b) Default in payment of interest/principal amount,
- c) Default in performance of covenants and conditions,
- d) Proceedings against Company,
- e) Liquidation or dissolution of Company,

as may be further supplemented, amended, modified in accordance with the “*Terms of the Issue – Events of Default*” on page 325.

**Details of defaults and/or delay in payment of interest and principal of any kind of term loan, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the Issuer, in the preceding three years and current financial year.**

As on the date of this Prospectus, there has been no rescheduling, default and/or delay in payment of principal or interest on any existing term loan, debt security(ies), commercial papers (including technical delay) or any other financial indebtedness including corporate guarantee or letters of comfort issued by the Issuer in the preceding three years and current financial year.

**Details of the bank fund based facilities/ the rest of the borrowing (if any including hybrid debt like foreign currency convertible bonds (FCCB), optionally convertible debentures / preference shares) from financial institutions or financial creditors.**

Nil

**Details of any outstanding borrowing taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.**

Nil

**Details of any other contingent liabilities of the Issuer, based on the latest audited financial statements including amount and nature of liability.**

As at March 31, 2025, our contingent liabilities on a standalone basis not provided for, as per Ind AS 37 issued by MCA, were amounting to ₹ 444.24 million, (which included taxation matters in respect of which appeal is pending amounting to ₹ 436.44 million, litigation pending against the Issuer amounting to ₹ 7.80 million). For more details of contingent liability as at March 31, 2025 as per Ind AS 37, see “*Financial Information*” on page 214.



## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS

The Issuer, Directors, Promoter, Subsidiaries and our group companies are subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are initiated by us and also by customers and other parties. These legal proceedings are primarily in the nature of: (a) arbitration petitions (b) civil suits (c) criminal complaints, (d) consumer complaints, (e) tax matters; and (f) petitions pending before appellate authorities. We believe that the number of proceedings in which we are involved in is not unusual for a company of our size in the context of doing business in India. Except as disclosed below, there is no outstanding litigation involving the Issuer, Subsidiaries, Promoters, Directors and group companies or any other person that would have a material adverse effect on our operations or financial position which may affect the Issue or the investor's decision to invest in the Issue.

The Debenture Fund Raising Committee has set a materiality threshold for disclosure of events or information in relation to the Issue encompassing all pending litigation involving the Issuer, Promoter, Directors, Subsidiaries and group companies, other than criminal proceedings, and regulatory proceedings (which would be disclosed in a consolidated manner), as 'material' for the purposes of disclosure in this Prospectus if: (i) the monetary amount of claim by or against the entity or person in any such pending litigation is in excess of an amount of ₹ 245 million ("**Materiality Threshold**"), or (ii) any such litigation or regulatory action the outcome of which has a bearing on the business, operations, prospects or reputation of the Issuer, irrespective of the amount involved in such litigation. The Materiality Threshold shall only be applicable to the disclosures required to be made in connection with this Issue in this Prospectus in connection with all pending litigation involving the Issuer, Promoter, Directors, Subsidiaries and group companies, (other than criminal proceedings, and regulatory proceedings) and shall not be applicable to any other disclosure or issuance or any other purpose, in any manner whatsoever.

It is clarified that for the purposes of the above, pre-litigation notices received by the Issuer, Directors, our Promoter, Subsidiaries or our group companies shall, unless otherwise decided by our Board of Directors/Debenture Fund Raising Committee, not be considered as litigation until such time that the Issuer, Directors, Promoter, Subsidiaries and/or group companies, as the case maybe, is impleaded as a defendant in litigation proceedings before any judicial forum.

Except as disclosed below, there are no pending proceedings pertaining to:

- (a) Litigations involving the Issuer, Subsidiaries, Promoter, Directors, group companies, or any other person, whose outcome could have a material adverse effect on the financial position of the Issuer which may affect the Issue or the investor's decision to invest/ continue to invest in the NCDs;
- (b) any default and non-payment of statutory dues by the Issuer for the preceding three financial years and current financial years;
- (c) any litigation or legal action pending or taken by a Government department or a statutory body or regulatory body against the Promoters during the three years immediately preceding the year of the issue of this Prospectus;
- (d) the details of acts of material frauds committed against the Issuer in the preceding three financial years and current financial year, if any, and if so, the action taken by the Issuer;
- (e) there are no failures or defaults to meet statutory dues, institutional dues and dues towards instrument holders including holders of debentures, fixed deposits and arrears on cumulative preference shares, etc., by the Issuer;
- (f) pending proceedings initiated against the Issuer for economic offences; and

- (g) inquiries, inspections or investigations initiated or conducted under the securities laws or Companies Act, 2013, or any previous companies law including where there were any prosecutions filed (whether pending or not) and fines imposed or offences compounded of the Issuer in the three years immediately preceding the year of issue of this Prospectus against the Issuer and our Subsidiaries fines imposed on or compounding of offences done by the Issuer and our Subsidiaries in the last three years immediately preceding the year of issue of this Prospectus.
- (h) any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/Promoters, litigations resulting in material liabilities, corporate restructuring event etc.) which may affect the issue or the investor's decision to invest/ continue to invest in the NCDs.

## 1. Criminal litigations, material civil litigations and all regulatory actions involving the Issuer

- (i) As on the date of this Prospectus, following are material civil litigations involving the Issuer:

### Civil Litigation

By the Issuer

Other than as mentioned under "*Criminal Litigations - By the Issuer*", there are no other civil proceedings filed by the Issuer.

### Against the Issuer

NIL

### Criminal Litigation

#### By the Issuer

- A. The Issuer filed a suit for defamation, injunction and damages ("**Suit**") against Palak Shah & Ors. ("**Defendants**") before the Hon'ble High Court of Bombay. *inter alia*, seeking directions to pass an interim and permanent injunction restraining the Defendants from continuing their illegal, mala fide and motivated conduct of making baseless and defamatory allegations and/or innuendo against the Issuer and its director by way of publication of certain articles. The Issuer has also sought damages of ₹ 1,000 million in the Suit due to, *inter alia*, loss arising from damage to the goodwill of the Issuer due to the conduct of the Defendants. The Issuer also submitted a criminal complaint ("**Complaint**") against the Defendants before the Bandra Kurla Complex police station on July 20, 2024 for initiation of criminal proceedings against the Defendants, in connection with the publication of articles and other acts of the Defendants, and The matters are currently pending.
- B. The Issuer has filed a suit for defamation, injunction and damages ("**Suit**") against Bennett Coleman & Company Limited & Anr ("**Defendants**") before the Hon'ble High Court of Bombay, seeking, *inter alia*, an interim and permanent injunction restraining the Defendants from publishing defamatory content against the Issuer and the Group. The Issuer has also sought damages of ₹ 1,000 million from the Defendants for losses arising from reputational harm and damage to the goodwill of the Issuer caused by the publication of the defamatory contents. The matter is currently pending.

### Against the Issuer

Ecstasy Realty Private Limited (a debtor of EARC) ("**Ecstasy**") had filed a complaint before the Economic Offences Wing ("**EoW**") of the Mumbai Police Department on December 26, 2023 and subsequently, a first

information report dated February 8, 2025 (FIR No. 0154 of 2025) was registered at Amboli Police Station, Mumbai, under various sections of the Indian Penal Code, 1860, against the Issuer, ECL Finance Limited, EARC EAAA and other members of the Edelweiss group companies and certain directors and other key managerial personnel alleging inter-alia, breach of contractual obligations resulting in financial loss to Ecstasy. By way of a press statement dated March 16, 2025, the Issuer has refuted the allegations. A petition has been filed before the Hon'ble Bombay High Court seeking quashing of the said first information report dated February 08, 2025. The matter is currently pending.

## **Regulatory Proceedings involving the Issuer**

### **(i) Other matters against the Issuer**

- A. The Issuer received a letter dated February 9, 2024 bearing reference number SEBI/HO/DDHS-SEC-1/P/OW/2024/5802/1 from SEBI (“**SEBI Letter**”) in connection with certain additional interest payments made to existing holders of the non-convertible debentures issued by the Issuer and certain group companies as well as the equity shareholders of the Issuer, in accordance with the terms stipulated under certain public issuance of debentures between August 9, 2021 until November 30, 2023. The Issuer on March 6, 2024, responded to the aforesaid SEBI Letter. Further, the Issuer received a notice dated June 14, 2024 bearing reference number SEBI/HO/DDHS-SEC-1/P/OW/2024/19919/1, for summary settlement in the aforesaid matter under the SEBI (Settlement Proceedings) Regulations, 2018. The Issuer has filed the settlement application on July 11, 2024, along with the payment of processing fees for the settlement application and remitted the settlement amount of ₹ 9,75,000 (Indian Rupees Nine Lakh Seventy Five Thousand). The settlement order is pending.
- B. The Issuer had received a letter dated February 9, 2024 bearing reference number SEBI/HO/DDHS-SEC-1/P/OW/2024/5821/1 from SEBI (“**SEBI Letter**”) in connection with certain additional interest payments made to existing holders of the Non-convertible Debentures issued by the issuers, in accordance with the terms stipulated under certain public issuances of debentures between August 9, 2021 until November 30, 2023, where EFSL has acted as Merchant Banker to the Issue. EFSL had on March 6, 2024, had responded to the aforesaid Notice. Further, EFSL as Merchant Banker had received a Notice dated June 14, 2024 bearing reference number SEBI/HO/DDHS-SEC-2/P/OW/2024/19915/1, for summary settlement in the aforesaid matter under the SEBI (Settlement Proceedings) Regulations, 2018. EFSL had filed the settlement application on July 18, 2024, along with the payment of processing fees for the settlement application and remitted the settlement amount of ₹ 9,75,000. The settlement order is pending.

## **2. Litigation or all legal or regulatory actions involving our Promoter as on the date of this Prospectus**

- (i) The ED vide a letter dated January 3, 2020 (“**Summon**”), issued under Sections 37(1) and (3) of the Foreign Exchange Management Act, 1999 read with Section 131(1) of the Income Tax Act, 1961 and Section 30 of the Code of Civil Procedure 1908, the Chairman of the Issuer and requested his personal attendance in the matter of Capstone Forex Private Limited and others on January 9, 2020 to give evidence and produce books of account or other documents specified in the Summon. The Chairman of the Issuer attended the office of ED on January 15, 2020, and the authorized representative of the Issuer vide letter dated January 15, 2020, *inter alia* responded to the Summon and provided the information sought in the Summon. Subsequently, further queries were responded to vide email dated January 17, 2020 and letter dated January 22, 2020. No further request for information or personal appearance from the aforesaid authorities remains pending thereafter. The matter is currently pending.

- (ii) S & D Financials Private Limited (“**SDFL**”), a client of Nuvama Wealth Management Limited (“**NWML**”) filed an application under Section 156(3) of the CrPC pursuant to which an FIR dated March 22, 2008 was registered under various sections of IPC against NWML and the Issuer’s Directors and Promoters, Rashesh Chandrakant Shah and Venkatchalam A Ramaswamy and others. In the FIR, SDFL *inter alia* alleged Rashesh Shah and Venkatchalam A Ramaswamy and others of unauthorised trading, criminal breach of trust and cheating SDFL in future and options transactions amounting to ₹ 8.48 million. NWML *vide* a letter dated September 8, 2008, denied all the allegation against it and *inter alia* stated that there are arbitration proceedings initiated by NWML against SDFL for non-payment of monies which are currently pending. The matter is currently pending.
- (iii) ECL Finance Limited, our Promoter, Rashesh Chandrakant Shah and other employees of ECL Finance Limited are in receipt of a complaint under various section of IPC filed by one Amir Ahmad (“**Complainant**”). The Complainant has alleged that ECL Finance Limited arbitrarily liquidated his 4383 equity shares of HDFC Bank Limited, pledged with ECL Finance Limited as Security for repayment of ESOP loan facility amounting to ₹ 5.74 million and unsecured loan facility amounting to ₹ 2.35 million availed by the Complainant. ECL Finance limited *vide* its letter dated January 12, 2021 replied to the said notice alongwith relevant documents denying the allegations made by the Complainant. Further, the others have filed their replies *vide* letter dated February 2, 2021. The investigation is currently pending.
- (iv) ECL Finance Limited received notice dated April 5, 2021, from its borrower Dr. Mohammad Ali Kaka Patankar (A to Z Diagnostic Centre), Mumbai (“**Borrower**”) through his Advocate regarding alleged high-handed behaviour of collection executives during their visit to his residence on March 30, 2021, for recovery of outstanding dues/EMIs. The Borrower *vide* another letter dated April 7, 2021, made a complaint before the President of the Maharashtra State Minorities Commission (“**MSMC**”) for alleged intimidation (“**Complaint**”). Based on the Complaint, the MSMC issued a notice under Section 10 of the MSMC Act 2004 to the Deputy Commissioner of Police, Circle 5, Mumbai and Mr. Rashesh Chandrakant Shah, Chairman for appearance and hearing. The Borrower *vide* letter dated July 7, 2021, informed the Senior Inspector of Police, Worli Police Station about the settlement of the dispute and requested to treat the matter as amicably settled between the Parties.
- (v) EARC acquired the debts of the borrower, namely, ND’s Art World Private Limited along with its underlying securities, rights, interest and title from CFM Asset Reconstruction Private Limited (“**CFM ARC**”) *vide* assignment agreement dated December 23, 2022. Various proceedings were instituted by CFM ARC under the SARFAESI Act, IBC and Section 138 of the Negotiable Instruments Act, 1881. The IBC petition was admitted by the National Company Law Tribunal (“**NCLT**”), Mumbai bench *vide* its order dated July 25, 2023 initiating corporate insolvency resolution process (“**CIRP**”) against ND’s Art World Private Limited. Subsequently, late Mr. Nitin C. Desai (erstwhile managing director of ND’s Art World Limited) filed an appeal in National Company Law Appellate Tribunal (“**NCLAT**”), Principal Bench, New Delhi on July 29, 2023. The said appeal was dismissed by Hon’ble NCLAT *vide* its order August 1, 2023. Thereafter, it was brought to our knowledge through media reports about the demise of late Mr. Nitin C. Desai on August 2, 2023. Thereafter Smt. Naina Nitin Desai, wife of late Mr. Nitin C. Desai filed an FIR on August 4, 2023, against 5 people including Rashesh Chandrakant Shah (Managing Director, EFSL), Raj Kumar Bansal (then Managing Director and Chief Executive Officer of EARC), Keyur Mehta (employee of Edelweiss Alternative Asset Advisor Limited), Smit Shah (then employee of ECL Finance Limited) and Jitendra Kothari (resolution professional appointed by the Hon’ble NCLT *vide* order dated July 25, 2023). A petition under Section 482 of the CrPC, for quashing the abovementioned FIR was filed by the abovementioned individuals on August 07, 2023 before the Hon’ble Bombay High Court. The Hon’ble Bombay High Court *vide* its order dated August 11, 2023

had issued notices to all parties. Based on the order passed by the District Magistrate First Class, Khalapur, on April 21, 2025, the proceedings initiated by way of the FIR bearing criminal case number 269/2023 (under sections 306 and 34 of the Indian Penal Code, 1860) was approved as filing of news without consent (A category).

- (vi) A first information report has been registered on a complaint filed by Mr. Pulin Dinesh Bole on behalf of Ecstasy Realty Private Limited (“Complainant”) against certain promoters of the Issuer and others on August 31, 2024. A petition has been filed before Hon’ble Bombay High Court seeking quashing of the said first information report. The matter is currently pending.

### **3. Material litigations involving our Directors as on the date of this Prospectus**

#### **A. Civil litigation**

Other than as mentioned under “-Material litigation or legal or regulatory actions involving our Promoter”, there are no other civil proceedings against the Directors of EFSL.

#### **B. Criminal litigation**

Other than as mentioned under “-Material litigation or legal or regulatory actions involving our Promoter”, there are no other criminal proceedings against the Directors of EFSL.

### **4. Litigation involving Subsidiaries**

#### **(a) Edelweiss Asset Reconstruction Company Limited (EARC) and its Trust**

##### **(i) Civil proceedings by EARC Trusts**

1. IDFC First Bank Limited (Assignor bank and applicant in the original application) filed an application in DRT-Hyderabad against Coastal Projects Limited, and others for recovery of the debt amount from defaulter, Coastal Projects Limited amounting to ₹ 2,382.76 million. EARC has acquired the debts pertaining to Coastal Projects Limited from IDFC Bank Limited *vide* Assignment Agreement dated August 24, 2018 under EARC Trust SC 341. After assignment of debts, EARC, acting in its capacity of trustee has filed an application for impleadment as an applicant, in its capacity as assignee, in the original application (“OA”) filed by IDFC Bank Limited in DRT Hyderabad, which was allowed by DRT-Hyderabad. Defendant’s also filed their counter claim of about ₹ 2,390 million against the Assignor Bank on the ground that Bank, which was holding 3,385,939 shares of the defendant company in security, have liquidated at much lower price of about ₹ 670 million without any notice to the defendants. Defendants alleged that the liquidation is in violation of the provisions of the agreement executed between the Bank and the Defendants and the Assignor bank ought to have realized ₹ 3,510 million upon liquidation of securities. Since the corporate debtor (i.e., Coastal Projects Limited) have undergone liquidation under the IBC, EARC, acting in its capacity of trustee, had filed an interim application for bringing on record the liquidator. The said interim application for bringing on record the liquidator has been allowed. On July 03, 2023, EARC Trusts made an interim application for secondary evidence. The matter is currently pending for hearing of the original application and the interim application.
2. EARC acting in its capacity as trustee of EARC Trust SC 384 filed a defamation suit bearing suit (L) No. 28851 of 2024 before the Bombay High Court against Mr. Shripal Morakhia (suspended promoter of Smaaash). By way of the suit, EARC sought relief in the form of an injunction against Mr. Shripal Morakhia from publishing defamatory

articles and damages to the extent of ₹3000 million for the articles already published on online platforms. By way of an Interim order dated October 09, 2024, the Hon'ble Bombay High Court directed Mr. Shripal Morakhia to maintain status quo and refrain from publishing content on any online platform or address any communication to any statutory authority in relation to the subject matter of the suit.

(ii) Civil proceedings against EARC and EARC Trusts

*Other than as mentioned below and under “-Civil proceedings against ECL Finance”, there are no other civil proceedings against EARC or EARC Trusts.*

1. Winsome Yarns Limited, the Plaintiffs have filed a Civil Suit being No. 444 of 2020 before Civil Judge (Junior Division), Ludhiana against the State of Punjab and EARC inter alia for declaration that the assignment agreement dated December 10, 2015 executed between Punjab National Bank (“PNB”) and EARC Trust SC 168 for the exposure of Winsome Yarns Ltd should not be relied upon by any legal forum. The purchase consideration of the assignment agreement executed between PNB and EARC Trust SC 168, is amounting to about ₹ 479.5 million. On February 13, 2020, EARC, acting in its capacity of trustee, filed its written statement and filed an application under order 7 Rule 10 of CPC for return of plaint consequent upon misjoinder of cause of actions. On February 24, 2020, the Plaintiffs filed its reply to said application. The matter is currently pending and there has been no further developments in the matter.
2. Winsome Yarns Limited, has filed a Petition being Miscellaneous Application No. 24 of 2020 before the Court of Chief Controlling Revenue Authority-cum-Financial Commissioner (Revenue) Punjab, Chandigarh (“CCRA”) inter-alia praying for an order that EARC, in its capacity as Trustee be directed not to act upon the assignment agreement dated December 10, 2015 executed between PNB and EARC Trust for want of paying requisite stamp duty before any lawful authority including DRT/NCLT, Chandigarh etc. CCRA vide its interim order dated February 03, 2020 passed an order to direct District Collector, Ludhiana to submit certified copy of the assignment agreement along with his opinion on quantum of stamp duty payable. CCRA further passed an order and also directed to issue notice to EARC to contest the stamp duty liability amounting to about ₹ 14.59 million and interest, if any. In the meantime, EARC filed a Civil Writ Petition being No. 13346 of 2020 before the High Court of Punjab & Haryana (“**High Court**”) against (i) State of Punjab through CCRA, Punjab, Deputy Commissioner, Ludhiana and (iii) Joint Sub Registrar cum Naib Tehsildar, Mullanpur Dhakan, Ludhiana inter-alia challenging the ex-parte interim order dated February 03, 2020 passed by CCRA. The High Court vide order dated October 26, 2021 set aside the impugned order and held that EARC Trust no longer has any stamp duty liability as on date. Being aggrieved, Winsome Yarns Limited and State of Punjab preferred appeals against the said order dated October 26, 2021 before division bench of the High Court. The matter is currently pending before the High Court and CCRA.
3. SAM Family Trust and AHA Holdings Private Limited (“**Applicants**”) have filed securitization applications being diary Nos. 1260 of 2021 and 1261 of 2021 respectively along with applications for interim stay before the DRT, Pune on November 21, 2021 against Catalyst Trusteeship Limited, EARC Trust SC 384,

ECL Finance Limited, Smaaash Entertainment Private Limited (“**Smaaash**”) and resident Naib Tahsildar, Mahul (“**Defendants**”) *inter-alia* challenging demand notice dated July 3, 2020 for ₹ 2689.37 million issued by Defendant No. 1, under sub-section (2) of Section 13 of SARFAESI Act, notice dated October 25, 2021 to take physical possession mortgaged assets located at Village Kunenama, Taluka, Maval, District Pune in pursuance of Order dated June 29, 2021 passed by the Additional District Collector, Pune. Applicants alleged the classification of NCD account of Defendant Smaaash as NPA for non-payment of interest is contrary to RBI guidelines. Furthermore, alleged assignment agreement dated June 28, 2019 (“**Assignment Agreement**”), executed by ECL Finance Limited in favour of EARC Trust SC 384 assigning the benefits of NCDs is contrary to regulatory framework of SARFAESI Act and the rules thereunder and various guidelines/circulars/directions issued by the RBI. An appeal was filed against the DRT order allowing the securitisation application before the Debt Recovery Appellate Tribunal, Mumbai (“**DRAT**”). DRAT by way of order dated July 8, 2024 allowed the said appeals. Applicants have filed Writ Petitions Nos (L) 23670 of 2024, 23677 of 2024, 21517 of 2024 and 21518 of 2024, respectively before the Bombay High Court challenging order dated July 08, 2024 passed by DRAT. Applicant have also filed 2 (two) commercial suits before the Bombay High Court challenging the issue of assignment and the same is pending. The Bombay High Court vide its order dated April 19, 2022 (“**Order**”) has granted interim stay sought by the Applicants to restrain the Defendants from acting any manner in pursuance of the Assignment Agreement. The Defendants have thereafter filed an appeal against the Order before the division bench of the Bombay High Court. The division bench of the Bombay High Court vide its order dated May 5, 2022 stayed the operation of the Order. A counterclaim has been filed by the Applicants and other plaintiffs party to the ongoing OA proceedings before the DRT, Delhi, seeking damages aggregating to ₹400 million against Catalyst Trusteeship Limited, ECL Finance Limited, and EARC. All the aforementioned proceedings, including the counterclaims, remain pending adjudication.

4. GVK Energy and others (“**Plaintiffs**”) have filed a suit for declaration and permanent injunction on the sale of shares of Alaknanda Hydro Power Company Limited (“**Alaknanda**”) against EARC Trust SC 429, ECL Finance Limited, Ecap Securities and Investments Limited, Edelweiss Finvest Limited (now merged with Edel Finance Company Limited), and others (“**Defendants**”). The Plaintiffs had taken various loans which were secured by way of shares. The Plaintiffs committed default in repayment of loans and a settlement agreement was entered into, and thereafter an extension vide letter dated June 18, 2021, was also granted, however Plaintiffs defaulted in payments. After the default, ECL Finance Limited, one of the Defendants in the suit invoked the pledge on the said shares, which led to the filing of the present suit by the Plaintiffs, whereby they have prayed for reliefs including stay on the operation of the invocation notice dated May 17, 2022, pertaining to the pledge agreement and maintenance of status quo of the shares of the plaintiff and the security interest under the settlement agreement. ECL Finance Limited submitted that they are in process of selling the shares. The Delhi High Court, vide order dated May 31, 2022, has asked ECL to intimate the Court and the plaintiffs of any good offers once received for sale of shares. In the event the Plaintiffs are unable to match the offer of the Defendants, the Defendants would be eligible to sell the said shares at the best offer received by them. It was clarified

that the defendants shall be free to invoke the pledged shares. The Plaintiffs have filed another interim application no. 9762/2022 (“**Interim Application**”), seeking restraining order against defendants for taking any action on the demand notices issued by them. EARC filed its written statement and its reply to the Interim Application on September 14, 2022. Subsequently, EARC sanctioned a settlement proposal dated October 9, 2023 (which was further amended vide letter dated October 30, 2023), which has been further extended for repayment until June 30, 2024. However, Plaintiffs have failed to adhere to the settlement timelines and defaulted in making payments. Plaintiffs have requested for another extension till September 30, 2024 which was under evaluation. Subsequently, by way of assignment agreement(s) dated October 14, 2024, EARC assigned the loans along with the underlying security interest, availed by the Plaintiffs and Alaknanda to Phoenix ARC Private Limited along with the right to initiate, substitute and pursue all legal proceedings pursuant to Section 5 of the SARFAESI Act. By virtue of this assignment, Phoenix ARC Private Limited is deemed to be the lender for the facilities availed by the Plaintiffs and Alaknanda and is legally entitled to initiate and pursue proceedings against them. This includes the right to substitute itself in all pending proceedings and to exercise all remedies available under Section 5 and Section 5A of the SARFAESI Act. Further, Phoenix ARC has filed for substitution which is pending adjudication.

5. EARC has been served with provisional attachment order dated May 18, 2020 (“**PAO**”) from the office of the Directorate of Enforcement, (“**ED**”), Jalandhar, under various provisions of PMLA against the immovable properties and investments of Kuldeep Singh, Vikram Seth and others for allegedly siphoning off about ₹ 213.10 million from Bank of Baroda, Phagwara Branch. It is revealed from PAO that certain NPAs were taken over by EARC under assignment deed from State Bank of Patiala (now merged with State Bank of India) in its ordinary course of business. EARC filed its reply dated November 2, 2020 to the show cause notice (“**SCN**”) dated July 10, 2020 under Section 8 of PMLA from the Adjudicating Authority, PMLA, New Delhi (“**Authority**”) inter alia inquiring about source of income, earning or assets by means of which EARC acquired attached property and directed to appear before the Adjudicating Authority, New Delhi along with supporting evidence/documents before the Adjudicating Authority on merit to decline confirmation of PAO. Further, EARC preferred an appeal being no 4530 of 2022 before the appellate tribunal constituted under PMLA challenging the said order and the same is pending for hearing. EARC’s appeal before the Appellate Tribunal remains pending for hearing.

(ii) Criminal proceedings by EARC Trusts

1. Catalyst Trusteeship Limited (“**Debenture Trustee**”), on behalf of EARC Trust (“**Debenture Holder**”) filed a criminal case on May 24, 2019 before the Metropolitan Magistrate’s 28<sup>th</sup> Court (“**MMC**”), Esplanade, Mumbai (the “**Court**”), against Smaaash Entertainment Private Limited (“**Smaaash**”) and its directors and officials (collectively referred to as “**Accused**”) under Section 138 read with Section 141 of the Negotiable Instrument Act, 1881. The Accused issued and delivered a cheque for an amount of ₹ 1,120 million drawn on HDFC Bank, Mumbai in favour of EARC Trust towards its liabilities in respect of non-convertible debentures. The said cheque was dishonoured on its presentation vide its order July 31, 2019. The Court issued summons against the Accused under Section



138 of Negotiable Instrument Act, 1881. The matter is currently pending.

(iii) Civil proceedings by EARC

Other than as mentioned under “-*Material litigation or legal or regulatory actions involving our Promoter*”, there are no other civil proceedings filed by EARC.

(iv) Criminal proceedings against EARC

1. EARC acquired the portfolio of 27 assets in March 2014 including the accounts of the Perfect group consisting of (i) Perfect Engineering Products Limited; (ii) Perfect Engine Components Private Limited; and (iii) Karla Engine Components Limited from State Bank of India. Post-acquisition, the promoters of Perfect group approached EARC to restructure the dues of the Perfect group accounts. The promoters introduced, the Chhatwal brothers (“**Investors**”), including Hitesh Chhatwal to EARC as strategic investors. EARC approved the restructuring proposal/plan of Perfect group companies on the basis of various representations made by the Promoters and the Investors to make equity infusion and provide working capital support. The Perfect group companies failed to comply with the terms and conditions of the restructuring plan and EARC was compelled to revoke the same in 2016 and in 2018. EARC, received letter dated January 18, 2020 from inspector of Police G.C III, Economic Offences Wing (“**EOW**”), Mumbai directing officials of EARC to attend his office regarding fresh complaint filed by Hitesh Chatwal in January 2020 along with the supporting documents. Our Officials recorded their statements in the matter and there is no further communication from EOW since April 2020.
2. The ED attached the Orissa plant of Bhushan Power and Steel Limited (“**BPSL**”) in October 2019 while BPSL was in CIRP under the IBC. The charge over the plant was given to certain financial institutions in a consortium for the financial facilities extended to BPSL. EARC is a part of that consortium. The matter has been filed before Supreme Court of India by Committee of Creditors (“**COC**”) through PNB, seeking clarification on retrospective applicability of Section 32A under IBC. By way of an order dated December 11, 2024, the Supreme Court has permitted the successful resolution applicant to take control of the attached properties. Accordingly, there are no pending appeals pending with regards to the attachment of BPSL’s Orissa plant as the ED has lifted the attachment following the Supreme Court’s order. Further the Hon’ble Supreme Court, by way of order dated May 02, 2025, in connected appeals, has rejected the resolution plan approved in favour the successful resolution applicant and ordered NCLT Delhi to initiate the liquidation proceedings. The CoC members are currently evaluating the implications of the order. The Hon’ble Supreme Court by way of an order dated May 26, 2025 has stayed the liquidation proceedings before the NCLT until the adjudication of the review petition filed by JSW Steel Limited (the successful resolution applicant in the NCLT proceedings) for the review of impugned order dated May 02, 2025

(v) Regulatory matters against EARC

The RBI, by way of an order dated May 29, 2024 directed EARC to cease and desist from acquisition of financial assets including security receipts and re-organising the existing security receipts (SRs) into senior and subordinate tranches until EARC puts appropriate policies and procedures in place to the satisfaction of RBI. The RBI, inter alia, observed certain regulatory violations and directed EARC to submit the necessary action plan within two weeks to RBI. EARC

on June 12, 2024 has submitted the action plan within the prescribed timelines. Additionally, the Company had provided updates on details of the actions and improvements made in response to the observations of RBI and commitments made in the Company's remediation plan submitted to RBI. In response to the remedial action plan and corrective measures taken by the Company, the RBI through its order dated December 17, 2024, lifted the restrictions imposed under the EARC Order, noting the satisfaction with the steps taken to address the supervisory concerns.

Further, the Company has received the RBI inspection report and the final Risk Mitigation Plan ("RMP") for the FY2023-2024. The Company has sought certain clarifications from RBI on some RMP observations. The financial impact, as applicable, has been taken in financial statements for period ended March 31, 2025.

While the restrictions under the EARC Order have been lifted, any such actions or failure to company with applicable regulatory requirements could materially and adversely affect our business, financial condition, results of operations, and reputation.

For further information in relation to the aforesaid order, please refer to section titled "*Risk Factors*" on page 19 of the Prospectus.

**(b) Edelweiss Investment Adviser Limited ("EIAL")**

**(i) Civil proceedings by EIAL**

1. EIAL ("**Plaintiff**") filed commercial Civil Suit (COMM) bearing No. 397 of 2020 before the Delhi High Court ("**DHC**") against Lily Realty Private Limited and another ("**Defendants**"), *inter-alia*, seeking a decree of specific performance of the Memorandum of Understanding dated October 29, 2015 ("**MOU**") and repayment of a sum of ₹ 1033.22 million along with the pendente lite and future interest @ 28.25% per annum from the date of filing of the suit. EIAL has also sought a permanent injunction restraining the Defendants, agents etc. from creating any third-party rights on any movable and immovable assets of the Defendants. DHC, by its order dated September 29, 2020 restrained Defendant No.2 from creating any charge or liability on the three flats specified in the order. Further, by its order dated April 9, 2021, DHC has restrained the Defendants from selling or encumbering all their immovable properties till further orders. The matter is currently pending.
2. EIAL has filed a civil suit against the Official Liquidator, High Court of Bombay & Others for the specific performance of the memorandum(s) of understanding executed between EIAL and Kamla Landmarc Constructions Private Limited ("**Kamla Constructions**"), each dated February 07, 2015 ("**MOU**") for the purchase of 24 (Twenty Four) residential units in aggregate in project 'Kamla Splendor', for purchase considerations of ₹ 157.35 million and ₹ 257.529 million, respectively. The defendants including Kamla Constructions have been served with summons in this regard. The matter is currently pending.

**(ii) Civil proceedings against EIAL**

1. Ecstasy Realty Private Limited & Shobhit J Rajan ("**Plaintiffs**") have filed a Commercial Suit being No. COMS/200 of 2022 on June 28, 2022 before Bombay High Court against i) Catalyst Trusteeship Private Limited, ii) ECL Finance Limited, iii) Edelweiss Investment Adviser Limited and iv) Edelweiss Rural and Corporate Services Limited ("**Defendants**") for specific performance inter-alia directing the Plaintiff No. 1 to perform its obligation

under Debenture Trust Deed dated March 27, 2018 (“**DTD**”) & its subsequent amendments vide its two emails dated March 16, 2022 and March 23 2022 and further declaration that the Defendants are not entitled to any repayment from the Plaintiffs under DTD as amended till September 2023. The Plaintiff further prayed for an order and decree against the Defendants to pay by way of damages namely, i) ₹ 6711 million against the Catalyst Trusteeship Private Limited for unilaterally increasing interest rate under the issued NCD & failure to release security over additional property under terms of DTD, ii) aggregate ₹ 2870 million against the Defendant No. 2 inter-alia for having failure to disburse ₹ 109.80 million under unsecured loan agreement dated August 24, 2018, for having sold 11 flats in project 1 at a under value, for failure to timely release of funds for IOD fees & for compensation for its failure to release towards purchase of 5 flats under sale agreement dated December 31, 2019, iii) ₹ 528 million for having failure to disburse ₹ 240 million, and iv) ₹ 158.70 million against all Defendants towards excess processing fees. The Plaintiffs further prayed for an interest on each of the above amounts at the rate of 18% from the date of filing of the present suit till payment. It is a Plaintiffs case of usurpation of project land located at Four Bungalows, Andheri by the Defendants is in excess of ₹ 16,000 million and thereby causes damages amounting to ₹ 3594 million as detailed in particulars of claim. Defendants have filed their respective defence statements. The Hon’ble Bombay High Court *vide* its order dated September 13, 2022 (“**Impugned Order**”) rejected the interim applications being no. 3618 of 2022 and 25486 of 2022 filed by the Plaintiffs seeking to restrain the Defendants from acting in breach of the amendments to the DTD. Being aggrieved by this, the Plaintiffs filed an appeal dated September 27, 2022, being (lodging) no. COMAP/31058 of 2022 before the Hon’ble High Court of Bombay to set aside the Impugned Order, which was disposed of vide order dated September 8, 2023. The matter is currently pending.

(iii) Criminal proceedings by EIAL

Nil

(iv) Criminal proceedings against EIAL

Nil

(c) **ECL Finance Limited (“ECL Finance”)**

(i) Civil proceedings filed by ECL Finance

1. Pursuant to the Facility Agreement dated September 22, 2017 (“**Facility Agreement**”) executed by and between (i) Saha Infratech Private Limited (“**Principal Borrower**”), (ii) Abet Buildcon Private Limited, (iii) Elicit Realtech Private Limited, (iv) Kalpataru Housing Private Limited, (v) Green Space Agro–Ventures Private Limited, (vi) Palm Developers Private Limited (“**Obligors/Corporate Debtors**”) and ECL Finance (“**Lender**”), ECL Finance has granted the revolving credit facility to the Borrowers to the maximum extent of ₹ 900 million for the general corporate purpose. In furtherance to the terms of the Facility Agreement the Corporate Debtors including Obligor/Corporate Debtor Palm Developers Private Limited executed the Corporate Guarantee dated September 22, 2017 in favor of ECL Finance extending its obligations in making payment in the event of any default on part of the Principal Borrower under the Facility Agreement. The Principal Borrower committed defaults in payment of principal, interest & other monies and also in observance & performance of the other

conditions of the Facility Agreement. ECL Finance vide its communications dated April 2, 2019 and September 26, 2019 pointed the defaults committed by the Principal Borrower and/or the Obligor/Corporate Debtor under the Facility Agreement. On January 27, 2020, the NCLT, Bench – II New Delhi admitted the CIRP filed by Ram Niwas and Sons, the petitioner under Company Petition (IB) – 894 (ND) 2019 against the Obligor/Corporate Debtor (“**Company Petition**”). Pursuant to the public announcement made by the Interim Resolution Professional (“**IRP**”), ECL Finance, as a lender submitted its Form C showing default from the year 2017 and claiming an approximate amount of ₹ 1269.69 million against the principal outstanding and interest due and payable as on January 27, 2020 and IDBI Trusteeship Services Limited as Debenture Trustee. On February 20, 2020, IRP constituted COC and ECL Finance was duly made member thereof. One Mr. Abhinav Mukherji having 1.38% voting share filed Interim Application being IA no. 1610 of 2020 in Company Petition challenging the constitution of COC. The NCLT vide its Order February 20, 2020, directed erstwhile IRP to restrain from holding meeting of COC till constitution of COC is ascertained. ECL Finance filed its detailed reply on September 18, 2020 opposing the said application and placing on record all relevant documents. On September 23, 2020, ECL Finance filed IA no. 4130 of 2020 seeking substitution of Appellant no. 2 namely Assets Care & Reconstruction Enterprises Limited (“**ACRE**”) in place of Appellant no. 1 in IA no. 1610 of 2020 in view of the Assignment of Loan by ECL Finance to ACRE pursuant to Deed of Assignment dated March 27, 2020. NCLT vide its Order dated March 14, 2022 allowed the IA no. 1610 of 2020 and held that ECL Finance is not a Financial Creditor to the Corporate Debtor namely Palm Developers Private Limited. NCLT also dismissed IA no. 4130 of 2020. Being aggrieved against the said Order and Judgement, ECL Finance filed Company Appeal (AT) (Insolvency) 358 of 2022 before NCLAT, New Delhi. By an Order dated July 12, 2022, NCLAT dismissed the said Appeal. Being aggrieved ECL Finance has filed an Appeal being No. 6268 of 2022 against order passed by the NCLAT before the Hon’ble Supreme Court of India. The Hon’ble Court by its order dated September 12, 2022 directed to issue notice in the matter and to maintain status quo until further orders. The matter is currently pending.

(ii) Civil proceedings against ECL Finance

Other than as mentioned below and under “*Civil litigations against the Issuer*” “*Material litigations or legal or regulatory actions involving our Promoter*” “*Civil proceedings against EARC*”, and “*Civil proceedings against ELAL*”, there are no other civil proceedings filed against ECL Finance.

1. ECL Finance granted secured credit facilities to Fortis Healthcare Holdings Private Limited (“**Fortis Holdings**”) and RHC Holdings Private Limited (“**RHC Holdings**”) during 2016 to 2018 amounting to about ₹ 4200 million against, *inter alia*, the pledge of certain equity shares of Fortis Healthcare Ltd. (“**Fortis**”) by Fortis Holdings as security towards repayment of loan amount (Fortis and RHC Holdings collectively referred to as the (“**Borrowers**”)). Daiichi Sankyo Company Limited (“**Daiichi**”), a creditor has obtained an arbitration award dated April 29 & 30, 2016 against Mr. Malvinder Singh & Mr. Shivendra Singh, promoters of Fortis and RHC Holdings, and others (“**Respondents**”) in Singapore whereby Daiichi was held entitled to receive ₹ 35,000 million approximately from the Respondents. Daiichi thereafter filed proceeding in Hon’ble Delhi High Court for enforcement of said award by way of execution petition being OMP (EFA) (COMM.) No. 6 of 2016. During the proceedings before Hon’ble Delhi High Court, the Promoters and

some of their companies had given certain undertakings and subsequently, Hon'ble Delhi High Court restrained them from pledging their respective shareholding in Fortis and other companies. These proceedings happened during the period ECL Finance lent and advanced the loans to the Borrowers. Daiichi filed SLP No. 20417/2017 before Hon'ble Supreme Court against the Respondents. Hon'ble Supreme Courts vide its Order dated August 11, 2017 directed the Respondents to maintain status quo with respect to shareholding of Fortis. Hon'ble Supreme Court vide its order dated August 31, 2017 clarified that the interim order dated August 11, 2017 also apply to the encumbered shares of Fortis. ECL Finance being one of the secured creditors, as aggrieved from aforesaid orders, filed application for intervention no. 98913 of 2017 and application for directions being IA No. 98915 of 2017 before Hon'ble Supreme Court. Other secured creditors also filed similar applications. While disposing of the said applications of the secured creditors including that of ECL Finance, Hon'ble Supreme Court on February 15, 2018 allowed the applications of the secured creditors and passed an order *inter-alia* clarifying that interim orders dated August 11, 2017 and August 31, 2017 to mean that the status quo granted shall not apply to shares of Fortis Healthcare Limited held by Fortis Healthcare Holdings Private Limited as may have been encumbered on or before the interim orders of this Court dated August 11, 2017 and August 31, 2017. ECL Finance thereafter, during the period from February 16, 2018 and February 26, 2018 sold 3,27,75,000 shares of Fortis pledged by Fortis Holdings as security for the loans to recover its dues. Subsequently Daiichi filed a Contempt Petition I No. 2120/2018 in the SLP I No. 20417/2017 before the Hon'ble Supreme Court of India ("Court"), against Indiabulls Housing Finance Limited ("Indiabulls") for violation of order dated August 11, 2017, and August 31, 2017, wherein Indiabulls was found guilty and directed to deposit the amount. ECL Finance was not a party to the contempt proceedings. *Suo motu* contempt proceedings were initiated by the Court in 2019 under *Suo Motu* Contempt Petition I No. 4 of 2019 and the Court vide Order dated February 18, 2021, directed all the banks / financial institutions to file an affidavit bringing on record the entire transactions and to inspect whether any violation of undertakings / status quo orders had taken place. ECL Finance filed the affidavit in compliance of this order. The Hon'ble Court vide its Order dated September 22, 2022, disposed of *Suo Motu* Contempt Petition (C) No. 4 of 2019 *inter-alia* with a direction to the High Court, before whom the proceedings in execution are pending, to consider appointment of forensic auditor(s) to analyse the transactions entered into by the banks and financial institutions and to look into whether such transactions were bona fide and entered into in commercial expediency. In the interim, Daiichi has moved Execution Application No. 819 of 2020 before Delhi High Court against the Promoters, various Banks and Financial Institutions including ECL Finance, in whose favour the shares of Fortis were pledged by the Promoters and their companies. Daiichi has claimed that the Promoters and their companies had created pledge in violation of the undertakings given and order passed by the Delhi High Court. Daiichi has prayed for declaring the pledge as void and alternatively if the pledged shares are already sold then direction to Banks and NBFCs to deposit/refund the shares price of sold shares. Daiichi *inter-alia* prayed before the Hon'ble Delhi High Court to either pass an order directing ECL Finance to set aside the creation of pledge on 3,09,55,000 Fortis Healthcare Limited shares held by Fortis Healthcare Holdings Private Limited ("Shares") and pass a consequential order of attachment and sale of such shares, or to direct ECL Finance to deposit a sum equivalent to the value of Shares as on June 21, 2017 before the hon'ble Delhi High Court. On December 18, 2020 ECL Finance filed its counter reply before the Delhi High Court. The matter is pending.

2. Shripal Morakhia & others filed a commercial suit bearing diary no. 354/2022 on October

19, 2022 (“**Commercial Suit**”) in Bombay High Court against EARC, ECL Finance, Catalyst Trusteeship Limited and Smaaash for the specific performance of the settlement emails addressed by Shripal Morakhia) to EARC with regards to settling the dues for the non-convertible debentures issued by Smaaash amounting to ₹ 2,800 million (“**Smaaash NCDs**”). ECL Finance was the original debenture holder of the Smaaash NCDs and the account being NPA, the said non-convertible debentures were transferred/assigned to EARC vide deed of assignment dated June 28, 2019 along with all rights, liabilities and obligations. EARC and ECL Finance have filed their reply to the commercial suit. The matter is currently pending.

3. ECL Finance and NWIL have been served with the writ petition bearing (stamp) no. 6589 of 2021 along with summons filed by Yes Bank AT1 Bondholders Associations (398 bondholders) before the Hon’ble Bombay High Court against RBI & 15 others including union of India, SEBI, Yes Bank, CDSL, BSE *inter alia* seeking to quash and set aside the impugned letters dated March 14, 2020 and March 17, 2020 of Yes Bank as it pertains to write off of Yes Bank AT1 Bonds holding of the individual retail investor and made a claim of ₹ 160 Cr against Yes Bank (“**Writ Petition**”). ECL Finance & NWIL, have also been made a party as Respondent no. 11 and 15, respectively. Petitioner also filed an application for interim relief against ECL Finance and NWIL, *inter alia* for orders against the Directors and Promoters of NWIL and ECL Finance not to leave India, during the pendency of the proceeding. The Hon’ble Bombay High Court *vide* its order dated October 20, 2022, pronounced on January 20, 2023, disposed of the Writ Petition and held that the impugned letter dated March 14, 2020 and the decision to write off AT-1 bonds are quashed and set aside (“**Order**”). Being aggrieved by the Order, Yes Bank has filed special leave petition being nos. 4244 – 4253 of 2023 before the Hon’ble Supreme Court of India seeking special leave to appeal against the Order and interim relief by stay on the effect and operation of the Order. Additionally, RBI also filed a petition for special leave to appeal (civil) no(s). 3856-3865 of 2023, dated February 11, 2023, before the Hon’ble Supreme Court of India against the Order stating that the Order constituted an erroneous exercise of writ jurisdiction by the High Court of Bombay. Thereafter, the Hon’ble Supreme Court of India *vide* its order dated March 03, 2023 *inter alia* extended the stay granted by the High Court of Bombay for the operation of the Order pending further orders. The matter is currently pending.

(iii) Criminal proceedings by ECL Finance

1. A criminal complaint filed by ECL Finance against Prakash Patel, Kalpesh Padhya, Vyomesh Trivedi and Gaurav Davda (together referred to as “Accused No. 1”) before the Joint Commissioner of Police, EOW, Unit – V, Crime Branch, Mumbai for criminal breach of trust and cheating amounting to ₹ 82.9 million. During the investigation, one more person, Mukesh Kanani was impleaded as an accused (“**Accused No. 2**”). FIR was registered against the Accused No. 1 and 2 for an offence under Section 420 and Section 34 of IPC. EOW filed charge sheet against both the accused. The matter is currently pending.
2. ECL Finance has filed a criminal complaint before the BKC police station, Bandra against Mahesh Chavan, proprietor of Global Overseas, Kaushal *alias* Renu Menon, Deepali, Sandeep Kelkar and Rohit Paranjape, Deodhar Gholat (“**Accused**”) for committing an act of cheating with respect to purchase of a car, for ECL Finance’s employee, Ram Yadav. Subsequently, an FIR dated December 2, 2014 was filed with the BKC Police station for procurement of documents. The police filed a case on January 27, 2015 before the 9<sup>th</sup> Metropolitan Magistrate Court at Bandra (“**Court**”). The matter is currently pending.

3. ECL Finance, pursuant to the requirements under an RBI circular (No. RBI/2015-16/75DBS.CO.CFMC.BC. No. 1/23.04.001/2015-16) dated July 1, 2015, reported an instance of suspected fraud by its customer Shridhar Udhavrao Kolpe and Saraswati Bhimrao Shinde (“Borrowers”) under the requisite form to RBI on July 7, 2016. The Borrowers were given a loan of ₹ 5.83 million by ECL Finance against their property. ECL Finance filed a complaint on August 12, 2016 against the Borrowers under various sections of IPC and relevant provisions of the Maharashtra Control of Organised Crime Act, 1999 for allegedly defrauding ECL Finance. Further, ECL Finance has submitted documents requested by EOW, Pune in relation to the complaint. The matter is currently pending.
4. A criminal complaint dated October 31, 2019 (“**Complaint**”) was filed by ECL Finance before the Bandra Kurla Complex, Mumbai Police Station against JSK Marketing Limited, its directors, and others (“**Accused**”) for having committed offence *inter-alia* criminal breach of trust, fraud, cheating punishable under various provisions of IPC and Maharashtra Control of Organized Crime. ECL Finance in its Complaint has alleged the Accused for wrongful loss of towards SME equipment loan amounting to ₹ 20.9 million. The matter is currently pending with BKC police station for further investigation.
5. ECL Finance lent and advanced a credit facility amounting to of ₹ 250 million to Sunil Ghorawat in March 2019. Additionally, ECL Finance also advanced a credit facility of ₹ 600 million to Sunil Ghorawat and ₹ 1,260 million to Earth Water Limited, a company owned by Sunil Ghorawat and his wife Shivani Ghorawat. The aforementioned credit facilities were classified as NPAs owing to non-payment of dues by the above debtors and the credit facilities was assigned by ECL Finance in favour of Prudent ARC Limited (“**Prudent ARC**”). Prudent ARC further transferred the credit facilities to Asset Care Reconstruction Enterprises Limited. Subsequently, ECL Finance upon becoming aware that Sunil Ghorawat has defrauded ECL Finance by diversion of the aforementioned credit facilities and intentional non-payment of its dues, filed a complaint before EoW, New Delhi against Sunil Ghorawat, Shivani Ghorawat and others. Based on the said complaint, EoW, New Delhi has registered an FIR No.27 of 2025 on March 3, 2025 under sections 429, 406 and 120B of IPC, 1860 against Sunil Ghorawat, Shivani Ghorawat and commenced investigations. The matter is pending.

(iv) Criminal proceedings against ECL Finance

Other than as mentioned below and under Proceedings against Issuer” *“Material litigations or legal or regulatory actions involving our Promoter” and “Criminal Proceedings filed against NWIL”*, there are no other criminal proceedings against ECL Finance.

1. The ED (“**Complainant**”) filed an original complaint dated September 3, 2016, with the Adjudicating Authority under the Section 5(5) of the PMLA against Kingfisher Airlines Limited, Vijay Mallya, and others for acquisition of property using proceeds of crime in terms of Section 2(1)(u) of the PMLA. Certain shares of Vijay Mallya and his associates were pledged with ECL Finance as security (“**Pledged Securities**”) for various loans availed by them. The Complainant has sought for attachment of the Pledged Securities. The Adjudicating Authority, PMLA, New Delhi has confirmed the provisional attachment *vide* an order dated February 22, 2017 and ECL Finance has challenged the same *vide* an appeal before the Appellate Authority. The matter is currently pending.
2. Rajiv Shivram Rane, proprietor of Jankie Properties *vide* his letter dated August 18, 2020 filed a complaint with Economics Offences Wing, Mumbai against Sanghvi Gruha Nirman Private Limited (“**Mortgagor**”) and ECL Finance *inter-alia* alleging cheating having deprived him of getting his percentage of area shares to be allotted under the development

agreement executed between him and Sanghvi Gruha Nirman Private Limited and caused him to pay rentals to Maharashtra Housing & Area Development Authority of the tenants etc. On December 5, 2020 a representative of ECL Finance along with legal counsel had attended the office of Economics Offences Wing for recording of statement in the matter. The investigation is pending.

3. ECL Finance has received notices dated December 28, 2020 from Investigating Officer (IO), Mahanagar Police Station, Lucknow, UP issued under Section 41 (A) of Cr. PC addressed in the name of ECL Finance, Ms. Madhur Bhatia, relationship manager, Romanshu Tandon, Himanshu Chhatrawal, Zonal Manager and Rashesh Chandrakant Shah, Chairman (the “**Accused**”) *inter-alia* informing that FIR being No. 497 of 2020 has been registered against the Accused under Section 406 and 420 of IPC based on Complaint filed by one Amir Ahmad (“**Complainant**”) and directed to appear before IO for investigation with respect to the said FIR. Complainant alleged that ECL Finance arbitrarily liquidated his 4383 equity shares of HDFC Bank Limited, pledged with ECL Finance as Security for repayment of ESOP loan facility amounting to ₹ 5.74 million and unsecured loan facility amounting to ₹ 2.35 million availed by the Complainant. ECL Finance limited vide its letter dated January 12, 2021, replied to the said notice along with relevant documents denying the allegations made by the Complainant. All addressees of notice dated December 28, 2020 filed their reply *vide* letter dated February 2, 2021. The investigation is currently pending.
4. ECL Finance received a notice dated January 12, 2021 from Station House Officer (“**SHO**”), Bhankrota Police Station, Jaipur (west) under Section 91 of Cr.P.C. in relation to FIR No. 371 of 2020 filed against Moolchand Bothra, Trilokchand Das Ahuja, Kamal Kumar Bothra, Sunil Jain, Saurabh Khandelwal and Manager, ECL Finance for forging a mortgage document in respect of plot of land being No. F-69, Bindayaka Industrial Estate, RIICO, Jaipur which belongs to his partnership firm Jain Industries without his knowledge and consent and availed a loan from ECL Finance. The Complainant has filed an application dated July 01, 2023 to withdraw and close the FIR. The police closure report awaited.
5. ECL Finance received a notice Ref. No. 726-5A/EoW-2 dated April 3, 2024 from EOW–II, Gurugram Police, DCP Maneshar Office, Maneshar, Gurugram directing ECL Finance to join the preliminary enquiry in Complaint No. 7080-P, DCP East Gurugram dated March 22, 2024 filed by Sunil Ghorawat (“**Complainant**”) against ECL Finance and its management and officials. The Complainant availed a loan of ₹ 250 million from ECL Finance in March 2019 for the purposes of investment and purchase of M/s Samora Hotels Private Limited. The Complainant has alleged that ECL Finance disbursed ₹ 160 million in escrow account opened in the name of the Complainant and from there said amount was transferred to another escrow account opened in name of Net Creation Private Limited, a company owned by the Complainant and his wife, and from there transferred the money to itself. The Complainant has further alleged that ECL Finance has full control on the said escrow accounts and that he did not utilise the loan amount for which the said loan was sanctioned, and ECL Finance misappropriated ₹ 160 million when no amount was due and payable by the Complainant and Net Creation Private Limited to ECL Finance. Accordingly, ECL Finance has committed an offence of criminal breach of trust. ECL Finance on April 18, 2024 filed its reply denying the allegations and submitted the loan and other relevant documents and is participating in the preliminary enquiry. The matter is currently pending.
6. ECL Finance received a notice dated April 10, 2024 (“**Notice**”) from Chaturshrungi Police



Station, Pune whereby on basis of the complaint filed by one Rajendra Venkat Reddy against Manish Raghunath Zende and Sumita Zende (“**ECL Borrowers**”), the police registered FIR no. 308 of 2024 under section 406, 420, 464, 467, 468, 471 & 34 of IPC. The police vide the Notice intimated that the FIR is filed against the customer and the officials of ECL Finance and called them to produce certain documents pertaining to the loan facility provided to the ECL Borrowers. ECL Finance vide its letter dated May 4, 2024. The investigation is pending.

7. The Deputy Director, Enforcement Directorate on September 10, 2024 issued a provisional attachment order in relation to illegal diversion of funds by M/S Ashriya Limited, Ajay Mittal and Archana Mittal (directors of Ashriya Limited) (“**Attachment Order**”), which was subsequently confirmed by the Adjudicating Authority (“**AA**”) constituted under the Prevention of Money Laundering Act, 2002 (“**PMLA**”) by way of an order dated February 20, 2025. Under the Attachment Order, the AA attached certain immovable and movable assets owned by Ajay Mittal and others forming part of the ongoing investigations pursuant to the Attachment Order. ECL Finance, being the charge holder of one of immovable property forming subject matter of the investigations, was impleaded as a defendant. Presently, ECL Finance has assigned the loan extended to Ajay Mittal and Arshiya Limited along with the immovable property mortgaged in its favour to CFM Asset Reconstruction Private Limited (“**CFM ARC**”). ECL Finance has challenged the order dated February 20, 2025 by way of an appeal before the Appellate Authority to get its name removed from the proceedings as the loans along with underlying security were assigned to CFM ARC.

(v) Regulatory Proceedings involving ECL Finance

1. ECL Finance received a Show Cause Notice (“**SCN**”) dated July 25, 2023 issued by RBI for alleged acts of failure to put in place a robust software for effective identification and reporting of suspicious transactions omissions. Thereafter, the RBI has by an order dated December 8, 2023, imposed a monetary penalty of ₹ 0.49 million on ECL Finance. ECL Finance has paid the said monetary penalty imposed by RBI on December 28, 2023.
2. The RBI pursuant to an inspection conducted for FY 2023, passed an order dated May 29, 2024 (“**ECL Order**”), directed ECL Finance to cease and desist, with immediate effect, from undertaking structured transactions in respect of its wholesale exposures, other than repayment and/ or closure of accounts in the normal course of business. Based on the remedial action plan submitted by ECL Finance on June 19, 2024, and further periodic updates submitted to RBI, the RBI vide its letter dated December 17, 2024, had lifted the aforesaid restrictions imposed by it on the Company.

For further information in relation to the aforesaid order, please the section titled “*Risk Factors*” on page 19 of the Prospectus.

(d) **Edel Finance Company Limited (“Edel Finance”)**

(i) Civil proceedings filed by Edel Finance.

Nil

(ii) Civil proceedings against Edel Finance

Except as disclosed under “*Litigation involving Subsidiaries – Civil Proceedings against EARC*” there are no other civil proceedings against Edel Finance

(iii) Criminal proceedings by Edel Finance

Nil

(e) **Edelweiss Life Insurance Company Limited (“Edelweiss Life”)**

(i) Criminal proceedings against Edelweiss Life

NIL

(i) Regulatory proceedings involving Edelweiss Life

1. The Insurance Regulatory and Development Authority (“**IRDAI**”) issued a show cause notice dated January 18, 2024 (“**SCN**”) to Edelweiss Life, in relation to change in its shareholding, without obtaining prior approval of IRDAI. Pursuant to this, Edelweiss Life filed its reply on February 6, 2024. Thereafter, IRDAI has by an order dated April 4, 2024, imposed a monetary penalty of ₹ 2 million on Edelweiss Life and directed Edelweiss Life to place before its board of directors the said order. Edelweiss Life has paid the penalty on April 22, 2024. Further, Edelweiss Life has placed before its board of directors the order dated April 4, 2024 in the meeting held on May 7, 2024, and the minutes of the meeting have subsequently been submitted to the IRDAI on May 21, 2024.
2. The office of the Additional Commissioner, CGST & Central Excise, Palghar, Maharashtra, issued an order dated February 1, 2025 against Edelweiss Life alleging the eligibility of input tax credit availed by Edelweiss Life to the extent of ₹ 146.2 million on marketing expenses. Further, penalty equivalent to 100% of the tax demand (₹ 146.2 million) and additional penalty of ₹ 0.3 million has been imposed. Edelweiss Life has filed an appeal dated April 28, 2025 against the aforementioned order before the appellate authority.
3. Edelweiss Life received an order bearing reference number IRDAI/E&C/ORD/MISC/73/06/2025 from IRDAI dated June 23, 2025 (“**IRDAI Letter**”) imposing a penalty of ₹ 10 million. This was with respect to certain non-compliances pertaining to certain operational and business irregularities under Regulations 10, 15 and 21 of the IRDAI (Outsourcing of Activities by Indian Insurers) Regulations, 2017 and corporate governance guidelines issued by the IRDAI dated May 18, 2016. Edelweiss Life is currently in the process of evaluating the IRDAI Letter and submitting its response to the IRDAI Letter in due course of time.

(f) **Edelweiss Rural & Corporate Services Limited (erstwhile Edelweiss Commodities Services Limited) (“ERCSL”)**

(i) Civil proceedings against ERCSL

Other than as mentioned under “*Civil proceedings against EIAL*” and “*Civil proceedings against ECL Finance*”, there are no other civil proceedings filed against ERCSL.

(ii) Criminal proceedings by ERCSL

1. Edelweiss Agri Value Chain Limited (now merged with Edelweiss Rural and Corporate Services Limited) registered FIR on September 19, 2017 in Jasdan Police Station, Rajkot against Mahendrabhai Gida-Guard, Ashokbhai Dhadhal- Gunman, Babubhai Bhayabhai Ramani, Sanjaybhai Khimjibhai, Shambhubhai Jivabhai Ramani, Mansukhbhai Khimjibhai Ramani, Ravjibhai Ramani, and Sanjaybhai Ramani (collectively the “**Accused**”) under Sections 406,409,420,435, 120B and 114 of IPC for committing intentional act of fire at warehouse. The Investigating office, Jasdan Police Station registered criminal case on August 6, 2019 before Taluka Court, Jasdan against accused and filed the charge-sheet. The matter is currently pending.

(iii) Criminal proceedings against ERCSL

1. ERCSL (formerly known as Comfort Project Limited/Edelweiss Trading and Holding Limited and now known as ERCSL) has been served with the notice dated February 15, 2019 from the EOW – National Spot Exchange Limited – Special Investigation Team, Mumbai issued under Section 91 of the Cr. PC *inter-alia* informing that department is investigating the offences registered against National Spot Exchange Limited, its directors, Financial Technologies (India) Limited (now 63 Moons Technologies Limited), its directors, borrowers, brokers and others for committing several acts of forgery and criminal breach trust. Further, EOW is investigating complaint of SEBI against 300 brokers. ERCSL furnished all the information as called for by EOW. The matter is currently pending.
2. ERCSL received a notice under Section 91 of Cr. PC on February 3, 2020 (“**Notice**”) from a Senior Police Inspector, s, *inter-alia* directing ERCSL to produce certain information, in respect of the criminal case registered against ERCSL under the Essential Commodities Act, 1955 and Maharashtra Scheduled Commodities Wholesale Dealers Licensing Order, 2015. Furthermore, ERCSL has also received a notice from the Office of the Deputy commissioner of Police, Cyber Crime Cell/EOW (“**Police**”) dated August 16, 2016, regarding alleged hoarding of pulses. All information sought by the authorities has been duly provided. The matter is currently pending.
3. The Deputy Controller of Rationing, Civil Supply Department of Maharashtra (“**Authority**”) issued a SCN dated October 23, 2015, October 30, 2015, October 31, 2015 and October 31, 2015 to ERCSL for violation of applicable stock limits on imported pulses under the Essential Commodities Act, 1955 (“**Act**”) resulting in seizure of the stock stored at various warehouses by the Authority which was subsequently released and registration of an FIR under the Act. The matter is currently pending.
4. ERCSL received a notice from Office of the Deputy Commissioner of Police, Cyber Crime Cell / EOW (“**Police**”) on August 16, 2016, in relation to a complaint received by the Police, regarding alleged cartelization and nexus of importers-traders causing artificial scarcity of pulses. The matter is currently pending.
5. Food Safety and Standards Authority of India (“**FSSAI**”) filed a complaint before Additional Chief Judicial Magistrate, Kasganj (“**the Court**”) against erstwhile Edelweiss Agri Value Chain Limited (now merged with ERCSL) and Neeresh Kumar, an employee of ERCSL, for alleged violation of Section 31(1) of the Food

Safety and Standards Act, 2006 for storing of commodities in warehouse without having Food Safety and Standards Authority of India license. The matter is currently pending.

(iv) Regulatory Proceedings involving ERCSL.

1. Edelweiss Commodities Services Limited (now known as ERCSL), has been served with a letter from the ED on August 26, 2016, concerning an enquiry for an alleged violation of the provisions of the Foreign Exchange Management Act, 1999 in relation to import of pulses by commodities importer. Personal appearances of the ERCSL's executives were sought and the same have been complied with. A SCN was issued by the authorities to the ERCL and the then directors/key executives in this matter in August 2021 and the same has been responded in December 2021. Mr. Venkatchalam A Ramaswamy, Executive Director & Mr. Rujan Panjwani former Executive Director, Edelweiss Financial Services Ltd, received the said notice in their capacity as directors of ERCSL. No further information has been sought by the office of ED and the matter is pending before the authorities since then.

(g) **Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) ("Nido")**

(i) Civil litigation filed by Nido.

Nil

(ii) Criminal proceedings by Nido

1. Nido filed a complaint before the Senior Police Inspector, Bandra Kurla Complex Police Station, Mumbai ("**Authority**") *vide* its letter dated November 19, 2014 against Sachin R. Jayswal and Ratan Ram Jayswal and others (collectively, the "**Accused**") for cheating and forgery in relation to a property situated at Shree Samarth Ashirwad Apartment, Thane, Maharashtra ("**Secured Property**"). Subsequently, Nido also filed an FIR dated January 20, 2015 under Section 154 of the Criminal Procedure Code, 1973 against the Accused before the Authority. Subsequently, Nido filed an application under Section 14 of the SARFAESI Act on September 22, 2016, before Court of District Magistrate, Thane ("**Court**") seeking possession of the Secured Property. Pursuant to which an order dated November 19, 2016 was passed by the Court directing Tahsildar, Thane to take possession of the Secured Property and to handover the articles present in the Secured Property to Nido. Subsequently, Reshma Khan, instituted a special civil suit dated April 19, 2017 before the Civil Judge, Senior Division, Thane against Nido and the Executive Magistrate, Thane Tahsildar Office Station, Thane ("**Defendants**") praying, *inter alia*, to declare Reshma Khan as the legal owner of the Secured Property, to restrain the Defendants from taking possession of the Secured Property. The matter is currently pending.
2. Nido filed a complaint before the Senior Police Inspector, Chaturshrungi Police Station, Pune against Sachin Yashwant Rananaware and Nilam Sachin Rananaware (collectively, the "**Accused**") *vide* its letter dated July 28, 2016 alleging fraud and cheating with reference to a property situated at Chaya Smruti, Pune, Maharashtra ("**Secured Property**"). Subsequently, Nido filed an application dated August 9, 2016, before District Magistrate, Pune ("**Authority**") under Section 14 of the

SARFAESI Act seeking possession of the Secured Property. Thereafter, an order dated March 20, 2017 was passed by the Authority directing authorised personnel to take physical possession of the Secured Property. Thereafter, Anil Kenjalkar filed a case before DRT, Pune inter-alia challenging taking of symbolic possession and other incidental reliefs. The matter is currently pending with DRT.

3. Nido issued a notice dated October 20, 2016 to P. Aravindan and A. Aruna (collectively, the “**Accused**”) under Section 13(2) and thereafter under Section 13 (4) of the SARFAESI Act for payment of the amount due to Nido in relation to charge created on the property under a home loan dated August 30, 2014 entered between Nido and the Accused (“**Home Loan Agreement**”) and issued a subsequent notice for taking possession of the charged property in relation to the Home Loan Agreement. The matter is currently pending. Thereafter, Nido filed a complaint against P. Aravindan and Tholkappian, and the former employees of Nido, J. Vinayagamoorthy, K. Babu and B. Saravanan before the Commissioner of Police, Egmore, Chennai *vide* its letter dated September 27, 2017 alleging forgery of ‘Know Your Customer’ (“**KYC**”) documents and other transactional documents in relation to the Home Loan Agreement. The Accused are presently in judicial custody and the matter is currently pending.
4. Nido issued a notice dated October 20, 2016 to Prem Anand (“**Accused**”) under Section 13(2) of the SARFAESI Act for payment of the amount due to Nido in relation to charge created on the property under a home loan dated January 1, 2015 entered between Nido and the Accused (“**Home Loan Agreement**”) and issued subsequent notice under Section 13 (4) of SARFAESI Act dated January 3, 2017 for taking possession of the charged property in relation to the Home Loan Agreement. Thereafter, Nido filed a complaint against the Accused and Tholkappian, and the former employee of Nido, J. Vinayagamoorthy before the Commissioner of Police, Egmore, Chennai *vide* its letter dated September 27, 2017 alleging forgery of ‘Know Your Customer’ (“**KYC**”) documents and other transactional documents in relation to the Home Loan Agreement. The matter is currently pending.
5. Nido disbursed a loan to V3 Mobi Communications Private Limited for an amount of ₹ 20.05 million on December 31, 2017. V3 Mobi Communications Private Limited had been defaulting since March 2018 and was declared a NPA in August 2018. Nido filed a complaint to the Police and EOW, New Delhi on June 29, 2018. The complaint has been registered with EOW and the FIR was lodged on dated September 28, 2018, by the EOW for committing fraud by Om Prakash Singh and Amarjeet Singh for providing security over such asset(s) which were already charged in favour of Punjab National Bank. Subsequently, both Om Prakash Singh (director of V3 Mobi Communications Private Limited) and Amarjeet Singh (seller of the secured asset/residential property), were arrested by EOW. *Vide* orders dated June 16, 2022, and June 24, 2022, the Om Prakash Singh and Amarjeet Singh were released on conditional bail, which was subsequently cancelled on December 12, 2022. The matter is currently pending.
6. Nido issued a notice dated January 20, 2016, against Somprashant M. Patil and Sonali S. Patil (collectively, the “**Accused**”) under Section 13(2) of the SARFAESI Act”) and subsequent notice dated March 29, 2016 under Section 13(4) of the SARFAESI Act to the Accused intimating them about the symbolic possession of the mortgaged property by Nido. Further, Nido received notices dated July 15, 2015 and April 25,

2016 from Chinchwad Police Station seeking certain documents in relation to the loan granted by Nido to the Accused, pursuant to an FIR filed by Ganpat Datta Salunkhe against the Accused, to which Nido has provided the relevant documents. The matter is currently pending.

7. Rayabharapu Ranapratap availed loan from Nido for purchase of Plot at Enumamula Location. In the year 2001, Kasarala Laxminarsimha Rao; Kasarala Ranga Rao; and Kodari Sadanandam, executed the registered sale deed in favour of Betheli Santosh Kumar. In the year 2012, Betheli Santosh Kumar executed the General Power of Attorney dated February 23, 2012, in favour of Masna Sampath Kumar and cancelled it in the year October 2015, in the same month Betheli Santosh Kumar executed self-declaration deed for change of boundaries. Nido has filed a criminal complaint on February 9, 2019, against Rayabharapu Ranapratap under various sections of IPC for showing the non-existing property and obtained the loan amount fraudulently before PS Hanmakonda Warangal District. The matter is currently pending.
8. Nido has filed a criminal complaint on January 13, 2020, against Pawan Kumar Goel under various sections of IPC for showing the non-existing property and obtained the loan amount fraudulently on February 22, 2018 before Station Head Officer Barakhamba Road, New Delhi. The matter is currently pending for investigation.
9. Nido filed five separate criminal complaints against its borrowers, Amit Sesmal Jain and nine others before EOW, Pune under various sections of Criminal Procedure Code for fraudulently siphoning off Nido's money amounting to ₹ 14 million while availing home loan facility from the Pune Branch. These cases and matters are pending for inquiry.
10. Nido had provided a home loan of ₹ 1.6 million to Ajaykumar Ashokkumar Raut (Borrower). The Borrower turned delinquent and on carrying out further checks from the Maharashtra IGR portal, Department of Registration & Stamps it was found that borrower in connivance with seller submitted fraudulent registered property agreements to Nido towards home loan. The Borrower had also fraudulently obtained multiple financing from other financial institutions on the same property. Currently, the charge of other financial institutions including Nido is registered on subject property. Nido has filed an application under Section 14 of SARFAESI Act before District Magistrate Court, Nagpur on December 08, 2020, and said matter is pending for orders from District Magistrate.
11. Nido had provided Home Loan of ₹ 3.06 million to Amol Jalinder Phuge (Borrower). The Borrower turned delinquent and on carrying out further checks, it was found that Borrower had created multiple property documents and had availed loans from other financial institutions on the same property. Charge of other financial institutions is registered by virtue of Notice of Intimation (NOI) however charge of Nido Home Finance Limited (Nido) is first as Nido disbursement is prior to other financial institutions. Nido has filed application under Section 14 of SARFAESI Act before District Magistrate Court, Pune. The matter is currently pending before Tahsildar, Pune for fixation of appointment to take physical possession of property as per order passed by District Magistrate. The matter is pending.
12. Nido had provided Home Loan of ₹ 2 million to Bhausaheb Balasaheb Jahdavi (Borrower). The Borrower turned delinquent and carrying out further checks, it was

found that Borrower fraudulently opened account in builder's name, siphoned off the loan amount and registered Cancellation Sale Deed. Builder sold the subject property to another buyer without intimating to Nido. Though Nido yet to initiate SARFAESI Act proceedings, Nido reported this case as fraud to NHB. Further, on July 29, 2022, Nido filed a criminal complaint with Khed Police Station, Pune against the Borrowers and one Mrs. Sunita Deepak Ghumatkar, Builder for criminal conspiracy and cheating. The matter is pending for investigation.

13. Nido had provided Home Loan of ₹ 2 million to Divya Flora Sundaram Gollapalli ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that borrower had submitted fraudulent property papers/registered agreements, unavailability of layout plan, mismatch in dimensions of property stated in Sale Deed, Technical report vis-à-vis property taken as collateral. The Borrower is not traceable, and property is in the possession of some third party who is claiming the owner of property. Nido has filed Criminal complaint with SR Nagar Police Station, Hyderabad City against Borrower on September 8, 2020. The matter is pending for investigation.
14. Nido had provided Home Loan of ₹ 7.4 million to M Hanumantha Rao ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that builder had done multiple transactions on the subject property and sold property to multiple buyers. Builder has provided fraudulent registered property agreement to Borrower which was submitted to Nido Home Finance Limited towards Home Loan. Builder is absconding and not traceable. Currently, subject property is occupied by third parties and claiming owner of the property. Nido has filed criminal complaint on September 24, 2020, against Borrower at Koramangala Police station, Bangalore. The matter pending for investigation.
15. Nido had provided Home Loan of ₹ 2 million to Menta Bhanuprakash ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that Borrower defrauded Nido by submitting colour xerox/fake property documents. Subject property falls under Prohibited Property List. Nido has filed application u/s 14 of SARFAESI Act before District Magistrate Court, Nellore on December 22, 2019 and said is pending for order from District Magistrate, Nellore. The matter is pending.
16. Nido had provided Home Loan of ₹ 4.99 million to Rajkumar Silarpur ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that Borrower had misrepresented the facts about seller and submitted invalid Sale Deed. General Power of Attorney (GPA) basis which Sale Deed was executed was not valid as Seller was not alive at the time of execution and consequently Sale Deed also becomes invalid. Property is in the possession of some third party, B. Karunakar ("**Third Party**"), who is claiming the owner of property and alleging to be the original owner of the Secured Property, the Third Party has filed application before DRT on October 06, 2020 against Nido alleging to be the original owner of mortgaged property, which pending for hearing. Nido has filed application under Section 14 of SARFAESI Act before District Magistrate Court, Secunderabad on January 08, 2021 and is pending for orders. The matter is pending.
17. Nido had provided Home Loan of ₹ 1.5 million to Yernamma Kommineni ("**Borrower**"). The Borrower turned delinquent on carrying out further checks, it

was found that Borrower in connivance with seller defrauded Nido by misrepresenting the facts and creating false profile and submitted fake business and income documents. The Borrower is not traceable. Property was overvalued by more than ₹ 1.9 million. (at acquisition - ₹ 3 million and latest valuation - ₹ 1.08 million) Valued property (Near to highway/main road) and the property as per Sale Deed (lies in interiors) both are different. Subject property is into the interiors. Nido has sold the property in auction to third party. Nido is in process of filing OA (Original Application) for loss on sale before DRT. Though Nido yet to initiate SARFAESI Act proceedings, Nido reported this case as fraud to NHB.

18. Nido had provided home loan of ₹ 10.5 million to Jitendra Dalchand Jain and Kavita Jain (“**Borrowers**”). The Borrowers turned delinquent, and on carrying out further checks, it was found the Borrowers in connivance with the developer have defrauded Nido by misrepresenting the unit numbers being mortgaged with Nido, submitted forged approved plan and issuing NOC, Receipts and entering into a registered sale deed for non-existent properties by the developer. The developer fraudulently submitted a plan where the Permanent Transit Cam (“**PTC**”) were shown as free sale units, and the Slum Redevelopment Authority (“**SRA**”) stamp and correct approval number was put on the fabricated plan. On February 25, 2021, Nido filed criminal complaint against Borrowers, and Neeraj M Ved, Proprietor of Shreenath Corporation, Builders and Developers of Forgery, Criminal Breach of Trust and Cheating with BKC Police Station, Bandra, Mumbai. The Complaint is pending for investigation.
19. Nido had provided Home Loan of ₹ 14.2 million to Nikesh Mohan Gajara and Gitaben Mohanlal Gajara (“**Borrowers**”). The Borrowers turned delinquent, and on carrying out further checks, it was found that the Borrowers in connivance with the developer have defrauded Nido by misrepresenting the unit numbers being mortgaged with Nido, submitted forged approved plan and issuing NOC, Receipts and entering into a registered sale deed for non-existent properties by the developer. The developer fraudulently submitted a plan where the Permanent Transit Cam (“**PTC**”) were shown as free sale units, and the Slum Redevelopment Authority (“**SRA**”) stamp and correct approval number was put on the fabricated plan. On February 25, 2021, Nido filed criminal complaint against Borrowers, and Neeraj M Ved, Proprietor of Shreenath Corporation, Builders and Developers (“**Accused**”) of Forgery, Criminal Breach of Trust and Cheating with BKC Police Station, Bandra, Mumbai. On November 08, 2023, FIR being No. 662 of 2023 was registered against Accused under Sections 409, 420, 465, 467, 471 and 34 of the IPC before the Bandra Kurla Complex police station. The investigation is pending.
20. Nido had provided home loan of ₹ 1.96 million to Ganesh Shankar Rakshe and Rupali Ganesh Rakshe (“**Borrowers**”). The Borrowers turned delinquent and on carrying out further checks, it was found that the Borrowers have availed multiple loans against mortgaged home loan property from various other banks and financial institutions by submitting forged documents. Nido therefore, issued a demand notice dated April 30, 2019, to the Borrowers under Section 13(2) of SARFAESI Act for payment of outstanding amounts. Subsequently, Nido also filed a criminal complaint against the Borrowers (“**Accused**”) vide its letter dated March 04, 2021 with reference to mortgage home loan against property situated at California Heights, Pune, Maharashtra, (“**Secured Property**”), before the Senior Police Inspector,



Chaturshrungi Police Station, Pune for fraud and cheating committed by the Accused. The complaint is pending for investigation.

21. Nido had provided home loan of ₹ 2.36 million to Aashish Nandkumar Gaikwad and Sonali Aashish Gaikwad (“**Borrowers**”). The Borrowers turned delinquent and on carrying out further checks, it was found that the Borrowers have availed multiple loans against mortgaged home loan property from various other Banks and Financial Institutions by submitting forged documents. Nido therefore, issued a demand notice dated September 29, 2019, to the Borrowers under Section 13(2) of SARFAESI Act. Subsequently, Nido filed a criminal complaint against the Borrowers (“**Accused**”) vide its letter dated June 22, 2021 with reference to mortgage home loan property situated at Samarth Residency, in Pune, Maharashtra (“**Secured Property**”), before the Senior Police Inspector, Chaturshrungi Police Station, Pune for fraud and cheating committed by the Accused. The Complaint is pending for investigation.
22. Nido, filed a criminal complaint dated December 4, 2021, before the Dy. Commissioner of Police- Central, Faridabad, Haryana against: (i) Manish Kumar Pandey, (ii) Haribansh Kumari Pandey and (iii) Raghav Sharma (collectively, the “**Accused**”) for committing offence of criminal breach of trust, fraud, cheating punishable under various provisions of IPC while availing mortgage loan against property situated at Sector 28, Housing Board Colony, Faridabad, Haryana. It is alleged that the accused persons have submitted the forged title and loan documents and availed a loan of ₹ 15 million. Subsequently, under detailed verification it was revealed that the original property owner was deceased much prior to executing sale deed/title deed and Accused persons obtained the loan against forged documents. Nido reported a fraud case to central fraud monitoring cell, RBI, Bengaluru and department of Non-Banking Supervision, RBI, Mumbai as well as NHB, Department of Supervision, New Delhi. The investigation is currently pending.
23. Nido filed a criminal complaint dated February 24, 2022 before the In-charge, Police chowki, Sector 28, Faridabad, Haryana against Renu Dialani, Vinay Kumar Bhatia, Vishal Pawar, DSA namely Pramod Agarwal, Rekha Agarwal, Mrs. Veena Pahwa, Kuldeep Arya alias Kuldeep Pundir (collectively, the “**Accused**”) for committing offence of criminal breach of trust, fraud, cheating punishable under various provisions of IPC while availing mortgage loan against property situated at Sector 28, Housing Board Colony, Faridabad, Haryana. Nido reported this case as fraud to Central Fraud Monitoring Cell, RBI, Bengaluru and Department of Non-Banking Supervision, RBI, Mumbai as well as NHB, Department of Supervision, New Delhi. - Further as regards to recovery of outstanding amount Nido initiated arbitration proceedings at Mumbai claim amount ₹8.62 million, pursuant to which an arbitration award dated September 24, 2022 was passed which entitled Nido to claim entire outstanding amount up to the date of termination of agreement. The matter is currently pending.
24. Nido filed a criminal complaint dated March 7, 2022 before the In-charge, Police chowki, Sector 28, Faridabad, Haryana against 1) Pramod Agarwal, 2) Vishal Pawar, DSA, 3) Ms. Smita Singh, 4) Abhishek Singh, 5) Smt. Kusum Praveen, 6) Kuldeep Arya alias Kuldeep Pundir, 7) Ms. Chetna Agarwal and 8) Gaurav Agarwal (**collectively, the “Accused”**) for committing offence of criminal breach of trust, fraud, cheating punishable under various provisions of IPC while availing home loan against property situated at KLJ Platinum Plus, Faridabad, Haryana. The Accused

persons have submitted the forged title and loan documents, while availing mortgage loan of ₹ 2.95 million. Subsequently, under detailed verification it is revealed that the Borrowers, Accused Nos. 3 & 4 are not original owners of the mortgaged property and property has been claimed by the Accused Nos. 7 and 8 i.e. the daughter and son-in-law of the Accused No. 1 under gift deed. Nido also reported this case as Fraud to Central Fraud Monitoring Cell, RBI, Bengaluru and Department of Non-Banking Supervision, RBI, Mumbai as well as NHB, Department of Supervision, New Delhi. The investigation is currently pending. Nido also initiated arbitration proceedings against the Borrowers, pursuant to which an arbitration award dated September 24, 2022, was passed which entitled Nido to claim entire outstanding amount up to the date of termination of agreement. The matter is currently pending.

25. Nido has filed a complaint dated June 03, 2025, before Station House Officer, Machavaram Police Station, Vijaywada, to lodge a first information report (“**FIR**”) against Mr. Mohammad Afzal, Mr. Shaik Mohammad Rafi, Mr. Vijay Prakash Bathula, Mr. K Ramana Reddy DSA, and Ms. Merugu Manasa (“**Borrowers**”) for cheating and defrauding Nido by fabricating documents in relation to the housing loan of ₹ 32,70,000/- availed from Nido regarding purchase of a property in the month of November 2024.

Further, the Borrowers defaulted on making repayment for the aforesaid loan facility. On further investigation, it was revealed that the Borrowers had misrepresented their information including profile (occupation & income) for loan disbursement and impersonated an unknown persons as their father (in the capacity of co-applicant) while availing such loan. Further, it was revealed that the seller was not the original owner of the property, however, participated in such impersonation and forgery by the Borrowers and created forged documents to the property and submitted to us claiming to be the owner. All the Borrowers were sourced through third-party DSAs, namely Mr. K Ramana Reddy and Ms. Merugu Manasa, who, in collusion with Mr. Bathuala Vijay Prakash, Mr. Mohammad Afzal, and Mr. Shaikh Mohammad Rafi, provided fake property documents and falsely represented themselves as the property's original owners. The matter is current pending for investigation.

(iii) Criminal proceedings against Nido

1. Nido sanctioned a mortgaged loan for an amount of ₹ 31.10 million as a loan to N. K. Proteins Limited (“**Borrower**”) vide a loan agreement dated January 27, 2012, to purchase a property situated in Bhagtani Krishaang, Mumbai, Maharashtra (“**Suit Property**”) from Jaycee Homes Limited. A no-objection certificate for mortgage of suit property dated January 23, 2012 was issued by Jaycee Homes Limited in favour of Nido. A notice dated August 26, 2013 was issued to the Borrower for recall of the total loan amount sanctioned to which no reply was received by Nido. Thereafter, an FIR dated September 30, 2013, was registered against the National Spot Exchange Limited, its borrowers and trading members including the Borrower. Pursuant to the investigation conducted by the EOW, Mumbai Police, (“**Authority**”) the proceeds of Suit Property were identified as fraud vide its provisional attachment order dated August 27, 2014, which was confirmed vide an order dated February 20, 2015 (“**Impugned Order**”). Nido received a SCN dated September 30, 2014 issued by the Authority seeking for confirmation of the provisional attachment through the Impugned Order. Subsequently, Nido filed a writ petition before the Delhi High Court (“**High Court**”) against the Impugned Order and the SCN. The High Court

granted a stay on the Impugned Order vide its interim order dated December 18, 2014 and directed to file a petition before the Bombay High Court. The Bombay High Court disposed the writ petition filed by Nido vide its order dated November 28, 2016, granting liberty to Nido to approach the Appellate Tribunal, New Delhi (“**Tribunal**”) under the PMLA. Nido filed an appeal dated January 5, 2017 before the Tribunal under Section 26 of the Act for quashing of the Impugned Order passed by the Authority. The matter is currently pending.

(iv) Regulatory matters involving Nido.

1. Nido received a SCN dated June 30, 2020, issued by the NHB seeking reasons as to why the penalty of ₹ 0.01 million in terms of the provisions of the National Housing Bank Act, 1987, should not be imposed on Nido inter alia for having non- adherence of certain policy circular. Nido has submitted its reply on SCN on July 21, 2020. The NHB vide its email dated October 15, 2020, has sought for additional information. Nido has submitted its reply on October 19, 2020. No further information has been sought by the NHB.
2. Nido received a SCN dated September 01, 2022 issued by RBI, Enforcement Department, Mumbai for alleged acts of omissions & non-compliance with the directions issued by RBI under the National Housing Bank Act, 1987 with respect to change in shareholding of Nido and submits its reply before September 20, 2022. Nido filed its reply dated September 19, 2022 within specified timeline and requested for personal hearing in the matter. In furtherance to the said Notice on shareholding, NHB requested for certain documents vide email dated September 24, 2022 & October 10, 2022, with respect to reasons for change, relevant agreement etc. Accordingly, Nido submitted its written reply vide email on October 10, 2022, and October 19, 2022, respectively. As requested by Nido, RBI scheduled a personal hearing on February 21, 2023, however, same stands postponed. RBI re-scheduled the personal hearing, which was concluded on July 28, 2023. Further, RBI in exercise of its powers conferred under provisions of clause (b) of sub-section (1) of Section 52A read with clause (aa) of sub-section (3) of Section 49 of the National Housing Bank Act, 1987 has by an order dated September 13, 2023, imposed a monetary penalty of ₹ 0.15 million on Nido in the said matter. Nido has paid the said monetary penalty imposed by RBI, on September 17, 2023.
3. Nido received a SCN dated February 27, 2024, issued by RBI, Enforcement Department, Mumbai for alleged acts of omissions & non-compliance with the directions issued by RBI under the National Housing Bank Act, 1987 with respect to Paragraph 85.6 and 85.7 of Chapter XII of Non- Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Paragraph II (3) and (4) of Annex of RBI circular on co-lending by Banks and NBFCs to Priority Sector. Nido submitted its reply to the SCN on March 18, 2024 and requested for in person hearing in the matter. Nido was accorded an opportunity for personal hearing on July 11, 2024. Nido has received an order dated August 12, 2024, from the RBI imposing a penalty of ₹ 0.5 million on Nido for non-compliance with Paragraph II (3) and (4) of Annex of the RBI Directions on ‘Co-Lending by Banks and NBFCs to Priority Sector’ with respect to its financial position as on March 31, 2022. Nido has duly paid the penalty to RBI on August 13, 2024.

4. Nido received letters dated February 9, 2024 bearing reference numbers SEBI/HO/DDHS-SEC- 1/P/OW/2024/5800/1 and SEBI/HO/DDHS-SEC-1/P/OW/2024/5819/1 from the Securities Exchange Board of India (“SEBI Letter”) in connection with incentives provided to certain category of investors of the non-convertible debentures issued by Nido in accordance with the terms stipulated under certain public issuances of debentures between August 9, 2021 until November 30, 2023. SEBI pursuant to its notice dated June 14, 2024 addressed to Nido, has issued a notice for summary settlement of the probable proceedings under the SEBI (Settlement Proceedings) Regulations, 2018 as provided in the SEBI Letter. Nido has filed a settlement application dated July 12, 2024, paying the corresponding processing fees for the settlement application and remitted the settlement amount of ₹ 0.75 million. The settlement order is pending.

**(h) Edelweiss Asset Management Limited (“EAML”)**

**(i) Criminal proceedings against EAML**

Edelweiss Arbitrage Fund (a mutual fund managed by EAML) was served with a show cause notice dated January 10, 2019, from the office of Registrar / Adjudicating Authority, PMLA, New Delhi, to appear and show cause before the Adjudicating Authority, PMLA, New Delhi, in connection with the provisional attachment order dated December 8, 2018 issued by the Deputy Director, Enforcement Directorate, New Delhi, in relation to the ongoing investigations involving certain investments made by Mainak Agency Private Limited, a client of Edelweiss Arbitrage Fund, amounting to ₹ 3.51 million and its alleged role in the unethical dealings concerning Agusta Westland, Italy VVIP helicopter case. On March 25, 2019, EAML, being the investment manager, filed its reply conforming the freeze of concerned mutual fund account and fluctuation of value of units depending upon NAV at the time of redemption. The Adjudicating Authority by way of an order dated May 30, 2019 confirmed the provisional attachment order dated December 8, 2018. Pursuant thereto, Edelweiss Arbitrage Fund received a notice dated June 8, 2019 from the Deputy Director, Directorate of Enforcement, New Delhi, directing Edelweiss Arbitrage Fund to handover the possession of the investments lying in mutual fund account(s) maintained by Mainak Agency Private Limited, in favour of the Directorate of Enforcement (PMLA). Accordingly, Edelweiss Arbitrage Fund liquidated the investments on June 26, 2019, and transferred the sale proceeds to the bank account of the Directorate of Enforcement (PMLA).

**(ii) Criminal proceedings by EAML**

A Complaint was filed before Additional Chief Metropolitan Magistrate, 71<sup>st</sup> Court, Bandra by EAML against Anil Nath (“Accused”) *inter-alia* for the offences of criminal defamation, under Section 499 of the IPC for the defamation and loss of reputation caused to EAML, due to the acts and actions of the Accused. The matter is currently pending.

**(iii) Regulatory Proceedings involving EAML**

SEBI issued a show cause notice dated January 04, 2024 (“Notice”) to EAML and its key managerial personnels (“Noticees”) alleging that the Edelweiss Focused Fund had deviated from the prescribed asset allocation (30 stocks) in violation of certain circulars and regulation issued by SEBI including the circular dated October 06, 2017. The Noticees filed their replies to the Notice on February 2, 2024, contesting the alleged

violations. Subsequently, the Noticees submitted a settlement application dated February 13, 2024, while continuing to dispute the alleged violations. However, the settlement application was later withdrawn on May 10, 2024. SEBI issued its final adjudication order dated October 25, 2024 (along with a corrigendum dated October 28, 2024), levying a penalty of ₹0.80 million on EAML and ₹0.40 million each on Radhika Gupta and Trideep Bhattacharya for the violations. In the order, SEBI observed that the violations did not result in any quantifiable or established disproportionate gain, unfair advantage, or consequential loss to any investor or group of investors, nor did they generate profits for the Noticees. Further, SEBI noted that there was no evidence to indicate that the violations were repetitive in nature. The deadline to pay the penalty is December 9, 2024. While EAML and Mr. Trideep Bhattacharya have paid the penalty on December 7, 2024, and November 27, 2024, respectively. Further, Ms. Radhika Gupta (one of the Noticees and key managerial personnel of EAMPL) has filed an appeal against the order dated October 25, 2024 and the impugned order has been stayed. The appeal remains pending.

**(i) Comtrade Commodities Services Limited (formerly known as Edelweiss Comtrade Limited) (“Comtrade Commodities”)**

**(i) Criminal Proceedings filed against Comtrade Commodities**

1. Comtrade Commodities has been served with the notice dated January 9, 2019 from the office of EOW, Special Investigation Team, Mumbai issued under Section 91 of the Criminal Procedure Code *inter-alia* informing that the department is investigating the offences registered against National Spot Exchange Limited, its directors, Financial Technology India Limited, its directors, borrowers, brokers and others for committing several acts of forgery and criminal breach trust pursuant to criminal conspiracy hatched by them.
2. Comtrade Commodities has been served with the Notice dated February 15, 2019 on March 16, 2019 from the office of EOW, National Spot Exchange Limited – Special Investigation Team, Mumbai issued under Section 91 of the Criminal Procedure Code *inter-alia* informing that department is investigating the offences registered against National Spot Exchange Limited, its directors, Financial Technologies (India) Limited (now 63 Moons Technologies Limited), its directors, borrowers, brokers and others for committing several acts of forgery and criminal breach trust pursuant to criminal conspiracy hatched by them. EOW is investigating the complaint of SEBI against 300 brokers for illegal trading on the National Spot Exchange Limited. EOW, directed to provide the information along with supporting documents like original membership form with agreement with National Spot Exchange Limited, certified Registrars of Companies’ documents, PAN card, volume of trades, brokerage etc. and attend the office of EOW to record statement. Edelweiss Comtrade *vide* its letter dated March 25, 2019 provided the required details as called for. EOW *vide* its another notice dated October 28, 2021, called upon Comtrade Commodities for further submission of information and personal attendance for the further investigation of the matter. Comtrade Commodities *vide* its reply dated November 15, 2021 submitted various documents requested by EOW. Later, Comtrade Commodities provided additional documents *vide* reply dated January 21, 2022 that were requisitioned by EOW *vide* its notice dated December 31, 2021. The investigation is currently pending.

**(ii) Regulatory Proceedings involving Comtrade Commodities**

1. On September 26, 2018, Comtrade Commodities has been served with a SCN dated September 25, 2018 from SEBI (Designated Authority), Enquiries and Adjudication Department, Mumbai issued under Section 25(1) of SEBI (Intermediaries) Regulations, 2008. The SCN was issued with respect to paired contracts in National Spot Exchange Limited. SEBI, thereafter, issued a supplementary show cause notice dated October 11, 2022. Pursuant to this, SEBI vide its order dated March 28, 2023, cancelled the registration of Comtrade Commodities as stock broker in the securities market (“**Order**”). Comtrade Commodities filed an appeal dated April 5, 2023, before SAT seeking the quashing and setting aside of the Order (“**Appeal**”). SAT, vide its order dated April 13, 2023, granted a stay on the effect and operation of the Order. Thereafter, SAT vide its order dated December 12, 2023 (“**Disposal Order**”) disposed of the Appeal along with a group of appeals and directed SEBI to consider and frame a scheme of settlement within 3 (three) months from the date of the Disposal Order, and further, extended the stay granted on the Order until disposal of the matter by SEBI as per the settlement scheme. Further, SAT vide its order dated March 14, 2024 allowed extension of 4 (four) months for coming out with a scheme of settlement with effect from March 11, 2024 as directed by SAT in the Disposal Order. The matter is currently pending.

**(j) Edelweiss Global Wealth Management Limited (“EGWML”)**

**(i) Criminal Proceedings filed against Edelweiss Global Wealth Management Limited**

EGWML received notice dated September 4, 2020, from EOW, Gurugram in regard to the complaint dated August 20, 2020 filed by one of its client Parinidhi Minda against EGWML officials Anshul Kapoor, Amit Saxena and Ashish Gopal and directed to attend personally along with necessary papers and documents to record statements. Subsequently, the complaint stands transferred to Police Station, namely, SEC-7, IMT, MSR, Manesar, District – Gurugram. EGWML and its officials, thereafter, received a notice dated October 27, 2020 from said Police Station to appear before Investigating Officer along with supporting documents for the purpose of recording statements. The inquiry is currently pending.

**(k) Edelweiss Retail Finance Limited (“Edelweiss Retail”)**

**(i) Civil Proceedings involving Edelweiss Retail**

Nil

**(ii) Criminal Proceedings involving Edelweiss Retail**

Nil

**(l) Ecap Securities and Investment Limited (“Ecap Securities”)**

**(i) Civil Proceedings against Ecap Securities**

Except as disclosed under “*Litigation involving Subsidiaries – Civil Proceedings against EARC*” there are no other civil proceedings against Ecap Securities.

**(ii) Criminal proceedings by and against Ecap Securities**

Nil

**(m) Edel Investments Limited (“Edel Investments”)**

**(i) Civil proceedings against Edel Investments**

Om Builders Private Limited (“**Plaintiff**”) filed a suit against Orbit Abode Private Limited (“**Defendant no. 1**”) and Edel Investments (“**Defendant no. 2**”) before the Bombay High Court (“**Court**”). The Plaintiff has filed the suit for declaration of the sale deed executed in favour of Defendant no. 2 for sale of 95% share in one fourth undivided share, right, title and interest in all that piece and parcel of land hereditaments and premises equivalent to 11,198 square yards equivalent to 9,363 square meters of Malabar Cumballa Hill Division together with the bungalow known as ‘Kilachand House’ by Defendant no.1, as null and void. The matter is currently pending.

**(ii) Criminal proceedings involving Edel Investments**

Nil

**(n) Zuno General Insurance Limited (“Zuno”)**

**(i) Regulatory Proceedings involving Zuno**

1. Zuno received a show cause cum demand notice dated June 15, 2023 from DGGI Directorate General of GST Intelligence, Mumbai (“**Authority**”), alleging a tax liability of ₹ 117.27 million (“**SCN**”). The Authority has disputed ITC availed of and utilised by Zuno arising out of availment of certain services. Zuno had submitted a response to the SCN, contending that the ITC was availed and utilised in compliance with applicable laws. Subsequently, Zuno received an order-in-original (“**OIO**”) dated January 28, 2025 from the office of the Commissioner of CGST & CX, Palghar confirming the penalty amounting to ₹ 117.35 million. The company has filed an appeal against the said OIO.
2. Zuno received an OIO dated December 22, 2023 imposing a tax liability of ₹ 323.95 million and penalty of ₹ 32.40 million from the Joint Commissioner, CGST & CX Central Excise Thane (“**Authority**”). The Authority held that Zuno has failed to discharge its GST liabilities on co-insurance premium and re-insurance commission. Zuno has filed a writ application against the OIO. Pursuant to circular bearing reference number **Circular No. 244/01/2025-GST** dated January 28, 2025, certain activities shall be treated neither as a supply of goods nor as supply of services under Schedule III of the Central Goods and Services Act, 2017. Accordingly, since the activities subject to the OIO dated December 22, 2023 are no longer considered a service, there is no tax liability with respect to co-insurance premium and reinsurance commission. Zuno has filed an appeal before the Hon’ble the matter is pending in Bombay High Court.
3. Zuno received a show cause-cum-demand notice dated January 28, 2025 (“**SCN**”) from the Directorate General of GST Intelligence, Mumbai (“**Authority**”), alleging non-payment of applicable GST on insurance services supplied to SEZ units amounting to ₹2.31 million. Zuno has filed reply against the mentioned show cause notice.
4. The Company has received an order dated March 29, 2025 under Section 143(3)

read with section 147, as applicable, of the Income-tax Act, 1961 (“IT Act”) for the assessment years 2020-21, AY 2021-22, AY 2022-23 and AY 2023-24, from the Office of the Assistant Commissioner of Income-Tax, Central Circle 5(3), Mumbai (“**Authority**”), alleging tax demand of ₹ 0.29 million. The Authority has made addition to the total income of Zuno by making certain adjustments in the order. Zuno has filed an appeal dated April 26, 2025, before the Chief Commissioner of Income-Tax (appeals) against the said matter.

(o) **EAAA India Alternatives Limited (formerly known as Edelweiss Alternative Asset Advisors Limited) (“EAAA”)**

(i) Regulatory Proceedings involving EAAA

1. EAAA, in its capacity as the sponsor and investment manager of the Edelweiss Stressed and Troubled Assets Revival Fund Trust (“**ESTAR**”), which is also a noticee, received a show cause notice dated July 12, 2024 (“**SEBI SCN**”) from SEBI under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, read with Section 15I and Section 15HB of the SEBI Act. The SEBI SCN alleges violations by EAAA, in its roles as investment manager and sponsor of ESTAR, of certain provisions of the SEBI (Alternative Investment Funds) Regulations, 2012, as well as circulars dated October 1, 2015, and June 19, 2014, and the master circular for AIFs dated May 7, 2024 (collectively, the “**AIF Circulars**”).

EAAA has submitted a reply to the SEBI SCN on August 28, 2024, denying the allegations. Further, a settlement application dated September 12, 2024 was filed by EAAA. Pursuant to the first internal committee meeting held on October 08, 2024, EAAA proposed to settlement terms by way of a revised settlement application on October 28, 2024.

Subsequently, a second internal committee meeting was held on December 11, 2024, wherein SEBI proposed to settle the matter subject to revised settlement terms. A revised application was submitted by EAAA for SEBI’s consideration on January 02, 2025 pursuant to the second internal committee meeting. However, the settlement terms were further revised pursuant to the third internal committee meeting held on May 09, 2025, following which EAAA filed a revised settlement application on May 12, 2025 proposing to settle the matter. The application is currently pending with SEBI.

2. EAAA filed a compounding application dated December 22, 2023, with the Reserve Bank of India (RBI) seeking compounding of a contravention under Schedule I of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000. The contravention pertained to a delay of 9 days in filing Form FC-GPR for the allotment of certain equity shares to Gamla Livförsäkringsaktiebolaget SEB Trygg Liv (PUBL). By way of an order dated April 02, 2024, the RBI accepted the compounding application subject to a monetary penalty of ₹14,167/-.
3. EAAA in the past, during the years 2022-2023, received certain administrative warnings from the SEBI with respect to errors in information submission, delay in reporting, procedural matters pertaining to disinvestments and placement memorandums, under the provisions of Securities and Exchange Board of India



(Alternative Investment Funds) Regulations 2012, and the Securities and Exchange Board of India Act, 2008. EAAA has complied with the warnings issued by SEBI and taken corrective action to the satisfaction of SEBI.

4. An intervention petition had been filed by a minority shareholder of Hindustan National Glass and Industries Limited (“**HNGIL**”), praying to set aside the resolution plan submitted by AGI Greenpac Limited (“**AGI**”) in relation to the corporate debtor, being HNGIL, before the NCLT, Kolkata. EAAA was made a party to the case as funds managed by EAAA were one of the investors as part of the approved resolution plan of AGI (the resolution applicant in the corporate insolvency proceedings of HNGIL). The Hon’ble Supreme Court of India, by way of order dated January 29, 2025, set aside and quashed the resolution plan submitted by AGI. Accordingly, the intervention petition may become infructuous, and orders from NCLT are awaited. The matter is currently pending.

**(p) Ecap Equities Limited (“ECap Equities”)**

**(i) Civil Proceedings by ECap Equities**

Ecap Equities (“**Plaintiffs**”) has instituted Commercial Summary Suit No. 7440 of 2023 before the Hon’ble Bombay High Court against Variegate Real Estate Private Limited (“**Defendants**”) seeking recovery of an aggregate sum of ₹239.85 million. The Plaintiffs had advanced an inter-corporate deposit (“**ICD**”) to the Defendants amounting to ₹160 million, carrying an agreed interest rate of 15% per annum, along with default interest at the rate of 2% per annum, payable in the event of any delay in payment beyond September 29, 2020, which period was extendable by mutual agreement for an additional month.

Despite repeated demands and reminders from the Plaintiffs, the Defendants have failed and neglected to repay the dues, resulting in an outstanding liability of ₹239.85 million. Consequently, the Plaintiffs have sought appropriate relief from the Hon’ble Court. The matter is currently pending.

- (q)** The Issuer and its Subsidiaries have filed numerous cases under Section 138 of the Negotiable Instruments Act, 1881, and under Section 25 of Payment and Settlement Systems Act, 2007 against their customers for dishonour of cheques. Further, in some of the cases, customers have filed appeal against the Issuer and its Subsidiaries. These cases are currently pending across different courts in India.

**5. Litigation involving our Group Companies**

**(a) Nuvama Wealth and Investment Limited (“NWIL”) (formerly known as Edelweiss Broking Limited)**

**(i) Civil litigation filed against NWIL.**

Except as disclosed under “*Civil proceedings against ECL Finance*”, there are no other civil proceedings filed against NWIL.

**(ii) Criminal proceedings filed by NWIL.**

1. NWIL has filed a criminal writ petition (“**Petition**”) against State of Maharashtra and BKC police station before Bombay High Court praying that Central Bureau of Investigation or any other investigating agency be directed to

investigate the offence committed by Pranav Patki under the provisions of Indian Penal code. The matter is currently pending.

2. NWIL filed a criminal complaint dated March 2, 2016 (“**Complaint**”) with the Gandhi Nagar Police Station, Jammu against AEN Collective Market Management Private Limited and its directors (collectively, the “Accused”) under the applicable criminal laws of the State of Jammu and Kashmir and the Trade Marks Act, 1999 restraining the Accused from posing as the Complainant’s franchise and conducting fraudulent transactions. Subsequently, the Complainant filed an application under the applicable Criminal Procedure Code of the State of Jammu and Kashmir (“**Application**”) before the Chief Judicial Magistrate, Jammu (“**Court**”) for investigation of the Complaint. The Court *vide* its order dated April 26, 2016, issued a direction to the Gandhi Nagar Police Station, Jammu to register a first information report and commence investigation. Additionally, the Complainant filed a complaint dated October 20, 2016 with the cyber-crime cell against the Accused for violating of Sections 66A and 66D of the Information and Technology Act, 2000 to mislead the public at large by using the Complainant’s registered logo. A.K. Dewani *vide* his letter dated November 17, 2016 has raised a complaint with the RBI against the Complainant demanding that the value of bonds invested in pursuance of the fraud committed by the Accused be refunded to him stating that the Accused is related to the Complainant. A copy of this letter has also been sent to the RBI and the RBI has forwarded the letter to the Complainant advising the Complainant to resolve the complaint amicably within ten days. A.K. Dewani has through an undated letter highlighted that the total amount of fake bonds issued by Accused is ₹ 2.33 million. Thereafter, on September 2, 2016, NWIL denied any involvement of itself and informed A. K. Dewani about lodging of Complaint in the matter. The matter is currently pending.
3. NWIL has filed a criminal complaint dated December 14, 2021 before Station House Officer, Desh Bandhu Gupta Road, Pahar Ganj, New Delhi against its Ex-employee Ishan Pundit and other unknown persons for he is having engaged in illicit activities of unauthorised trading in clients account thereby causing a loss of about ₹ 1.24 million. On August 26, 2022, FIR bearing No. 30 of 2022 has been filed before Cyber Police Station (Central), Delhi under sections 409 and 420 of IPC, 1860. Cyber Cell Police Station, Central District, Delhi by its notice dated December 14, 2022, issued under Section 91 of Cr. P. C requested NWIL to provide certain documents and information. NWIL has filed its reply *vide* letter dated February 03, 2023, providing the required documents and information. The investigation is pending. Company has also filed E- complaint bearing no.EC-DLCT02-10156-2022 before Chief Metropolitan Magistrate, Central, THC, Central, Delhi for amending the accused names in the FIR. Matter is pending before the Court. Further, a status report dated August 29, 2024, was submitted by Police officer before LD., CMM, Tis Hazzari Central in the complaint matter filed by us against Ishan Pandit & others. The Police has acknowledged the documents submitted by NWIL against the response to the notice dated December 14, 2022. As per status report, the police have recorded the statements of Amit Gupta and Sunil Narang, and have stated that matter is being investigated as the information provided by NWIL in response to the notice dated December 14, 2022 as the information is voluminous in nature.

NWIL argued before the court that the police have still not clarified the roles of Amit Gupta and Sunil Narang. Therefore the Court has directed the IO to clarify the role of Amit Gupta and Sunil Narang. On February 13, 2025, the police informed the court that a new investigating officer has been appointed and is currently investigating the matter. The matter is currently pending.

4. NWIL filed a cyber-cell complaint dated August 13, 2024 before the Cyber Cell, Mumbai Police against Nikunj Bhahlala, an employee of NWIL (“**Accused**”) on behalf of its clients Abhilasha Maheshwari, Arpita Salman, Dilip Yashwant Raje, and Shweta Upadhyay on account of NWIL receiving numerous complaints against the Accused for taking monies to his personal account. The matter is currently pending.
5. NWIL has filed criminal cases under Section 138 of the Negotiable Instrument Act, 1881, against clients for dishonor of cheques towards trading account dues, which are currently pending before the Magistrate Court.

(iii) Criminal proceedings filed against NWIL.

Other than as mentioned below and under “*Material litigations involving our Directors as on the date of this Prospectus- Criminal litigation*”, there are no other criminal proceedings against NWIL.

1. Rajat Tyagi (“**Complainant**”) has filed a complaint and lodged FIR on February 22, 2020 (“**FIR**”) under Section 406 of Indian Penal Code, 1860 with the Kotwali police station, Bijnor, Uttar Pradesh against Mohit Singhal, advisor NWIL. The Complainant alleged that the share transactions to an amount of ₹ 0.25 million. By its email dated May 14, 2021, NWIL filed its reply dated May 11, 2021 alongwith relevant recordings and transcripts with Investigating Officer (“**IO**”) against the undated letter of the Complainant for re-investigation of case. No further information has been sought by IO.
2. Manish Varshney (“**Complainant**”) filed a first information report dated March 28, 2012 (“**FIR**”) against Anagram Capital Limited (now amalgamated with NWIL) and its employees Manoj Tomar and Manoj Gupta (collectively, the “**Accused**”) under Sections 406, 417 and 506 of the Indian Penal Code, 1860 for alleged fraudulent trading using the Complainant’s trading account. Subsequently, Manoj Gupta filed a criminal petition under Article 226 of the Constitution of India, 1949 before the High Court of Judicature at Allahabad (“**Court**”), seeking a stay order and directions to quash the FIR. The Court granted a stay and directed the police to submit a police report under Section 173(2) of the Criminal Procedure Code, 1973. The matter is currently pending.
3. A first information report dated December 5, 2013 was filed by Gaurang Doshi (“**Complainant**”) against one Mehul Kantilal Vala, ex-employee of the complainant under Section 154 of the Criminal Procedure Code, 1973 for violation of Sections 408, 418, 381 and 506(2) of the Indian Penal Code, 1860 with Ellisbridge Police Station at Ahmedabad, for alleged theft of the physical share certificates of different companies, challan of the banks and cash of ₹ 0.03 million aggregating to value of ₹ 4 million. Pursuant to which NWIL received a Notice dated December 11, 2013, from Ellisbridge Police Station at Ahmedabad inter-alia requesting to produce relevant documents pertaining to Delivery Instruction Slips (“**DIS**”) lodged by Mehul Kantilal Vala along with relevant share certificates as well as Demat Account Statement of the Complainant,

which has been provided by NWIL vide its letter dated December 13, 2013 and December 23, 2013, in compliance with the notice. The Company official Rakesh Kori of Ahmedabad office recorded his statement on behalf of the company. There is no further communication received from police authorities since 2013. The matter is currently pending.

4. Baburajan Pillai, a client of NWIL, filed a police complaint before S Roopesh Raj, PSI, Anjalummoodu, Kollam Police station under Sections 408, 418, 468 and 420 of the Indian Penal Code, 1860 for unauthorised trading in his account. His complaint is that one of NWIL's officials took 300 Bank of India share certificates from the client and carried out unauthorized trading in his account. All the shares were sold at loss. Branch officials have visited the police station from time to time and have filed requisite documents. Thereafter, a notice dated January 7, 2016, was sent by the police, under Section 91 of Cr. PC ("**Notice**") directing NWIL to provide the relevant documents, which have been duly submitted. There is no further communication received from police authorities since 2016. The matter is currently pending.
5. H. R. Verma ("**Complainant**") filed a criminal complaint ("**Complaint**") before the Judicial Magistrate First Class, Bhopal ("**Judicial Magistrate**") under Sections 406, 420, 467, 468, 471 and 120B of the Indian Penal Code, 1860 against Sanjay Kumar, Asha Batham, Anita Gupta and Edelweiss Financial Advisory Limited (now amalgamated with NWIL) (collectively, the "**Accused**") for fraudulent transfer of shares of 4,000 shares of Reliance Industries Limited from their designated accounts. The Judicial Magistrate dismissed the Complaint *vide* an order dated March 16, 2015 ("**Order**"). Subsequently, the Complainant filed a criminal revision petition under Section 397 of the Criminal Procedure Code, 1973 before the District and Sessions Court, Bhopal ("**Court**") against the Order of the Judicial Magistrate. The Court heard the matter and directed the Judicial Magistrate to conduct further investigations *vide* an order dated December 22, 2015, remanded the matter to the lower court. The lower court has not issued summons and the matter is currently pending.
6. George Ommen ("**Complainant**") filed a criminal case dated July 10, 2008 ("**Criminal Case**") before the Chief Judicial Magistrate Court at Ernakulum ("**Court**") against Anagram Securities Limited (now amalgamated with NWIL) and its employees, alleging criminal breach of trust and misappropriation of the Complainant's money by conducting unauthorised trades leading to a loss of ₹ 0.03 million under Sections 406, 409 and 34 of the Indian Penal Code, 1860. Complainant, filed two separate Petitions both dated October 22, 2022 for substitution of M/s Anagram Securities Ltd to our Company Edelweiss Financial Services Ltd and Petition under Section 91 of Cr. PC 1973 inter-alia prying to direct NWIL to produce relevant documents showing the amalgamation of M/s Anagram Securities Ltd. with our Company and also to produce Memorandum of Association of our Company respectively. NWIL filed its objections dated November 22, 2022, to the said Petitions. The matter is currently pending.
7. On December 11, 2020, NWIL received a notice under section 54 of Prevention of Money Laundering Act, 2002 ("**PMLA**") from Directorate of Enforcement, Government of India, Jaipur ("**ED**") in respect of investigation against Clients, M/s. Bhavishya Credit Cooperative Society and 11 others inter alia requesting to provide details of shareholding with present value. ED also directed not to allow any further sale/ transfer transaction in the account of said clients without NOC from ED. NWIL vide its email dated December 21, 2020 requested ED to provide certain additional information in order to comply with

the said Notice. The matter is pending.

8. Chayya Jitendra Mohite, a client of NWIL has filed a Criminal Writ Petition being No. 50 of 2021 (“**Petitioner**”) before High Court at Mumbai against Senior Police Officer, Vakola Police Station, Mumbai and State of Maharashtra, the Respondents *inter-alia* praying for an order directing Respondent No. 1 to register FIR on the Petitioner’s complaint dated June 25, 2020 filed with Respondent No. 1 against NWIL, ECL Finance and S. R. Batliboi and Company LLP and thereafter transfer the same to Economics Offences Wing (EOW) or Central Bureau of Investigation (CBI) for further investigation. Petitioner, *inter-alia* alleged the opening of his and his family members loan account/s with ECL Finance without knowledge and consent. On January 20, 2021, NWIL and ECL Finance appeared before the Hon’ble Court as interveners, when Hon’ble Court allowed the Petitioner to amend the Petition and serve the copies thereof upon all the Respondents and Interveners. Till date, no Petition has been served upon NWIL. The Petition is still pending for hearing. NWIL received a call from Police on March 20, 2023, informing about the letter issued by Petitioner's representative Ms. Snehal Thakkar dated March 02, 2023, and directed to appear before the Police to record our statement. Accordingly, NWIL officials Mr. Doshi and Mr. Agarwal recorded their statements on May 30, 2023 and June 06, 2023 accordingly. The matter is currently pending.
9. Malvika Saluja and Jyotika Saluja both of Bhubaneswar, investors in Edelweiss Multi Strategy Fund Management Pvt Ltd (“**EMSFMPL**”) filed 2 separate criminal complaints both dated February 03, 2021 with Laxminagar Police Station, Bhubaneswar against employees of NWIL, namely, Debasis Nayak, Dipankar Datta and Raja Ram, *inter-alia* alleging forgery in respect of documents submitted with EMSFMPL for investment in Hexogen Product. On February 09, 2021, NWIL officials received telephonic directions from Laxminagar Police Station to provide details and documents relating to the said investments in the matter. NWIL official Debasis Nayak appeared before the Investigating Officer along with his advocate on March 3, 2021 and recorded his statement. Thereafter, no further case has been registered before Laxmi Sagar Police Station, Bhubaneshwar.
10. Mr. Devarajulu Boopalan (“**Complainant**”), filed a criminal complaint against Dinesh Kumar G and Niraj R. Sharma, officials of NWIL with Thousand Lights Police Station, Chennai – 6 *inter-alia* raising concerns about his investment of ₹ 15 Lakhs made in Crossover Fund Series II offered by EAML (“**the Fund**”). Based on telephonic call received from Police station, both the officials attended Police station on August 3, 2021, and denied all alleged concerns raised by the client. On June 15, 2022, NWIL attended concern Police Station through its authorised representative and apprised the matter to the concern Investigating officer. On January 12, 2023, the Parties entered into a MOU for settlement which stated that the Complainant had agreed to transfer the Fund in the name of Nuvama Wealth Finance Limited and/or its affiliates. The Complainant vide its letter dated March 1, 2023, informed to the Inspector of Police, Thousand Lights Police Station, Chennai, that both the parties have decided to resolve all the disputes amicably and requested to not proceed with the criminal complaint. NWIL is awaiting police closure report. The matter is currently pending.
11. NWIL has been served with Notice dated September 9, 2021 issued by the office of the Assistant Commissioner of Police, Section V: Economic Offences Wing, Mandir Marg, New Delhi against Senior Branch Manager, NWIL, Karol Bagh, Delhi under Section 91 of Code of Criminal Procedure *inter-alia* informing that the investigation is being

conducted in case FIR No. 5 of 2021 registered under sections 420, 467, 468, 471 read with sections 34 and 120B of Indian Penal Code against NWIL and others and directed to appear alongwith documents and details pertaining to D H Limited (Client) such as Account opening forms for trading and Demat with all supporting, Ledgers, brokerage and other charges details etc. NWIL, vide its letter dated September 15, 2021, responded to the notice, and submitted all required documents and information before Investigating Officer. No further communication is received from police authorities since 2021. The investigation is pending.

12. NWIL received two notices both dated July 7, 2021, issued by Senior Inspector of Police, District Investigation Unit, Chanakya Puri Police Station, New Delhi under Section 91 and 160 of CrPC inter-alia informing that the investigation is being conducted in case FIR No. 5 of 2021 and FIR No. 6 of 2021, both registered under sections 420, 467, 468, 471 read with sections 34 and 120B of IPC, based on the complaints of Shri Jagrit Sahni and Shri Gurmanak Sahni respectively (“**Complainants**”) against one Rajesh Ambwani (No relation with Edelweiss) and Ms. Saloni Singh (represented herself as Relationship Manager of our Company) for having induced the Complainants with dishonest intention to invest a sum of ₹ 6 million and ₹ 2.5 million respectively and caused the loss for the same. NWIL furnished the required details and documents vide its letter dated July 12, 2021 and July 26, 2021. Economic Offences Wing, Section – V, New Delhi (“**EOW**”) vide its Notice dated July 20, 2023 issued under Section 91 of Cr. PC directed NWIL to furnish with further details, which NWIL complied with vide its letter dated August 28, 2023. In the complaint filed by Gurmanak Sahni, the EOW issued another notice dated May 16, 2024 under Section 91 of CrPC for providing details *inter alia* relating to Ms. Saloni Singh. NWIL filed its reply on June 12, 2024. NWIL further received a notice from the EOW seeking additional details with respect to the FIR No. 6/2021 filed against NWIL, Rajesh Ambwani and Saloni Singh dated May 16, 2024. NWIL furnished a detailed reply vide its letter dated June 4, 2024. The investigation is pending.
13. Rajiv Kumar Saxena (“**Complainant**”) has filed a criminal complaint against NWIL and one of its employees for commission of criminal breach of trust, cheating and forgery at the CR Park Police Station, New Delhi. The complainant has alleged that he had paid a total of ₹ 2.5 million to our Company by way of cheques for the purpose of investment in two schemes, wherein he was promised a return of 2% per month on the investment of ₹ 1 million, while the remaining ₹ 1.5 million was kept with Edelweiss Crossover Opportunities Fund and was to be invested in the NSE IPO. The Complainant has not received any returns nor a copy of the agreement. NWIL filed its reply vide letter dated July 12, 2022 and additional reply vide letter dated July 28, 2022. NWIL received order/notice dated August 28 2023, from C R Park police station, New Delhi asking NWIL and its two officials namely Akhil Goomber and Ms. Vidya Rashesh Shah to appear for the purpose of enquiry. NWIL vide its two letters both dated August 31, 2023, replied to the said notice on merit. The matter is currently pending.
14. Economic Offences Cell, Panaji, Goa, (“**EOC**”) vide its call letter dated May 18, 2022 informed our Company’s Promoter Rashesh Chandrakant Shah and Venkatchalam A Ramaswamy that department is conducting inquiry into the complaint filed by Complainant / Investor Mr. Caesar Fernandes (client of Edelweiss Broking Limited) against them for committing unfair trade practices, criminal breach of trust and cheating through their company and asked their presence before Investigating Officer (“**IO**”) for application inquiry. NWIL officials attended the office of EOC on July 04, 2022, and July

11, 2022, when officials were asked to reply on queries raised by the IO on or before July 15, 2022. On July 15, 2022, NWIL filed its final reply before EOC. No further communication received from EOC. The matter is currently pending.

15. The Asst. Commissioner of Police, Kesarbaug Police Station, Lucknow, UP vide his letter dated September 09, 2022 addressed to Vibhor Shankar, employee of NWIL that he is investigating the criminal complaint filed by one Ratnesh Nigam, client of NWIL, against Vibhor Shankar, and directed said employee to remain present before him alongwith required documents for investigation. Vibhor Shankar, vide his letter dated October 03, 2022 replied to the said complaint on merit along with supporting documents and stated that the FIR has already been registered being FIR No. 2231 of 2022 dated August 24, 2022 against the said Ratnesh Nigam before Mahanagar Police Station, UP, under Section 323, 342, 504 and 506 of IPC, for having forcefully taken in writing from Vibhor Snhankar, employee of NWIL regarding his losses in shares and currency derivates in the year 2015-16 on account of trading by the said employee. Mahanagar Police Station, Lucknow, UP ("**Police Station**") by its letter dated December 08, 2022 directed NWIL officials to appear and record the statement with evidence. Pursuant to the said order, NWIL officials have submitted their statements before the Police Station. NWIL had filed an RTI application seeking the status of the investigations initiated under the said FIR dated August 24, 2022. The police authorities by way of the RTI report dated September 13, 2024, issued by Additional Deputy Commissioner of Police/Public Information Officer, Commissionerate Lucknow, clarified that there are no pending investigation in the name of Vibhor Shankar as on date. Therefore, no action has been taken against us. Matter closed.
16. NWIL's official ("**Accused**") received a notice under Section 91 of CRPC, dated December 21, 2022 ("**Notice**") from SHO, Police Station, Gurugram. The notice intimated NWIL about a complaint registered by Madhur Walia alleging unauthorised trades in his account without his consent . The Notice further directed the NWIL officials to provide details and documents pertaining to the matter. NWIL officials visited the Police Station in January, 2023, however, since there was no Investigating Officer in the matter, case is currently pending for investigation. NWIL is awaiting further communication from the Police authorities.
17. NWIL has been served with Notice on January 17, 2024 from Sub Inspector of Police, Thrissur Town East Police Station, Thrissur inter-alia requesting to provide certain details of NWIL (formerly Edelweiss Broking Limited) in respect of criminal case bearing FIR No. 2512/2023 registered with said police station against one Rajeev and Managing Director of NWIL (*formerly EBL*) on the basis of complaint filed by a client, Ajay Kumar for alleged unauthorised trades in his account from October 01, 2023 to December 31, 2023 thereby causing a loss of ₹ 7.6 million to the client. NWIL, by its letter dated January 19, 2024 provided all required details and documents before Thrissur Town East Police Station, Thrissur by way of recording statement before the police station. The matter is currently pending.
18. NWIL received a Notice dated August 10, 2024 from Darya Ganj Police Station, New Delhi ("**Police Station**") inter-alia directing NWIL to appear before the Police Station in light of the application filed by Sunil Puri, a client of NWIL, before the Tis Hazari Court for filing of registration of FIR against NWIL. NWIL, by its letter dated August 21, 2024 submitted its response in this case before the Police Station. This matter is currently pending.

19. NWIL and ECL Finance received notices u/s 91 of the C.r.P.C. dated June 2, 2024 and May 26, 2024 respectively from the Bandra Police Station (“Police Station”) inter-alia calling upon to provide details and documents with respect to loan availed, demat and trading account of Sameera Shaikh (“**Complainant**”) in relation to a police complaint filed by the Complainant alleging forgery done by NWIL and ECL Finance. NWIL vide its letter dated June 24, 2024, replied to the said notice. Further, NWIL and ECL Finance officials have also visited the police station and recorded their respective statements. The matter is currently pending.
20. NWIL and ECL Finance received a notice dated August 12, 2024, from the Bandra Police Station (“**Police Station**”) seeking details and documents with respect to its client namely Amira Shaikh, pursuant to the complaint lodged by her before the Police Station. NWIL vide its letter dated August 23, 2024, filed its response. ECL Finance has also filed its response vide its letter dated September 12, 2024. The matter is currently pending.
21. NWIL & its official Dhirendra Shekhawat (“**Accused**”) received notices dated July 31, 2024 and August 1, 2024 from the Police Station Cyber North East, Delhi (“Police Station”) under Section 94 of the Bharatiya Nagarik Suraksha Sanhita, 2023, with respect to allegations made by a client Neetu Singh regarding mis-selling of a Policy by NWIL to her. The Accused appeared before the Police Station on August 10, 2024. NWIL filed its reply vide email dated August 14, 2024. The matter is currently pending.
22. NWIL has received police summons dated August 29, 2024 from the police to appear for inquiry in the Complaint filed by Sanraja Ajivayathi (Original Raj Krishna) alleging that he was forced to sign the confession letter. NWIL official Mr. Vijayala Chackravathy appeared and submitted a reply dated August 30, 2024. No further communication from police authorities which have closed the matter in their record.
23. Mr. Ajay Sharma, a client of NWIL, has filed a complaint with the Station House Office, Police Station at SJ Enclave, New Delhi alleging that NWIL, though its employee, induced Mr. Ajay Sharma to invest ₹ 0.2 million with NWIL in lieu of fixed returns on such investment. Further, Mr. Ajay Sharma, has alleged that his trading account is in debit mode as the investments have resulted in loss. NWIL on February 07, 2025, received a notice from the Station House Office, Police Station at SJ Enclave, New Delhi seeking details and documents in relation to the ongoing investigations. By way of reply dated February 12, 2025, NWIL has provided the account details in interim along with an undertaking to provide a comprehensive response to the notice dated February 07, 2025, in due course. By way of reply dated 12th February 2025, NWIL has provided an interim response. A detailed response was also submitted to the Police on February 24, 2025. No further action has been taken against NWIL, the matter is currently pending.

(iv) Regulatory proceedings involving NWIL.

1. NWIL has been served with Summons issued by Investigation Authority (“**IA**”), Securities and Exchange Board of India (“**SEBI**”) under section 11C (3) of the Securities and Exchange Board of India Act, 1992 in relation to the trading activities of the NWIL’s client, Bhawarlal Ramnivas Jajoo in the script of Reliance Industries Limited for a period from March 01, 2020 to March 31, 2020. NWIL vide its letter dated December 16, 2020 furnished the required information and data along with supporting documents and complied with the same. No further communication is received from IA. The investigation is pending.



2. NWIL has been served with Show Cause Notice dated June 09, 2023, from National Stock Exchange of India Limited (“NSE”) *inter-alia* alleging violation of Rules, Byelaws and Regulations of the Exchange and circulars issued by SEBI and Exchange and thereby facilitated the financing of client’s transactions through a NBFC. NWIL filed its reply on June 30, 2023. The matter is pending. Pursuant to an order dated November 26, 2024, the NSE has issued a written warning to NWIL against engaging in arrangements to facilitate client financing for secondary market transactions.
3. NWIL has been served with Show Cause Notice dated October 06, 2023 from BSE Ltd. *inter-alia* alleging abnormal activity executed by the market participant. NWIL filed its response on October 25, 2023. The matter is referred to SAT and is currently pending.
4. NWIL had received a show cause cum demand notice dated June 15, 2023 for ₹ 3.5 million from the Directorate General of GST Intelligence, Mumbai where the Authority has disputed input tax credit (ITC) availed of and utilised by NWIL arising out of certain marketing services offered to Zuno. NWIL filed its reply on August 25, 2023. The Additional Commissioner, CGST & CEX, Palghar, by way an order dated January 28, 2025, imposed a penalty of ₹ 3.5 million on NWIL under Section 122 of the Central Goods and Services Tax Act, 2017 for issuing invoices without supply of any underlying goods or services to Zuno and failure to produce documents/records. NWIL has filed an appeal against the aforesaid order on March 29, 2025. The matter is currently pending.
5. SEBI has issued a Show Cause Notice dated April 5, 2024 to NWIL regarding non-compliances observed during joint Inspection conducted for the period April 2022 to May 2023. NWIL filed its reply vide its letter dated May 17, 2024. The matter is currently pending with SEBI.
6. Securities and Exchange Board of India (“SEBI”) has issued a show cause notice to NWIL dated October 09, 2024 (“SCN”), in the matter of Trade Tron regarding certain trading strategies published on its website that violated SEBI’s circular dated September 2, 2022 (Reference No. SEBI/HO/MIRSD/DOP/P/CIR/2022/117) and the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992. In response to the SCN, NWIL was required to submit its reply to the alleged violations specified in the SCN within 14 days of the receipt of the SCN. NWIL has filed a settlement application on December 18, 2024. The matter is currently pending. Pursuant to an email received from SEBI dated June 9, 2025, NWIL was informed that the settlement amount for the alleged violation amounts to ₹0.1 million. NWIL is in the process of complying with the aforesaid directions of SEBI and depositing the settlement amount.
7. Securities and Exchange Board of India (“SEBI”) has issued a show cause notice dated September 10, 2024 (“SCN”), regarding violations the circulars issued by SEBI and NSE regarding reconciliation and maintenance of client funds and the regulatory framework governing stock brokers during the comprehensive inspection for the period April 2022 to Nov 2023. Matter is scheduled for hearing on January 20, 2024. In response to the SCN, NWIL is required to submit its reply to the alleged violations specified by the SCN within 14 days of the receipt of the SCN. The matter is currently pending final response from SEBI at present.

**(b) Nuvama Clearing Services Limited (“NCSL”) (formerly known as Edelweiss Custodial Services Limited)**

**(i) Civil Proceedings filed against NCSL.**

1. Arebee Shipping Company Private Limited and its promoter family, who claim to be clients of Anugrah Stock and Broking Private Limited (“**Anugrah**”), filed a suit before the Bombay High Court against Anugrah, Teji Mandi and NCSL (“**Suit**”). The principal allegation in this Suit is that Anugrah and Teji Mandi have misused the power of attorney given to them by the client to misappropriate securities/funds of the client. The Bombay High Court has also passed interim orders directing Anugrah and Teji Mandi to file an affidavit of disclosure to disclose ledger accounts, details of trades, etc. executed on behalf of their clients. The matter is currently pending.
2. On October 4, 2020, NCSL was served with three arbitration petitions (“Arbitration Petitions”) filed by Lalit Shah, Lalit Shah HUF and Prafulla Shah (“**Petitioners**”), all of whom claim to be clients of Anugrah Stock and Broking Private Limited (“Anugrah”). The principal grievance raised in these Arbitration Petitions is that stocks / securities / units entrusted by the Petitioners with Anugrah have been wrongly sold by Anugrah and NCSL. The Petitioners have also sought a direction that Anugrah and ECSL remit back the securities / stocks / units belonging to the Petitioner or deposit in Court an equivalent aggregate sum. The petition has been filed under Section 9 of the Arbitration and Conciliation Act, 1996, seeking interim relief pending arbitration. The matter is currently pending.
3. Writ Petition has been filed before the Bombay High Court by Jaidev Krishnan Iyer, Ashwin Kantilal Mehta and Vimal Kishor Sikchi, Mahendra Kumar Mohta respectively, who claims to be end investors who have invested their monies and given shares as collateral to Anugrah Stock & Broking Private Limited (“**Anugrah**”). The Petitioners have alleged that the securities placed by them were wrongfully liquidated by Anugrah and NCSL. The main prayers of these Petitions is to seek a Special Investigation Team to conduct investigation into the affairs of NSE, NCL, BSE, ECSL, ICICI Bank, Anugrah and Teji Mandi Analytics Private Limited and their auditors to ascertain the role played by each of the entities and submit a report. As Economic Offences Wing (“**EOW**”) is already seized of the matter on account of the complaints filed with it by certain end-investors of Anugrah, EOW has been directed to submit a report on the progress of the investigation. The matter is pending and is currently in the hearing stage.
4. Writ Petition has been filed before the Bombay High Court by Nimish Shah and others including Alpita Apurva Mayekar & others and Karim Maredia, end clients of Anugrah Stock & Broking Private Limited (“**Anugrah**”) *inter-alia* seeking a direction against SEBI to take action against all Respondents including NSE, NCL, CDSL, ECSL, Anugrah and Teji Mandi, and pass appropriate orders to protect the interest of the Petitioners and other investors. As the petition involves a common cause of action and similar/overlapping reliefs, the parties were given the liberty to make an application to tag the above petition with other writ petitions filed before the Bombay High Court. All the writ petitions have been tagged together and common orders have been passed in all the writ petitions. The matter is currently pending for hearing.
5. Writ Petition being No. 3603 of 2022 has been filed before the Bombay High Court by Kamal R. Bulchandani & 05 others (“**Petitioners**”), the end clients of Anugrah Stock &

Broking Private Limited (“**Anugrah**”) against SEBI, NSE, NSECL, CDSL, NCSL, EOW and 07 others including EOW Anugrah, Teji Mandi inter-alia challenging the orders passed by the Respondent No. 2, NSE rejecting the claims of the Petitioners for reimbursement to the maximum of ₹ 25 lakhs each from IPF on account of losses suffered by unauthorised sell of Petitioner’s securities and misappropriation of margin/funds by Respondent No. 5, 7 and 8 & after probing into the legality to set aside the said orders. NCSL is Party Respondent No. 5 in the captioned Petition. The Petitioners have alleged that the securities placed by them were wrongfully liquidated by Anugrah and NCSL. The Petitioners further prayed to appoint retired High Court Judge or any other competent High Court officials to probe into affairs of Respondents No. 1 to 4 relating to the violation and breach of Respondents No. 5, 6 & 7 and for other reliefs more particularly mentioned in the said Petition including directing Respondent No. 6, EOW to disclose status of their investigations. The matter is pending and is currently in the hearing stage.

(ii) Criminal Proceedings involving NCSL.

1. On a complaint made by certain end-clients of Anugrah Stock and Broking Private Limited “Anugrah”, the Economic Offence Wing (“**EOW**”) registered first information report dated September 9, 2020 against Anugrah and its affiliates/promoters for defrauding customers under Ponzi scheme and lured investors with assured returns of 15% to 20%. Although NCSL is not an accused in that matter, the Economic Offence Wing passed a direction marking a debit lien on NCSL’s clearing account held with Citibank to the tune of ₹ 4,603.2 million. NCSL challenged this direction before the 47<sup>th</sup> Additional Chief Metropolitan Magistrate’s Court at Esplanade, Mumbai. The Additional Chief Metropolitan Magistrate’s 47<sup>th</sup> Court at Esplanade, Mumbai has temporarily lifted the lien on NCSL’s Clearing Account by passing a stay order. Due to business exigencies, NCSL has filed Misc Application dated October 04, 2022, in the Session Court inter-*alia* to permit NCSL to substitute the securities given in the undertaking dated October 22, 2020 with the securities mentioned in the Application and other prayers mentioned therein. EOW filed its stay dated October 21, 2022 to the Application. NCSL filed its affidavit dated November 04, 2022 with express undertaking that NCSL shall provide additional security in the event of fall in the value of the security provided. By an Order dated December 07, 2022, the Hon’ble Court allowed Application. The original Misc. Application filed by NCSL before 47<sup>th</sup> Additional Chief Metropolitan Magistrate’s Court at Esplanade, Mumbai is now transferred to the Session Court NCSL pursuant to its letters dated June 14, 2024 and July 27, 2024 has informed the EOW that it has replaced certain securities to be kept unencumbered and has provided additional substitution of collateral of assets and with their current valuations to be considered as surety and will be kept as unencumbered, which has been acknowledged by the EOW. The MPID court vide its order dated November 28, 2024, rejected and disposed off the Misc. Application bearing no. 1586 of 2022 filed by NCSL. NCSL has filed an appeal against the aforesaid order passed by the MPID court before the Hon’ble High Court of Bombay (“**Court**”). The Court passed an order dated March 19, 2025 extending the status quo. i.e. no lien on NCSL’s clearing account in lieu of the undertaking before the Magistrate Court to keep assets worth at least ₹ 460 crore unencumbered. The Court had directed EOW to ascertain the valuation of the said assets and that they still remain unencumbered. The matter is under hearing stage.
2. NCSL has been served with a Notice dated September 10, 2022 from Senior Police Inspector, EOW, Amravati based on criminal complaint filed by end client of Anugrah

Stock and Broking Private Limited “Anugrah”, namely Rishabh Sikchi and others and have been called upon to present with all information and documents as mentioned in the letter. NCSL has appeared before them and submitted its response. NCSL had thereafter received notice seeking additional information which NCSL has duly submitted to EOW Amravati. The matter is currently pending.

3. Mr. T Ravi Prakash (“**Complainant**”) had filed the FIR at Central Crime Station, Detective Department (“**CCS, DD**”) at Hyderabad against his Stockbroker, Anugrah Stock and Broking Private Limited (“**Anugrah**”) and 7 others including Nuvama Clearing Services Ltd (formerly known as Edelweiss Custodial Services Limited) (“**NCSL**”), under Section 409 and 420 of Indian Penal Code. The Investigating officer had deleted the names of Accused No. 4 to 8 including NCSL as there was no prima facie case made out against these accused. Being aggrieved, the Complainant filed a Protest Petition before Addl. Chief Metropolitan Magistrate, Hyderabad (“**Court**”) inter-alia directing CCS DD Police station to conduct further investigation into the matter and take cognizance against the accused in the Petition, who are not named as accused in chargesheet. By an Order dated June 30, 2023, the Court allowed the Petition and referred the matter to CCS DD Police station, Hyderabad for further and proper investigation against the accused. The matter is currently pending.

(iii) Regulatory proceedings involving NCSL.

1. NSE Clearing Limited (“**NCL**”) had issued a Show Cause Notice (“**SCN**”) dated January 8, 2020, after completing the Limited Purpose Inspection to understand the issue raised by the trading member Vrise Securities Private Limited (“**Vrise**”). NCL made inter-alia certain observations in its SCN and personal hearing was scheduled before Member and Core Settlement Guarantee Fund Committee (“**MCSGFC**”) of NCL. The MCSGF Committee of NCL passed an order dated February 12, 2020 stating that NCSL to reinstate such securities that are liquidated by NCSL. NCSL thereafter filed an appeal against the impugned order with Securities Appellate Tribunal (“**SAT**”) and SAT by its order dated February 26, 2020, granted a stay on the matter until the matter is disposed of and directed NCSL to maintain its unutilized and free collateral with NCL above ₹ 240 million till the appeal has been decided. Thereafter, on December 15, 2023, SAT dismissed the appeal filed by NCSL against the MCSGFC order dated February 12, 2020. NCSL has filed a civil appeal before the Hon'ble Supreme Court against the SAT order dated December 15, 2023. The Hon'ble Supreme Court pursuant to its order dated July 9, 2024 tagged the appeal filed by NCL, with another appeal pending before the Hon'ble Supreme Court in a similar appeal filed by NCL against another SAT order dated December 15, 2023 (“**SAT Order**”) and the matter has been further tagged with another appeal before the Hon'ble Supreme Court in relation to SAT Order. The matter is pending for hearing.
2. NSE Clearing Ltd (“**NCL**”) had issued a Show Cause Notice (“**SCN**”) dated September 19, 2020, after completing the Limited Purpose Inspection to understand the issue raised by the trading member Anugrah Stock & Broking Private Limited (“**Anugrah**”). NCL made inter alia certain observations in its SCN and personal hearing was scheduled before Member and Core Settlement Guarantee Fund Committee (“**MCSGFC**”) of NCL. The MCSGF Committee of NCL passed an order dated October 20, 2020 stating that post detailed scrutiny of NSE and the quantum of securities to be re-instated will be intimated by NSE to NCSL for further action and also has levied a penalty of ₹ 0.1 million. NCSL thereafter filed an appeal against the impugned order with Securities Appellate Tribunal

(“SAT”) and SAT by its order dated November 5, 2020, while granting a stay order inter-alia directed NCSL to give an undertaking to NCL that NCSL will deposit ₹ 2,120 million or any other amount as may be directed by Tribunal after disposal of Appeal. Thereafter, on December 15, 2023, SAT dismissed the appeal filed by NCSL against the MCSGFC order dated October 20, 2020. NCSL has filed a Civil Appeal before the Hon'ble Supreme Court against the SAT order dated December 15, 2023. The matter is pending for hearing.

3. NSE Clearing Ltd (“NCL”) had issued a Show Cause Notice (“SCN”) dated August 24, 2021 after completing the Regular Inspection of Books of NCSL. NCL made *inter alia* certain observations in its SCN which was duly responded by NCSL vide its letter dated September 8, 2021. On October 6, 2021, a personal hearing was concluded before the Member and Core Settlement Guarantee Fund Committee (“MCSGFC”) of NCL and in pursuance thereof, NCSL submitted its written submission dated October 13, 2021. NCL had further sought clarifications on certain points vide its letter dated March 17, 2022 which are duly responded by NCSL vide its letter dated April 27, 2022 to NCL. NCL had further sought clarifications on certain points vide its letter dated September 22, 2022 which was duly responded by NCSL vide its letter dated October 14, 2022. NCL vide its letter dated October 25, 2022 issues supplementary show cause notice citing observations (“Supplementary SCN”) and a personal hearing was scheduled on 01-11-2022 before the MCSGFC. NCSL have submitted its response on November 15, 2022. Subsequently, hearing held on December 06, 2022, before MCSGFC. NCL has further submitted written submissions on Supplementary SCN on December 13, 2022. MCSGFC committee of NCL has *vide* its letter dated March 31, 2023 gave its decision on the matter and proposed to levy a penalty of Rs 2.5 million. NCSL has filed an appeal before SAT on May 11, 2023 which was heard on June 08, 2023, and the SAT has directed to deposit the penalty amount with NCL which will be subject to the result of the captioned appeal. NCSL has deposited the amount with NCL. The matter is currently pending.

**(c) Nuvama Wealth Management Limited (“NWML”)**

**(i) Criminal proceedings filed by NWML.**

1. NWML filed a criminal complaint dated August 21, 2024 before the Senior Inspector of Police, B.K.C. Police Station against Raman Verma and other unknown individuals for committing inter-alia fraud, cheating, and criminal conspiracy, against NWML and its subsidiaries/group companies and its clients/public by creating various fake WhatsApp groups. The matter is currently pending.

NWML filed a criminal complaint dated March 18, 2025, before the Senior Inspector of Police, B.K.C. Police Station against Ms. Kangana Sharma for alleged offences including fraud, cheating, misrepresentation, impersonation and criminal conspiracy, against NWML, subsidiaries, group companies and clients by creating multiple fake WhatsApp groups purportedly impacting NWML. The matter is currently pending.

**(ii) Criminal proceedings against NWML**

Except as mentioned above under “*Material litigation or legal or regulatory actions involving our Promoter*”, there are no other criminal proceedings against NWML.

**(iii) Regulatory proceedings involving NWML.**

1. NWML was issued show cause notices dated February 25, 2015, and March 17, 2015, by

the Principal Commissioner, CGST, Mumbai, regarding alleged unpaid service tax liabilities for the period between July 2012 and March 2014 in relation to stock broking services provided by NWML. In its response to the SCNs, NWML contended that brokerage income earned on securities transactions from Foreign Institutional Investors (“FII”) was classified as an export of services and, therefore, no service tax was charged on such income during the relevant period. However, the Service Tax Department, through the aforementioned SCNs, demanded service tax along with interest and penalties amounting to ₹361.3 million on the brokerage income from FIIs. The Department argued that the said income was taxable under Rule 4(a) of the Place of Supply of Services Rules (“POPS Rules”), treating it as performance-based services since the securities involved were located in India. It rejected NWML's contention that the income fell under Rule 3, which is the general rule for determining the place of supply.

Despite NWML’s submissions, the Principal Commissioner, by an order dated March 5, 2020, confirmed the demand raised in the SCNs. NWML has preferred an appeal against the said order on August 7, 2020, which is currently pending before the Appellate Tribunal, Central Excise & Service Tax.

## OTHER INFORMATION

### 1. Taxation

#### (a) Summary of direct tax litigation involving the Issuer and its subsidiaries

##### (i) Edelweiss Financial Service Company Limited (EFSL)

- A. In respect of assessment proceedings by the Income-tax Department for the assessment year 2010-11, EFSL has received an assessment order dated March 01, 2013 from the Office of the Deputy Commissioner of Income Tax, Mumbai in which certain disallowances/additions has been made and a notice of demand under Section 156 of the Income-tax Act, 1961 has been issued. The disallowances/additions mainly relate to disallowance of interest expenditure claimed and disallowance u/s 14A in respect of expenditure incurred in relation to income that is exempt from tax. The tax liability of the said assessment order dated March 01, 2013 on EFSL is ₹219.51 millions. Various disallowances/additions made in the course of assessments has been contested by EFSL and preferred appeal before the Commissioner of Income Tax (Appeals). The matter was ruled in favour of EFSL by the Commissioner of Income tax (Appeals). Pursuant to this, income tax department has filed appeal before the Income tax Appellate Tribunal, Mumbai (“ITAT”). ITAT has also disposed of the appeal in favour of EFSL. The Income Tax Department has further preferred an appeal before the High Court on October 03, 2018 against the order of ITAT. The appeal filed by Income Tax Department is currently pending.
- B. In respect of assessment proceedings by the Income Tax Department for the assessment year 2019-20, EFSL has received an assessment order dated August 31, 2024 from the Office of the Deputy Commissioner of Income-tax, Central Circle 1(1), Mumbai in which certain disallowances/ additions have been made and notice of demand under Section 156 of the Income-tax Act, 1961 has been issued. The disallowances/ additions mainly relate to disallowance of expenditure claimed in respect of employee stock options granted to employees and disallowance under section 14A in respect of expenditure incurred in relation to income that is exempt from tax. The tax liability of the aforesaid assessment order dated August 31, 2024 on EFSL is ₹ 388.51 million. An appeal has been filed by EFSL on

September 19, 2024, against the aforesaid assessment order dated August 31, 2024, before the Commissioner of Income-tax (Appeals) and the outcome of the appeal remains pending.

(ii) Edelweiss Rural & Corporate Services Limited (ERCSL)

- A. In respect of assessment proceedings by the Income Tax Department for the assessment year 2019-20, pursuant to investigation, ERCSL has received an assessment order dated June 26, 2024 from the Office of the Deputy Commissioner of Income-tax, Central Circle 1(1), Mumbai in which certain disallowances/ additions have been made and notice of demand under Section 156 of the Income-tax Act, 1961 has been issued. The disallowances/ additions mainly relate to disallowance of expenditure claimed in respect of employee stock options granted to employees and disallowance under section 14A in respect of expenditure incurred in relation to income that is exempt from tax, disallowance of depreciation claimed on goodwill, disallowance of expenditure under section 37(1) of the Act and additions made in respect of certain transactions. The tax liability of the aforesaid assessment order dated June 26, 2024 on ERCSL is ₹ 361.24 million. An appeal against the said assessment order has also been filed by ERCSL on July 15, 2024, before the Commissioner of Income-tax (Appeals) and the outcome of the said appeal remains pending.

(iii) ECap Securities and Investments Limited (ESIL)

- A. In respect of assessment proceedings by the Income-tax Department for the assessment year 2010-11, pursuant to investigation, ESIL has received an assessment order dated March 04, 2013 from the Office of the Deputy Commissioner of Income Tax, Mumbai in which certain disallowances/additions has been made and notice of demand under Section 156 of the Income-tax Act, 1961 has been issued. The disallowances/additions mainly relate to disallowance of Mark to Market (MTM) provision for derivative transactions. The tax impact of the said assessment order is ₹ 193.64 million. ESIL has preferred an appeal before the Commissioner of Income Tax (Appeals). Further, the matter was decided in favour of ESIL by the Commissioner of Income tax (Appeals). Pursuant to aforesaid order, income tax department has filed an appeal before the Income tax Appellate Tribunal, Mumbai ("ITAT"), which was rejected. Subsequently, the Income Tax Department filed an appeal before the High Court against the order of ITAT, which remains pending.
- B. In respect of assessment proceedings by the Income Tax Department for the assessment year 2019-20, pursuant to investigation, ESIL has received assessment order dated May 31, 2024 from the Office of the Deputy Commissioner of Income-tax, Central Circle 1(1), Mumbai wherein certain disallowances/ additions have been observed and accordingly, demand notice under Section 156 of the Income-tax Act, 1961 has been issued. The disallowances/ additions pertain to disallowance of expenditure claimed in respect of employee stock options granted to employees and disallowance under section 14A incurred in relation to income exempt from tax, disallowance of depreciation claimed on goodwill and additions made in respect of certain transactions. The tax liability of the said assessment order dated May 31, 2024 on ESIL is ₹ 371.09 million. An appeal against the said assessment order has been filed by ESIL on June 21, 2024, before the Commissioner of Income-tax (Appeals) and remains pending.

(iv) Ecap Equities Limited (EEL)

- A. In respect of assessment proceedings by the Income Tax Department for the assessment year 2020-21, pursuant to investigation, EEL has received a assessment order dated May 31, 2024 from the Office of the Deputy Commissioner of Income-tax, Central Circle 1(1), Mumbai in which certain disallowances/ additions have been made and notice of demand under Section 156 of the Income-tax Act, 1961 has been issued. The disallowance relates to bad debts claimed. The tax liability of the said assessment order dated May 31, 2024 on Everest is ₹ 191.86 million. An appeal against the said assessment order has been filed by EEL on June 25, 2024 before the Commissioner of Income-tax (Appeals) and remains pending.
- B. In respect of assessment proceedings by the Income Tax Department for the assessment year 2022-23, pursuant to investigation, EEL has received an assessment order dated April 30, 2024 from the Office of the Deputy Commissioner of Income-tax, Central Circle 1(1), Mumbai in which certain disallowances/ additions have been made and notice of demand under Section 156 of the Income-tax Act, 1961 has been issued. The disallowances/ additions mainly relates to disallowance of expenditure claimed in respect of employee stock options granted to employees, additions made in respect of certain transactions and carry forward of losses. The tax liability of the said assessment order dated April 30, 2024 on EEL is ₹ 233.08 million. An appeal against the said assessment order has been filed by EEL before the Commissioner of Income-tax (Appeals) on May 10, 2024, which remains pending.
- C. In respect of assessment proceedings by the Income Tax Department for the assessment year 2023-24, pursuant to investigation, EEL has received an assessment order dated May 31, 2024 from the Office of the Deputy Commissioner of Income-tax, Central Circle 1(1), Mumbai in which certain disallowances/ additions have been made and notice of demand under Section 156 of the Income-tax Act, 1961 has been issued. The disallowances/ additions pertains to expenditure claimed in respect of employee stock options granted to employees and additions made in respect of certain transactions. The tax liability of the said assessment order dated May 31, 2024 on EEL is ₹ 270.04 million. An appeal against the said assessment order has also been filed by EEL before the Commissioner of Income-tax (Appeals) on June 18, 2024 which remains pending.

(v) ECL Finance Limited

- A. In respect of assessment proceedings by the Income Tax Department for the assessment year 2018-19, pursuant to the investigation, ECLF received assessment order dated June 3, 2024 from the Office of the Deputy Commissioner of Income-tax, Central Circle 1(1), Mumbai, in which certain disallowances/ additions have been made and notice of demand under Section 156 of the Income-tax Act, 1961 has been issued. The disallowances/ additions pertain to disallowance of expenditure claimed in respect of employee stock options granted to employees, disallowance under section 14A in respect of expenditure incurred in relation to income that is exempt from tax, disallowance of Company's 80G claim, disallowance of certain expenses under section 37 and additions made in respect of certain transactions. The tax liability of the said assessment order dated June 3, 2024 on ECLF is ₹ 376.53 million. An appeal against the said assessment order dated June 3, 2024 has been filed by ECLF before the Commissioner of Income-tax (Appeals) on June 27, 2024 which remains pending.



- B. In respect of assessment proceedings by the Income Tax Department for the assessment year 2019-20, pursuant to the investigation, ECLF received assessment order dated May 31, 2024 from the Office of the Deputy Commissioner of Income-tax, Central Circle 1(1), Mumbai, in which certain disallowances/ additions have been made and notice of demand under Section 156 of the Income-tax Act, 1961 has been issued. The disallowances/ additions mainly relate to disallowance of certain expenses under section 37 and additions made in respect of certain transactions. The tax liability of the said assessment order dated May 31, 2024 on ECLF is ₹ 225.63 million. An appeal against the said assessment order dated May 31, 2024 has been filed by ECLF before the Commissioner of Income-tax (Appeals) on June 27, 2024 which remains pending.
- C. In respect of assessment proceedings by the Income Tax Department for the assessment year 2020-21, pursuant to the investigation, ECLF received assessment order dated May 31, 2024 from the Office of the Deputy Commissioner of Income-tax, Central Circle 1(1), Mumbai, in which certain disallowances/ additions have been made and notice of demand under Section 156 of the Income-tax Act, 1961 has been issued. The disallowances/ additions mainly relate to disallowance of expenditure claimed in respect of employee stock options granted to employees, disallowance under section 14A in respect of expenditure incurred in relation to income that is exempt from tax, disallowance of Company's 80G claim, disallowance of certain expenses under section 37, disallowance of loss on sale of certain business assets and additions made in respect of certain transactions. The tax liability of the said assessment order dated May 31, 2024 on ECLF is ₹ 294.43 million. An appeal against the said assessment order dated May 31, 2024 has been filed by ECLF before the Commissioner of Income-tax (Appeals) on June 27, 2024 which remains pending.

**(b) Summary of indirect tax litigation involving the Issuer and its subsidiaries**

**(i) Edelweiss Financial Services Limited:**

- A. Show cause notice dated September 30, 2013 was issued by Commissioner of Service Tax, Mumbai to EFSL for the period 2009-10 to 2012-13 (up to June 2012) demanding service tax on credit rating support fees charged by EFSL from its subsidiary companies. It was alleged by the Service Tax Department that EFSL provided support service and therefore, is liable to pay Service Tax. Thereafter, Commissioner of Service Tax levied service tax and penalty of ₹430.75 million by way of an order dated April 29, 2015. Aggrieved by the Order, EFSL has filed an appeal before CESTAT on July 28, 2015 which remains pending.

**2. Details of acts of material frauds committed against the Issuer in the preceding three financial and the current financial year, if any, and if so, the action taken by the Issuer**

Nil

**3. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon**

Nil

4. **Pending proceedings initiated against the Issuer for economic offences**

Nil

5. **Details of inquiries, inspections or investigations initiated or conducted under the Companies Act, 1956 or the Companies Act, 2013 or the securities law against the Issuer and its Subsidiaries in the last three years immediately preceding the year of issue of this Prospectus along with section wise details of prosecutions filed (whether pending or not), fines imposed or offences compounded against the Issuer and its Subsidiaries in the three years immediately preceding the year of issue of this Prospectus.**

- (i) On March 22, 2021, EARC received, MCA letter dated March 18, 2021, regarding inspection of the books of accounts and other books and papers of EARC under Section 206(5) of the Companies Act, 2013. EARC has furnished all the required documents and information to MCA in April 2021. Further at the request of MCA, EARC re-submitted documents on December 03, 2021. MCA by its Letter dated November 1, 2022, informed EARC to provide its comments and reply to the letter dated October 15, 2022 addressed by Mr. Paras Kuhad (**"Kuhad Letter"**) to the MCA. In the Kuhad Letter, Mr. Kuhad has requested MCA to provide him with the response given by EARC along with the documents furnished in support thereof, and all other information/ documents which have come into the possession of MCA pursuant to the inspection of books initiated in March 2021. EARC vide its letter dated November 25, 2022 furnished its comments as requested by the MCA. Subsequently, EARC received another letter from MCA dated July 25, 2023 in relation to issuance of preference shares, pledge of SRs in relation to issuance of secured NCDs, acquisition of loans from group companies, clarification in relation to certain provisions Companies Act & Ind AS, and payment of remuneration to statutory auditors. EARC has submitted its detailed response and clarifications to MCA vide letter dated September 14, 2023.
- (ii) The SEBI, vide its letter dated December 05, 2022 communicated to the Issuer certain findings of inspection conducted by SEBI officials relating to the Issuer's merchant banking activities for a period from April 01, 2021 to March 31, 2022 and advised the Issuer to submit its comments if any, along with supporting documents. The Issuer has submitted its reply on December 12, 2022. SEBI vide its letter dated January 17, 2023 (**"Advisory Letter"**) issued advisory in relation to findings of inspection and advised the Issuer to ensure compliance with SEBI circular dated November 26, 2021 on "Publishing Investor Charter and Disclosure of Complaints by Merchant Bankers on their Website–Debt Market" (**"Circular"**) and to be careful in future and improve compliance standards to avoid recurrence of such instances in future. The Issuer has submitted its response with SEBI to Advisory Letter on March 23, 2023, stating that the observation will be complied with henceforth. As on date, we have received no further communication from SEBI.

Pursuant to order passed by Hon'ble National Company Law Tribunal, Mumbai Bench dated April 27, 2023, the merchant banking business of Issuer has demerged and transferred to NWML with effect from July 1, 2023 and therefore the said merchant banking business is part of NWML. The aforementioned actions mentioned in clause (ii) and (iii) above are pertaining to merchant banking business of Issuer now transferred to NWML.

6. **Any litigation or legal action pending or taken against the Promoter of the Issuer by a Government Department or a statutory body or regulatory body during the last three years immediately preceding the date of this Prospectus:**

Except as disclosed under “*Material litigation or legal or regulatory actions involving our Promoter as on the date of this Prospectus*”, there are no other litigation or legal action pending or taken against the Promoter of the Issuer by a Government department or a statutory body or regulatory body during the last three years immediately preceding the date of this Prospectus.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### **Issuer's Absolute Responsibility**

*"The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading"*

### **Authority for the Issue**

At the meeting of the Board of Directors of the Issuer held on February 07, 2025, the Board of Directors approved the issuance of NCDs for an amount up to ₹ 10,000 million. Further, the Debenture Fund Raising Committee of the Issuer has approved this Issue of NCDs with a face value of ₹ 1000 each, pursuant to the terms and conditions of this Prospectus and the Draft Prospectus.

Further, the present borrowing is within the borrowing limits of ₹ 100,000 million under Section 180(1)(c) of the Companies Act, 2013 duly approved by the members of the Issuer by way of postal ballot on September 10, 2014.

### **Prohibition by SEBI / Eligibility of the Issuer for the Issue**

The Issuer, persons in control of the Issuer and/or the Promoters and/or our Promoter Group and/or the Directors have not been restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI and no such order or direction is in force. Further, no member of the Issuer has been prohibited or debarred from accessing the securities market or dealing in securities by SEBI due to fraud.

None of the Promoters or Directors of the Issuer is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by the Board.

The Issuer confirms that there are no fines or penalties levied by SEBI or the Stock Exchanges pending to be paid by the Issuer as on the date of this Prospectus.

No regulatory action is pending against the Issuer or its Promoters or Directors before SEBI or the RBI.

None of our Directors and/or our Promoters have been declared as fugitive economic offenders.

### **Wilful Defaulter**

The Issuer, and/or its Directors and/or its Promoters have neither been categorised as a wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution, nor are they in default of payment of interest or repayment of principal amount in respect of non-convertible securities, for a period of more than six months. None of our Whole-time Directors and/or our Promoter, is a whole-time director or promoter of another company which is has been categorised as a wilful defaulter.

### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE**

**CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGERS, TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND TIPSONS CONSULTANCY SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS PROSPECTUS, THE LEAD MANAGER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS, TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND TIPSONS CONSULTANCY SERVICES PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JUNE 26, 2025 WHICH READS AS FOLLOWS:**

- 1. WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY SEBI. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- 2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDs OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE WILL BE GIVEN.**
- 3. WE CONFIRM THAT THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021.**
- 4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

**WE CONFIRM THAT WE HAVE NOT RECEIVED ANY COMMENTS ON THE DRAFT PROSPECTUS DATED JUNE 13, 2025, FILED WITH BSE LIMITED. BSE LIMITED SHALL BE THE DESIGNATED STOCK EXCHANGE FOR THE ISSUE.**

#### **DISCLAIMER CLAUSE OF BSE**

**BSE LIMITED ("THE EXCHANGE"), VIDE ITS APPROVAL LETTER DATED JUNE 19, 2025 HAS GIVEN PERMISSION TO THIS ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER THE EXCHANGE DOES NOT IN ANY MANNER:**

- A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**

**B. WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**

**C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER;**

**AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR, OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY ANY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.**

**DISCLAIMER STATEMENT OF CRISIL**

**CRISIL RATINGS LIMITED (CRISIL RATINGS) HAS TAKEN DUE CARE AND CAUTION IN PREPARING THE MATERIAL BASED ON THE INFORMATION PROVIDED BY ITS CLIENT AND / OR OBTAINED BY CRISIL RATINGS FROM SOURCES WHICH IT CONSIDERS RELIABLE (INFORMATION). A RATING BY CRISIL RATINGS REFLECTS ITS CURRENT OPINION ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT AND DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY BY CRISIL RATINGS. CRISIL RATINGS DOES NOT GUARANTEE THE COMPLETENESS OR ACCURACY OF THE INFORMATION ON WHICH THE RATING IS BASED. A RATING BY CRISIL RATINGS IS NOT A RECOMMENDATION TO BUY, SELL, OR HOLD THE RATED INSTRUMENT; IT DOES NOT COMMENT ON THE MARKET PRICE OR SUITABILITY FOR A PARTICULAR INVESTOR. THE RATING IS NOT A RECOMMENDATION TO INVEST / DISINVEST IN ANY ENTITY COVERED IN THE MATERIAL AND NO PART OF THE MATERIAL SHOULD BE CONSTRUED AS AN EXPERT ADVICE OR INVESTMENT ADVICE OR ANY FORM OF INVESTMENT BANKING WITHIN THE MEANING OF ANY LAW OR REGULATION. CRISIL RATINGS ESPECIALLY STATES THAT IT HAS NO LIABILITY WHATSOEVER TO THE SUBSCRIBERS / USERS / TRANSMITTERS/ DISTRIBUTORS OF THE MATERIAL. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NOTHING IN THE MATERIAL IS TO BE CONSTRUED AS CRISIL RATINGS PROVIDING OR INTENDING TO PROVIDE ANY SERVICES IN JURISDICTIONS WHERE CRISIL RATINGS DOES NOT HAVE THE NECESSARY PERMISSION AND/OR REGISTRATION TO CARRY OUT ITS BUSINESS ACTIVITIES IN THIS REGARD. EDELWEISS FINANCIAL SERVICES LIMITED WILL BE RESPONSIBLE FOR ENSURING COMPLIANCES AND CONSEQUENCES OF NON-COMPLIANCES FOR USE OF THE MATERIAL OR PART THEREOF OUTSIDE INDIA. CURRENT RATING STATUS AND CRISIL RATINGS' RATING CRITERIA ARE AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE WEBSITE, [WWW.CRISILRATINGS.COM](http://WWW.CRISILRATINGS.COM). FOR THE LATEST RATING INFORMATION ON ANY INSTRUMENT OF ANY COMPANY RATED BY CRISIL RATINGS, PLEASE CONTACT CUSTOMER SERVICE HELPDESK.**

**DISCLAIMER CLAUSE OF CARE ANALYTICS & ADVISORY PRIVATE LIMITED**

**THE CAAPL RESEARCH REPORT IS PREPARED BY CARE ANALYTICS AND ADVISORY PRIVATE LIMITED (CAREEDGE RESEARCH). CAREEDGE RESEARCH HAS TAKEN UTMOST CARE TO ENSURE ACCURACY AND ADEQUACY OF THE INFORMATION WHILE DEVELOPING THE REPORT BASED ON INFORMATION AVAILABLE IN CAREEDGE RESEARCH'S**

PROPRIETARY DATABASE, AND OTHER SOURCES INCLUDING THE INFORMATION IN PUBLIC DOMAIN, CONSIDERED BY CAREEDGE RESEARCH AS RELIABLE AFTER THE EXERCISE OF REASONABLE CARE AND DILIGENCE. THE VIEWS AND OPINIONS EXPRESSED HEREIN DO NOT CONSTITUTE THE OPINION OF CAREEDGE RESEARCH TO BUY OR INVEST IN THIS INDUSTRY, SECTOR OR COMPANIES OPERATING IN THIS SECTOR OR INDUSTRY AND IS ALSO NOT A RECOMMENDATION TO ENTER INTO ANY TRANSACTION IN THIS INDUSTRY OR SECTOR IN ANY MANNER WHATSOEVER.

THE REPORT HAS TO BE SEEN IN ITS ENTIRETY; THE SELECTIVE REVIEW OF PORTIONS OF THE REPORT MAY LEAD TO INACCURATE ASSESSMENTS. ALL FORECASTS IN THE REPORT ARE BASED ON ASSUMPTIONS CONSIDERED TO BE REASONABLE BY CAREEDGE RESEARCH AT THE TIME OF ISSUANCE OF THIS REPORT; HOWEVER, THE ACTUAL OUTCOME MAY BE MATERIALLY AFFECTED BY CHANGES IN THE INDUSTRY AND ECONOMIC CIRCUMSTANCES, WHICH COULD BE DIFFERENT FROM THE PROJECTIONS.

NOTHING CONTAINED IN THE CAAPL RESEARCH REPORT IS CAPABLE OR INTENDED TO CREATE ANY LEGALLY BINDING OBLIGATIONS ON THE SENDER OR CAREEDGE RESEARCH. THE SUBSCRIBER/USER ASSUMES THE ENTIRE RISK OF ANY USE MADE OF THE REPORT OR DATA HEREIN. THE REPORT IS FOR THE INFORMATION OF THE AUTHORISED RECIPIENT IN INDIA ONLY AND ANY REPRODUCTION OF THE REPORT OR PART OF IT WOULD REQUIRE EXPLICIT WRITTEN PRIOR APPROVAL OF CAREEDGE RESEARCH.

CAREEDGE RESEARCH SHALL REVEAL THE REPORT TO THE EXTENT NECESSARY AND CALLED FOR BY APPROPRIATE REGULATORY AGENCIES, VIZ., SEBI, RBI, GOVERNMENT AUTHORITIES, ETC., IF IT IS REQUIRED TO DO SO. BY ACCEPTING A COPY OF THE CAAPL RESEARCH REPORT, THE RECIPIENT ACCEPTS THE TERMS OF THIS DISCLAIMER, WHICH FORMS AN INTEGRAL PART OF THE REPORT.

#### **DISCLAIMER STATEMENT FROM THE LEAD MANAGERS**

THE LEAD MANAGERS ACCEPT NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS PROSPECTUS OR IN ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE ISSUER IN CONNECTION WITH THE ISSUE OF THE NCDS AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I (INSTITUTIONAL INVESTORS), CATEGORY II (NON-INSTITUTIONAL INVESTORS), CATEGORY III (HIGH NET WORTH INDIVIDUAL INVESTOR) AND CATEGORY IV (RETAIL INDIVIDUAL INVESTOR). THIS PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THIS PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

## **DISCLAIMER STATEMENT FROM THE ISSUER**

**THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS PROSPECTUS, THE DRAFT PROSPECTUS OR IN THE ADVERTISEMENT OR ANY OTHER ISSUE RELATED MATERIAL ISSUED BY THE ISSUER IN CONNECTION WITH THE ISSUE OF THE NCDS AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER / THEIR OWN RISK.**

## **UNDERTAKING BY THE ISSUER**

**INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTOR MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE “RISK FACTORS” CHAPTER ON PAGE 19 OF THIS PROSPECTUS.**

**THE ISSUER, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE THIS PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.**

**THE ISSUER HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THIS PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGE WEBSITE WHERE THE NCDs ARE PROPOSED TO BE LISTED.**

**THE ISSUER DECLARES THAT NOTHING IN THIS PROSPECTUS IS CONTRARY TO THE PROVISIONS OF COMPANIES ACT, 2013 (18 OF 2013), THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.**

## **Track record of past public issues handled by the Lead Managers**

The track record of past issues handled by the Lead Managers, as required by SEBI master circular number SEBI/HO/CFD/PoD-1/P/CIR/2023/157 dated September 26, 2023, are available at the following websites

<b>Name of Lead Manager</b>	<b>Website</b>
Trust Investment Advisors Private Limited	<a href="http://www.trustgroup.in">www.trustgroup.in</a>
Nuvama Wealth Management Limited	<a href="http://www.nuvama.com">www.nuvama.com</a>
Tipsons Consultancy Services Private Limited	<a href="http://www.tipsons.com">www.tipsons.com</a>

## **Listing**

An application will be made to the Stock Exchange for permission to deal in and for an official quotation of our



NCDs. BSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, the Issuer will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Prospectus.

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within 6 Working Days from the date of closure of the Issue.

For the avoidance of doubt, it is hereby clarified that in the event of zero subscription to any one or more of the series, such NCDs with series shall not be listed.

The Issuer shall pay interest at 15% (fifteen) per annum or such rate as prescribed under applicable laws, if Allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within 5 Working Days of the Issue Closing Date or date of refusal of the Stock Exchange(s), whichever is earlier. In case listing permission is not granted by the Stock Exchange(s) to the Issuer and if such money is not repaid within the day the Issuer becomes liable to repay it on such account, the Issuer and every officer in default shall, on and from expiry of such date, be liable to repay the money with interest at the rate of 15% as prescribed under Regulation 35(2) of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with Section 26 of the 2013 Act or such rate as prescribed under applicable laws, whichever is lower, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

## **Consents**

Consents in writing of: (a) the Directors, (b) Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue, (g) Credit Rating Agency, (h) the Debenture Trustee; (i) Banker to the Issuer; (j) CARE Analytics and Advisory Private Limited in relation to the CAAPL Research Report; (k) NOCs received from lenders/Debenture Trustee to the Issuer in relation to the Issue; (l) Public Issue Account Bank, Sponsor Bank and Refund Bank; and (m) Consortium Members; and (n) the NOCs from lenders to the Issuer, have been obtained from them and the same are filed along with a copy of the Prospectus with the ROC as required under Section 26 of the Companies Act, 2013. Further, such consents have not been withdrawn up to the time of delivery of this Prospectus with the ROC.

The Issuer has received the written consent dated June 26, 2025 from Nangia & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, (a) 2025 Audited Standalone Financial Statement for the financial year ended March 31, 2025 and the 2025 Audited Consolidated Financial Statement for the financial year ended March 31, 2025, (b) 2024 Audited Standalone Financial Statement for the financial year ended March 31, 2024 and the 2024 Audited Consolidated Financial Statement for the financial year ended March 31, 2024 and (c) the statement of possible tax benefits dated June 26, 2025, which appear in this Prospectus, and such consent has not been withdrawn as on the date of this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1993.

## **Expert Opinion**

Except for the following, the Issuer has not obtained any expert opinions in connection with this Prospectus:

The Issuer has received the written consent dated June 26, 2025, from Nangia & Co. LLP, Chartered Accountants,

to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of the (a) 2025 Audited Standalone Financial Statement for the financial year ended March 31, 2025 and the 2025 Audited Consolidated Financial Statement for the financial year ended March 31, 2025; (b) 2024 Audited Standalone Financial Statement for the financial year ended March 31, 2024 and the 2024 Audited Consolidated Financial Statement for the financial year ended March 31, 2024 and (c) the statement of possible tax benefits dated June 26, 2025, which appear in this Prospectus, and such consent has not been withdrawn as on the date of this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1993.

### **Common form of Transfer**

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 applicable as on the date of this Prospectus and all applicable laws shall be duly complied with in respect of all transfer of NCDs and registration thereof.

### **Minimum Subscription**

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If the Issuer does not receive the minimum subscription of 75% of Base Issue Size i.e. ₹ 1,125 million, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 (eight) Working Days from the Issue Closing Date or such time as may be specified by SEBI, failing which the Issuer will become liable to refund the Application Amount along with interest at the rate of 15% (fifteen per cent) per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Issuer and/or Registrar, refunds will be made to the account prescribed. However, where the Issuer and/or Registrar does not have the necessary information for making such refunds, the Issuer and/or Registrar will follow the guidelines prescribed by SEBI in this regard including SEBI NCS Master Circular.

### **Filing of the Draft Prospectus**

A copy of the Draft Prospectus was filed with the Stock Exchange and the SEBI, in terms of SEBI NCS Regulations for dissemination on their website. The Draft Prospectus was also displayed on the website of the Issuer and the Lead Managers.

### **Filing of the Prospectus with the RoC**

A copy of this Prospectus has been filed with the RoC, in accordance with section 26 of Companies Act, 2013.

### **Debenture Redemption Reserve**

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with the SEBI NCS Regulations, a listed company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Prospectus, the Issuer is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by the Issuer for the purpose of redemption of the NCDs or in connection with this Issue. The Issuer shall, as per the Companies (Share Capital & Debentures)

Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen per cent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882; and
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

#### **Recovery Expense Fund**

The Issuer has created a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 (“**DT Master Circular**”) as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by the Issuer under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Kindly note, any default committed by the Issuer in terms of the NCDs proposed to be issued shall be reckoned at each respective International Securities Identification Number level assigned to the respective Option(s) of NCDs issued under the Issue.

#### **Reservation**

No portion of the Issue has been reserved.

#### **Underwriting**

The Issue is not underwritten.

#### **Terms and Conditions of Debenture Trustee Agreement Fees charged by Debenture Trustee**

The Debenture Trustee has agreed for one time acceptance fees of 0.010% of the Allotment Size payable one time on acceptance of Offer Letter and an annuity fee of 0.015% of the Allotment Size payable annually in advance from the date of execution till the NCDs are redeemed and security is released, as disclosed in their offer letter bearing reference number BTL/DEB/EL/25-26/64 dated May 20, 2025.

#### **Terms of carrying out due diligence:**

As per the DT Master Circular, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the

following process, for which the Issuer has consented to.

- (a) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document / disclosure document / information memorandum / private placement memorandum, has been obtained. For the purpose of carrying out the due diligence as required in terms of the relevant laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Issuer and to have the Issuer's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee. Prior to appointment of any agents, advisors, consultants, the Debenture Trustee shall obtain necessary confirmation from the said agents, advisors, or consultants that they do not have any conflict-of-interest in conducting the diligence under the transaction.
- (b) The Issuer shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), Central Registry of Securitisation Asset Reconstruction and Security Interest of India ("CERSAI"), depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Issuer or any third party security provider are registered / disclosed.
- (c) Further, in the event that existing charge holders have provided conditional consent / permissions to the Issuer to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant offer documents or any other documents executed between existing charge holders and the Issuer. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.
- (d) Without prejudice to the aforesaid, the Issuer shall ensure that it provides and procures all information, representations, confirmations, and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the NCDs, in accordance with the relevant laws/ Applicable Law.

The Debenture Trustee shall have the power to either independently appoint, or direct the Issuer to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Issuer.

Process of Due Diligence to be carried out by the Debenture Trustee

- Due Diligence will be carried out as per DT Regulations and circulars issued by SEBI from time to time. This would broadly include the following:
- A Chartered Accountant ("CA") appointed by Debenture Trustee will conduct independent due diligence as per scope provided, regarding security offered by the Issuer.
- CA will ascertain, verify, and ensure that the assets offered as security by the Issuer is free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.
- CA will conduct independent due diligence on the basis of data / information provided by the Issuer.
- CA will, periodically undertake due diligence as envisaged in SEBI circulars depending on the nature of security.

- On basis of the CA's report / finding Due Diligence certificate will be issued by Debenture Trustee and will be filed with relevant Stock Exchanges.
- Due Diligence conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission/ commission on the part of the Issuer.

While the NCDs are secured as per terms of the Offer Document and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

#### **Other Confirmations**

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI DT Master Circular.

The Debenture Trustee undertakes that the NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and Registrar of Companies or CERSAI or depository, etc., as applicable, or is independently verifiable by the Debenture Trustee.

**BEACON TRUSTEESHIP LIMITED HAVE FURNISHED TO STOCK EXCHANGE DUE DILIGENCE CERTIFICATE DATED JUNE 13, 2025, AS PER THE FORMAT SPECIFIED IN THE DT MASTER CIRCULAR AND SCHEDULE IV OF THE SEBI NCS REGULATIONS WHICH READS AS FOLLOWS:**

- 1. WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND OF INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS,**

**WE CONFIRM THAT:**

- A. THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED AND LISTED.**
- B. THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).**
- C. THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.**
- D. ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS/ PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN OFFER DOCUMENT AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.**

- E. ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), AND OFFER DOCUMENT.**
- F. ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.**

**WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE DEBT SECURITIES.**

The Issuer has submitted the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in the DT Master Circular and Schedule IV of the SEBI NCS Regulations.

#### **Debenture Trust Deed**

The Issuer and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer, as per the extant SEBI regulations applicable for the proposed NCD Issue within the timelines as prescribed under applicable laws.

#### **Issue Related Expenses**

The expenses for this Issue include, *inter alia*, lead management fees and selling commission to the Lead Managers, Consortium Members and intermediaries as provided for in the SEBI Master Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, fees payable to sponsor bank, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue. The Issue expenses and listing fees will be paid by the Issuer.

For estimated breakdown of the total expenses for the Issue please see, "*Objects of the Issue*" on page 90.

#### **Utilisation of Issue Proceeds**

Our Board of Directors certifies that:

- (i) all monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account maintained with a scheduled bank, other than the bank account referred to in section 40(3) of the Companies Act;
- (ii) details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;
- (iii) details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;
- (iv) details of all utilised and unutilised monies out of the previous Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;
- (v) we shall utilize the Issue proceeds only upon creation of security as stated in this Prospectus in the section titled "*Terms of the Issue*" on page 323 and after (a) permissions or consents for creation of specified charge have been obtained from the creditors who have specified charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue Size pertaining to the Issue (c) completion of Allotment and refund process in compliance with Section 40 of the Companies

Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs; and (e) receipt of listing and trading approval from BSE;

- (vi) the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any property;
- (vii) the Issue proceeds shall not be utilized for providing loans to or acquisition of shares of any entity who is part of the Promoter Group or group companies;
- (viii) the Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in this Prospectus and Issue; and
- (ix) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

#### **Public / Rights Issues of Equity Shares in the last three years from the date of this Prospectus**

The Issuer has not undertaken any public/rights issue of equity shares in the last three years from the date of this Prospectus.

#### **Private placement of Equity Shares and non-convertible debentures in the last three financial years and the current financial years:**

The Issuer has undertaken the following private placement of debenture in the last three financial years and the current financial year:

*(₹ in million, unless otherwise stated)*

Particulars	Date of Allotment	Utilisation of issue proceeds	Actual utilisation of proceeds	Nature of Issue
INE532F07GNO	October 28, 2024	The funds have been utilised as per the information memorandum	500.00	Private Placement

#### **Public Issue of non-convertible debentures for the preceding three financial years and the current financial years:**

The Issuer has undertaken the following debenture public issue in the last three financial years and the current financial years:

<b>Date of Opening</b>	October 03, 2022
<b>Date of Closing</b>	October 17, 2022
<b>Total Issue Size</b>	₹ 4,000 million
<b>Total Allotment Size</b>	₹ 3,643.51 million
<b>Date of Allotment</b>	October 21, 2022
<b>Net Utilisation of Proceeds</b>	The funds raised through the above issue has been utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of the Issuer and general corporate purposes.

<b>Date of Opening</b>	January 03, 2023
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<b>Date of Closing</b>	January 16, 2023
<b>Total Issue Size</b>	₹ 4,000 million
<b>Total Allotment Size</b>	₹ 3,973.90 million
<b>Date of Allotment</b>	January 20, 2023
<b>Net Utilisation of Proceeds</b>	The funds raised through the above issue will be utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of the Issuer and general corporate purposes.

<b>Date of Opening</b>	April 6, 2023
<b>Date of Closing</b>	April 21, 2023
<b>Total Issue Size</b>	₹ 4,000 million
<b>Total Allotment Size</b>	₹ 2,531.29 million
<b>Date of Allotment</b>	April 27, 2023
<b>Net Utilisation of Proceeds</b>	The funds raised through the above issue has been utilized for the purpose of onward lending and for repayment of interest and principal of existing borrowings of the Issuer and general corporate purposes.

<b>Date of Opening</b>	July 4, 2023
<b>Date of Closing</b>	July 17, 2023
<b>Total Issue Size</b>	₹ 3,000 million
<b>Total Allotment Size</b>	₹ 2,580.19 million
<b>Date of Allotment</b>	July 21, 2023
<b>Net Utilisation of Proceeds</b>	The funds raised through the above issue has been utilized for the purpose of repayment /prepayment of interest and principal of existing borrowings of the company and general corporate purposes.

<b>Date of Opening</b>	October 6, 2023
<b>Date of Closing</b>	October 19, 2023
<b>Total Issue Size</b>	₹ 2,000 million
<b>Total Allotment Size</b>	₹ 1,761.38 million
<b>Date of Allotment</b>	October 26, 2023
<b>Net Utilisation of Proceeds</b>	The funds raised through the above issue has been utilized for the purpose of repayment /prepayment of interest and principal of existing borrowings of the Issuer and general corporate purposes.

<b>Date of Opening</b>	January 9, 2024
<b>Date of Closing</b>	January 23, 2024
<b>Total Issue Size</b>	₹ 2,500 million
<b>Total Allotment Size</b>	₹ 2,140.93 million
<b>Date of Allotment</b>	January 29, 2024
<b>Net Utilisation of Proceeds</b>	The funds raised through the above issue has been utilized for the purpose of repayment /prepayment of interest and principal of existing borrowings of the Issuer and general corporate purposes.

<b>Date of Opening</b>	April 8, 2024
<b>Date of Closing</b>	April 23, 2024
<b>Total Issue Size</b>	₹ 2,000 million
<b>Total Allotment Size</b>	₹ 1,745.86 million



<b>Date of Allotment</b>	April 29, 2024
<b>Net Utilisation of Proceeds</b>	The funds raised through the above issue has been utilized for the purpose of repayment/ prepayment of interest and principal of existing borrowings of the Issuer and general corporate purposes.

<b>Date of Opening</b>	July 8, 2024
<b>Date of Closing</b>	July 22, 2024
<b>Total Issue Size</b>	₹ 2,000 million
<b>Total Allotment Size</b>	₹ 1,379.69 million
<b>Date of Allotment</b>	July 29, 2024
<b>Net Utilisation of Proceeds</b>	The funds raised through the above issue has been utilized for the purpose of repayment/ prepayment of interest and principal of existing borrowings of the Issuer and general corporate purposes.

<b>Date of Opening</b>	October 07, 2024
<b>Date of Closing</b>	October 18, 2024
<b>Total Issue Size</b>	₹ 2,000 million
<b>Total Allotment Size</b>	₹ 1,773.08 million
<b>Date of Allotment</b>	October 24, 2024
<b>Net Utilisation of Proceeds</b>	The funds raised through the above issue has been utilized for the purpose of repayment/ prepayment of interest and principal of existing borrowings of the Issuer and general corporate purposes.

<b>Date of Opening</b>	January 07, 2025
<b>Date of Closing</b>	January 20, 2025
<b>Total Issue Size</b>	₹ 2,000 million
<b>Total Allotment Size</b>	₹ 1920.81 million
<b>Date of Allotment</b>	January 24, 2025
<b>Net Utilisation of Proceeds</b>	The funds raised through the above issue has been utilized for the purpose of repayment/ prepayment of interest and principal of existing borrowings of the Issuer and general corporate purposes.

<b>Date of Opening</b>	April 08, 2025
<b>Date of Closing</b>	April 25, 2025
<b>Total Issue Size</b>	₹ 2,000 million
<b>Total Allotment Size</b>	₹ 1980.04 million
<b>Date of Allotment</b>	April 30, 2025
<b>Net Utilisation of Proceeds</b>	The funds raised through the above issue has been utilized for the purpose of repayment/ prepayment of interest and principal of existing borrowings of the Issuer and general corporate purposes.

**Public Issue by our Subsidiaries in the last three years from the date of this Prospectus: \*:**

Our Subsidiary, Nido Home Finance Limited, has undertaken public issuance of debentures in the last three years, the particulars of such issuances are set out below:

<b>Date of Opening</b>	April 6, 2022
<b>Date of Closing</b>	April 26, 2022
<b>Total Issue Size</b>	₹ 3,000 million

<b>Total Allotment Size</b>	₹ 2,759.06 million
<b>Date of Allotment</b>	April 29, 2022
<b>Utilisation of Proceeds</b>	The funds raised from the above issue has been utilised for the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of Nido Home Finance Limited and general corporate purposes.

<b>Date of Opening</b>	August 30, 2023
<b>Date of Closing</b>	September 12, 2023
<b>Total Issue Size</b>	₹ 1,500 million
<b>Total Allotment Size</b>	₹ 848.62 million
<b>Date of Allotment</b>	September 15, 2023
<b>Utilisation of Proceeds</b>	The funds raised from the above issue has been utilised for the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of Nido Home Finance Limited and general corporate purposes.

<b>Date of Opening</b>	February 13, 2024
<b>Date of Closing</b>	February 26, 2024
<b>Total Issue Size</b>	₹ 1,000 million
<b>Total Allotment Size</b>	₹ 803.59 million
<b>Date of Allotment</b>	March 1, 2024
<b>Utilisation of Proceeds</b>	The funds raised from the above issue has been utilised for the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of Nido Home Finance Limited and general corporate purposes.

<b>Date of Opening</b>	June 13, 2024
<b>Date of Closing</b>	June 27, 2024
<b>Total Issue Size</b>	₹ 1,000 million
<b>Total Allotment Size</b>	₹ 758.93 million
<b>Utilisation of Proceeds</b>	The funds raised from the above issue has been utilised for the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of Nido Home Finance Limited and general corporate purposes.

<b>Date of Opening</b>	September 18, 2024
<b>Date of Closing</b>	October 01, 2024
<b>Total Issue Size</b>	₹ 1,000 million
<b>Total Allotment Size</b>	₹ 812.02 million
<b>Utilisation of Proceeds</b>	The funds raised from the above issue has been utilised for the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of Nido Home Finance Limited and general corporate purposes.

<b>Date of Opening</b>	December 17, 2024
<b>Date of Closing</b>	December 31, 2024
<b>Total Issue Size</b>	₹ 1,000 million
<b>Total Allotment Size</b>	₹ 841.93 million
<b>Utilisation of Proceeds</b>	The funds raised from the above issue has been utilised for the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of Nido Home Finance Limited and general corporate purposes.

<b>Date of Opening</b>	March 13, 2025
<b>Date of Closing</b>	March 27, 2025
<b>Total Issue Size</b>	₹ 1,500 million
<b>Total Allotment Size</b>	₹ 1,185.75 million
<b>Utilisation of Proceeds</b>	The funds raised from the above issue has been utilised for the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of Nido Home Finance Limited and general corporate purposes.

<b>Date of Opening</b>	June 17, 2025
<b>Date of Closing</b>	June 26, 2025
<b>Total Issue Size</b>	₹ 1,500 million
<b>Total Allotment Size</b>	Allotment pending
<b>Utilisation of Proceeds</b>	The funds to be raised from the above issue shall be utilised for the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of Nido Home Finance Limited and general corporate purposes.

**Public Issue by our group companies in the last three years from the date of this Prospectus:**

Nuvama Wealth and Investment Limited has undertaken the following debenture public issue prior to the date of this Prospectus:

<b>Date of Opening</b>	July 05, 2022
<b>Date of Closing</b>	July 12, 2022
<b>Total Issue Size</b>	₹ 3,000 million
<b>Total Allotment Size</b>	₹ 2,980.44 million
<b>Date of Allotment</b>	July 15, 2022
<b>Net Utilisation of Proceeds</b>	The funds raised through the above issue has been utilized for the working capital purposes and general corporate purposes.

**Delay in listing**

There has been no delay in the listing of any non-convertible securities and equity shares issued by the Issuer.

**Default in Payment**

In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for debt securities issued, additional interest of at least 2% p.a. over the coupon rate shall be payable by the issuer for the defaulting period.

**Refusal of listing of any security of the issuer during the current financial year and the last three financial years by any of the stock exchanges in India or abroad.**

There has been no refusal of listing of any security of the Issuer during the current financial year and last three financial years prior to the date of this Prospectus by any Stock Exchange in India or abroad.

**Debentures or bonds and redeemable preference shares and other instruments issued by the Issuer and outstanding**

For further details see chapter titled “*Financial Indebtedness*” on page 216.

Further, save and except as mentioned in this Prospectus, the Issuer has not issued any preference shares as of March 31, 2025. For further details see chapter titled “Capital Structure” on page 76.

#### Details of the use of proceeds for on-lending from previous public issue of debt securities

*Details regarding lending out of issue proceeds of Previous Issues:*

Loan given by the Issuer: Except Public Issue 1, Public Issue 2, Public Issue 3, Public Issue 4, Public Issue 5, Public Issue 6, Public Issue 7, Public Issue 8, Public Issue 9, Public Issue 10, Public Issue 11, Public Issue 12, Public Issue 13, Public Issue 14 and Public Issue 15, the Issuer has not undertaken any prior public issuance of debentures. Further, the Issuer has not provided any loans/advances to associates, entities/persons relating to Board, Senior Management or Promoter or others out of proceeds from previous public issuance of debentures.

#### Dividend

The Issuer has in place dividend distribution policy prepared in accordance with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended, approved by the Board of Directors of the Issuer. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

Dividend declared to the Equity Shareholders of the Issuer over the last three financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, on a standalone basis\*:

*(₹ in million, unless otherwise stated)*

Particulars		For the year ended March 31,		
		2025	2024	2023
Equity Share Capital (₹ in Million)		945.83	943.79	943.28
Face Value Per Equity Share (₹)	(a)	1.00	1.00	1.00
Interim Dividend on Equity Shares (₹ per Equity Share)	(b)	-	-	0.25
Interim dividend on Equity Shares (₹ in million)		-	-	235.82
Interim Dividend Declared Rate (in %)	(c=b/a)	-	-	25%
Final Dividend on Equity Shares (₹ per Equity Share)	(d)	-	1.50	1.25
Final dividend on Equity Shares (₹ in million)		-	1,416.32	1,179.09
Final Dividend Declared Rate (In %)	(e=d/a)	-	150%	125%

*\*The Board of Directors at their meeting held on May 14, 2025, 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*

Dividend declared to the Equity Shareholders of the Issuer over the last three financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, on a consolidated basis\*:

*(₹ in million, unless otherwise stated)*

Particulars		For the year ended March 31,		
		2025	2024	2023
Equity Share Capital (₹ in Million)		945.83	943.79	943.28
Face Value Per Equity Share (₹)	(a)	1.00	1.00	1.00

(₹ in million, unless otherwise stated)

Particulars		For the year ended March 31,		
		2025	2024	2023
Interim Dividend on Equity Shares (₹ per Equity Share)	(b)	-	-	0.25
Interim dividend on Equity Shares (₹ in Million)	-	-	-	235.82
Interim Dividend Declared Rate (In %)	(c=b/a)	-	-	25%
Final Dividend on Equity Shares (₹ per Equity Share)	(d)	-	1.50	1.25
Final dividend on Equity Shares (₹ in million)	-	-	1,416.32	1,179.09
Final Dividend Declared Rate (In %)	(e=d/a)	-	150%	125%

\*The Board of Directors at their meeting held on May 14, 2025, 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

#### Revaluation of assets

The Issuer has not revalued its assets in the last three years.

#### Mechanism for redressal of investor grievances

The Registrar Agreement dated June 13, 2025 between the Registrar to the Issue and the Issuer will provide for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the Allotment Advice, demat credit and refund through unblocking to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchanges, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchanges or through their Trading Members. The Intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

The contact details of Registrar to the Issue are as follows:

**KFIN TECHNOLOGIES LIMITED**



301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road,  
Nav Pada, Kurla (West), Kurla, Mumbai, Maharashtra, India, 400070  
**Tel:** +91 40 6716 2222/ 18003094001

**Fax:** +91 40 6716 1563

**Email:** [efsl.ncdipo@kfintech.com](mailto:efsl.ncdipo@kfintech.com)

**Investor Grievance Email:** [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

**Website:** [www.kfintech.com](http://www.kfintech.com)

**Compliance Officer:** Manju Anand

**Contact Person:** M. Murali Krishna

**SEBI Registration Number:** INR000000221

**CIN:** L72400MH2017PLC444072

The Registrar shall endeavour to redress complaints of the investors within five (5) days receipt of the complaint during the currency of this Prospectus and continue to do so during the period it is required to maintain records under the RTA Regulations and the Issuer shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed seven (7) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a quarterly basis to the Issuer. Similar status reports should also be provided to the Issuer as and when required by the Issuer.

The details of the person appointed to act as Company Secretary and Compliance Officer for the purposes of the Issue are set out below:

**Tarun Khurana**

Company Secretary and Compliance Officer

Edelweiss House, Off C.S.T. Road

Kalina, Mumbai 400 098, Maharashtra, India

**Tel:** +91 22 4079 5199

**Email:** [efslncd@edelweissfin.com](mailto:efslncd@edelweissfin.com)

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, etc.

**Details of Auditor to the Issuer:**

Name of the Auditor	Address	Date of appointment
Nangia & Co. LLP, Chartered Accountants	4th Floor, Iconic Tower, Urmi Estate, 95 Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400013, India	Appointment of Nangia & Co. LLP has been approved by the Board of Directors of the Issuer on August 4, 2023 and by the members of the Issuer at the annual general meeting held on September 26, 2023

### Change in auditors of the Issuer during the last three years and the current financial year

Except as disclosed below, there has been no changes in the statutory auditor of the Issuer:

Name of Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of resignation, if applicable
Nangia & Co. LLP, Chartered Accountants	4th Floor, Iconic Tower, Urmi Estate, 95 Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400013, India	September 26, 2023	N.A.	N.A.
S. R. Batliboi & Co. LLP, Chartered Accountants	12th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar (West), Mumbai 400 028, Maharashtra, India	July 26, 2018	September 26, 2023	N.A.

### Pre-Issue Advertisement

The Issuer will issue a statutory advertisement in compliance with Regulation 30(1) of the SEBI NCS Regulations on or before the Issue Opening Date of the Issue. The Advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act. Material updates, if any, between the date of filing of the Prospectus with the ROC and the date of the release of the statutory advertisement will be included in the statutory advertisement.

**The summary of reservations or qualifications or adverse remarks of auditors in the three financial years immediately preceding the year of issue of this Prospectus, and of their impact on the financial statements and financial position of the company, and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks:**

Other than as disclosed in the chapter titled “*Risk Factors*” on page 19, there are no reservations or qualifications or adverse remarks in the financial statements of the Issuer in the last three Fiscals immediately preceding this Prospectus.

### Trading

The Equity Shares of the Issuer are listed and traded on NSE and BSE. The non-convertible debentures of the Issuer are listed on BSE and/or NSE.

### Caution

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- makes or abets making of an application in a fictitious name to a company for acquiring or subscribing for, its securities; or*
- makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

*(c) otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or any other person in a fictitious name*

*shall be liable for action under section 447.”*

**Disclaimer in respect of Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.



## SECTION VII – ISSUE RELATED INFORMATION

### ISSUE STRUCTURE

The key common terms and conditions of the NCDs / term sheet are as follows:

<b>Security Name (Name of the non-convertible securities)</b>	Secured, Redeemable, Non-Convertible Debentures
<b>Issuer</b>	Edelweiss Financial Services Limited
<b>Type of instrument</b>	Secured, Redeemable, Non-Convertible Debentures
<b>Seniority</b>	Senior
<b>Nature of the Instrument</b>	Secured, Redeemable, Non-Convertible Debentures
<b>Mode of the Issue</b>	Public Issue
<b>Lead Managers</b>	Trust Investment Advisors Private Limited, Nuvama Wealth Management Limited <sup>#</sup> & Tipsons Consultancy Services Private Limited
<b>Debenture Trustee</b>	Beacon Trusteeship Limited
<b>Depositories</b>	NSDL and CDSL
<b>Registrar to the Issue</b>	KFIN Technologies Limited
<b>Issue</b>	Public issue by the Issuer of 30,00,000 secured redeemable non-convertible debentures of face value of ₹ 1,000 each (“NCDs” or “Debentures”) for an amount up to ₹ 1,500 million (“Base Issue Size”) with a green shoe option of up to ₹ 1,500 million, cumulatively aggregating up to ₹ 3,000 million (“Issue Limit”).
<b>Minimum Subscription</b>	Minimum subscription is 75% of the Base Issue Size, i.e. ₹ 1,125 million
<b>Base Issue Size/Issue Size</b>	₹ 1,500 million
<b>Option to Retain Oversubscription Amount/ Green Shoe Option</b>	up to ₹ 1,500 million
<b>Eligible Investors</b>	Please refer to the section titled “Issue Procedure – Who can apply?” on page 345.
<b>Objects of the Issue</b>	Please refer to the section titled “Objects of the Issue” on page 90.
<b>Details of Utilization of the Proceeds</b>	Please refer to the section titled “Objects of the Issue” on page 90.
<b>Interest Rate on each category of investor*</b>	See “Terms of the Issue - Interest and Payment of Interest” on page 332.
<b>Step up/ Step Down Interest rates</b>	NA
<b>Interest type</b>	Fixed
<b>Interest reset process</b>	NA
<b>Frequency of interest payment/ Coupon Payment Frequency</b>	See “Terms of the Issue - Interest and Payment of Interest” on page 332
<b>Interest payment date</b>	See “Terms of the Issue - Interest and Payment of Interest” on page 332
<b>Day count basis</b>	Actual / Actual
<b>Interest on application money</b>	Not Applicable
<b>Default Interest rate</b>	The Issuer shall pay interest, over and above the agreed coupon rate, in connection with any delay in allotment, refunds, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed

	<p>under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws or as specified in this Prospectus, as the case may be.</p> <p>The Issuer shall pay at least 2% (two per cent) per annum to the NCD holder, over and above the agreed coupon rate, till the execution of the trust deed if the Issuer fails to execute the trust deed within such period as prescribed under applicable law or at any other rate as prescribed under applicable laws, whichever is lower.</p>
<b>Tenor</b>	See “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 332
<b>Redemption Date</b>	See “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 332
<b>Redemption Amount</b>	See “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 332
<b>Redemption Premium/ Discount</b>	See “ <i>Terms of the Issue - Interest and Payment of Interest</i> ” on page 332
<b>Face Value</b>	₹ 1,000 per NCD
<b>Issue Price</b>	₹ 1,000 per NCD
<b>Discount at which security is issued and the effective yield as a result of such discount</b>	NA
<b>Premium/Discount at which security is redeemed and the effective yield as a result of such premium/discount</b>	NA
<b>Put date</b>	NA
<b>Put price</b>	NA
<b>Call date</b>	NA
<b>Call price</b>	NA
<b>Put notification time</b>	NA
<b>Call notification time</b>	NA
<b>Minimum Application size and in multiples of NCD thereafter</b>	₹ 10,000 (10 NCD) and in multiple of ₹ 1,000 (1 NCD) thereafter.
<b>Market Lot / Trading Lot</b>	The market lot will be 1 NCD (“ <b>Market Lot</b> ”). Since the NCDs are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of NCDs.
<b>Pay-in date</b>	Application Date. The entire Application Amount is payable on Application.

<b>Credit Ratings / Rating of the instrument</b>	<p>The NCDs proposed to be issued under the Issue have been rated “Crisil A+/Stable (pronounced as Crisil A plus rating with Stable outlook)” for an amount of ₹ 10,000 million by Crisil vide their rating letter dated May 26, 2025 with rating rationale dated May 23, 2025.</p> <p>Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk. There are no unaccepted ratings or any other ratings obtained for the Issue other than as specified in this Prospectus. The rating given by the Credit Rating Agency is valid as on the date of this Prospectus, shall be valid as on the date of issuance and listing and shall remain valid until the rating is revised or withdrawn. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and the rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information.</p> <p>Please refer to Annexure A of this Prospectus for the rating letter, rationale and press release of the above rating.</p> <p>Also please refer to the following link <a href="https://www.crisilratings.com/en/home/ourbusiness/ratings/company-factsheet.EDELCAPLT.html">https://www.crisilratings.com/en/home/ourbusiness/ratings/company-factsheet.EDELCAPLT.html</a> for the rating letter and rationale dated May 23, 2025.</p>
<b>Listing</b>	The NCDs are proposed to be listed on BSE. The NCDs shall be listed within six Working Days from the date of Issue Closure. BSE has been appointed as the Designated Stock Exchange.
<b>Modes of payment</b>	Please refer to the section titled “ <i>Issue Structure – Terms of Payment</i> ” on page 321
<b>Issuance mode of the Instrument**</b>	In dematerialised form only
<b>Trading mode of the instrument***</b>	In dematerialised form only
<b>Issue opening date</b>	Tuesday, July 08, 2025
<b>Issue closing date***</b>	Monday, July 21, 2025
<b>Date of earliest closing of the issue, if any.</b>	The Issue may close on such earlier date or extended date as may be decided by the Board of Directors of the Issuer or the Debenture Fund Raising Committee, subject to relevant approvals.
<b>Issue Timing</b>	<p>The Issue shall remain open for subscription on Working Days from 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date (subject to a minimum period of 2 (two) working days and a maximum period of 10 (ten) working days from the date of opening of the Issue) as may be decided by the Board of Directors of the Issuer or the Debenture Fund Raising Committee, thereof subject to relevant approvals.</p> <p>Pursuant to Regulation 33A of the SEBI NCS Regulations, (i) the Issue shall be kept open for a minimum of two Working Days and a maximum of ten Working Days, (ii) in case of a revision in the price band or yield, the Issuer shall extend the Issue Period for a minimum</p>

	<p>period of one working day, provided that it shall not exceed the maximum number of days, as provided above in (i), and (iii) in case of force majeure, banking strike or similar circumstances, the Issuer may, for reasons to be recorded in writing, extend the Issue Period, provided that it shall not exceed the maximum number of days, as provided above in (i).</p> <p>In the event of an early closure or extension of the Issue, the Issuer shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation and a regional daily at the place where the registered office of the Issue is situated on or before such earlier or extended date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 am and 3:00 pm and upload until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.</p> <p>Applications Forms for the Issue will be accepted only from 10:00 am to 5:00 pm (Indian Standard Time) (“<b>Bidding Period</b>”) or such extended time as may be permitted by the BSE on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 am to 3:00 pm and uploaded until 5:00 pm (Indian Standard Time) or such extended time as may be permitted by the BSE. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 pm on one Working Day after the Issue Closing Date.</p>
<b>Record date</b>	<p>The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days or such other day prior to the date on which interest is due and payable, and/or the date of redemption or such other date under this Prospectus as may be determined by the Issuer in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be.</p> <p>In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.</p>
<b>Settlement mode of instrument</b>	Redemption
<b>All covenants of the Issue (including side letters, accelerated payment clause, etc.)</b>	<p>The Issuer shall, <i>inter alia</i>, supply to the Debenture Trustee:</p> <ol style="list-style-type: none"> <li>1. quarterly financial results within 45 (forty five) days of the end of each quarter, half yearly financial results within 45 (forty five) days from the end of each half year, and the audited financial statements for a financial year by no later than 60 (sixty) days from the end of the relevant financial year;</li> <li>2. a certificate from an authorised officer of the Issuer with respect to the use of the proceeds raised through the issue of NCDs, as per the prescribed timelines;</li> <li>3. The Issuer shall intimate the Debenture Trustee, prior to undertaking or entering into any amalgamation, demerger,</li> </ol>

	<p>merger or corporate restructuring or reconstruction scheme proposed;</p> <p>4. The Issuer hereby covenants with the Debenture Trustee that so long as the NCDs are outstanding, without the prior written approval of the Debenture Trustee, the Issuer shall not make material modification to the structure of the Debenture in terms of coupon, redemption or otherwise. Provided that prior approval of the Stock Exchange would also be required to make such material modifications;</p> <p>and such other covenants as set out in the Debenture Trust Deed.</p>
<p><b>Description regarding security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the NCD holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed this Prospectus</b></p>	<p>The principal amount of the NCDs to be issued in terms of this Prospectus and the Draft Prospectus, thereof shall be secured by way of pari passu charge in favor of the Debenture Trustee on the specified assets of the entities permissible under applicable law and/or the Issuer including loans and advances, receivables, investments, stock in trade, current &amp; other assets and/or immovable property / fixed assets held by the entities permissible under Applicable Law and/or the Issuer, created in favour of the Debenture Trustee, and/or over the Pledged Securities in favour of the Debenture Trustee for the benefit of the NCD holders, except those specifically and exclusively charged in favour of certain existing charge holders as specifically set out in and fully described in the Debenture Trust Deed and/or Securities Pledge Agreement, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. We have received necessary consents from the relevant debenture trustees for ceding pari-passu charge in favour of the Debenture Trustee in relation to the NCDs. The NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and/or RoC or CERSAI or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee. Without prejudice to the aforesaid, in the event the Issuer fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, the Issuer shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Prospectus and the Draft Prospectus, till the execution of the Debenture Trust Deed. The security shall be created prior to making the listing application for the NCDs with the Stock Exchange.</p> <p>For further details on date of creation of security/likely date of creation of security, minimum security cover etc., please refer to the “<i>Terms of the Issue – Security</i>” on page 324.</p>
<p><b>Issue/ Transaction documents</b></p>	<p>This Prospectus, the Draft Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by the Issuer with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Issue Agreement, Debenture Trust Deed, Securities Pledge Agreement, the Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account and</p>

	Sponsor Bank Agreement, the Registrar Agreement and the Consortium Agreements. For further details, please refer to “ <i>Material Contracts and Documents for Inspection</i> ” on page 395
<b>Condition precedent to the Issue</b>	<p>The Issuer shall provide/ confirm to the Debenture Trustee:</p> <ol style="list-style-type: none"> <li>1. A certified true copy of the latest charter documents of the Issuer, certified as correct, complete and in full force and effect by the appropriate officer;</li> <li>2. certified true copies of relevant board resolutions;</li> <li>3. The Company shall have obtained the Debenture Trustee consent letter from the Debenture Trustee;</li> <li>4. The Issuer shall have obtained in-principle approval from the Stock Exchange for listing of the Debentures;</li> </ol> <p>and such other conditions as set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations.</p>
<b>Condition subsequent to the Issue</b>	<p>The Issuer shall provide/ confirm to the Debenture Trustee:</p> <ol style="list-style-type: none"> <li>1. An end-use certificate from an independent Chartered Accountant, certifying the heads under which funds have been utilized in accordance with Offer Documents, within 60 (sixty) days of the Deemed Date of Allotment for the Debentures;</li> <li>2. Obtaining the final listing approval from the Stock Exchange in respect of the Issue;</li> </ol> <p>and such other conditions as set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations.</p>
<b>Events of default (including manner of voting/conditions of joining Inter Creditor Agreement)</b>	Please refer to the section titled “ <i>Terms of the Issue – Events of Default</i> ” on page 325.
<b>Creation of recovery expense fund</b>	The Issuer has already created a recovery expense fund in the manner as specified by SEBI in SEBI NCS Master Circular for Debenture Trustees bearing reference no. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024, as amended from time to time and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by the Issuer under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
<b>Conditions for breach of covenants (as specified in Debenture Trust Deed)</b>	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in the summary term sheet, the Debenture Trustee shall take necessary actions as mentioned in the Debenture Trust Deed and this Prospectus.
<b>Deemed Date of Allotment</b>	The date on which the Board of Directors/or the Debenture Fund Raising Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the Debenture Fund Raising Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the NCD Holders from the Deemed Date of Allotment.
<b>Roles and responsibilities of the Debenture Trustee</b>	Please see section titled “ <i>Terms of the Issue – Trustees for the NCD Holders</i> ” on page 325.

<b>Risk factors pertaining to the Issue</b>	Please see section titled “Risk Factors” on page 19
<b>Provisions related to Cross Default Clause</b>	NA
<b>Governing law and Jurisdiction</b>	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively.
<b>Working day convention / Day count convention / Effect of holidays on payment</b>	<p>If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by the Issuer on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it failing on a non-Working Day.</p> <p>If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Issuer on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest /redemption payments shall be made only on the days when the money market is functioning in Mumbai.</p>

*Notes:*

# Nuvama Wealth Management Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, Nuvama Wealth Management Limited would be involved only in marketing of the Issue and as per Regulation 25 (3) of SEBI NCS Regulations and shall not issue a due diligence certificate.

\* If there is any change in Coupon Rate pursuant to any event including elapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change will be disclosed to the Stock Exchange.

\*\* In terms of Regulation 7 of the SEBI NCS Regulations, the Issuer will undertake this public issue of the NCDs in dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form.

\*\*\* The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated in this Prospectus, except that the Issue may close on such earlier date or extended date (subject to a minimum period of 2 (two) working days and a maximum period of 10 (ten) working days from the date of opening of this Issue) as may be decided by the Board of Directors of the Issuer or the Debenture Fund Raising Committee, thereof, subject to relevant approvals.

Pursuant to Regulation 33A of the SEBI NCS Regulations, (i) the Issue shall be kept open for a minimum of two Working Days and a maximum of ten Working Days, (ii) in case of a revision in the price band or yield, the Issuer shall extend the Issue Period for a minimum period of one working day, provided that it shall not exceed the maximum number of days, as provided above in (i), and (iii) in case of force majeure, banking strike or similar circumstances, the Issuer may, for reasons to be recorded in writing, extend the Issue Period, provided that it shall not exceed the maximum number of days, as provided above in (i).

In the event of an early closure or extension of the Issue; the Issuer shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation and a regional daily at the place where the registered office of the Issuer is situated on or before such earlier or extended date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 am and 3:00 pm and upload until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.

*Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian standard time) (“Bidding Period”) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 PM on one Working Day after the Issue Closing Date. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. For further details please refer to the chapter titled “Issue Related Information” on page 311.*

*\*\*Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3:00 pm (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Neither the Issuer, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription and thereafter, if any, where the Allotment will be proportionate, where the Allotment will be proportionate, in accordance with SEBI NCS Master Circular. For further details please refer to the section titled “General Information” on page 63.*

*For the list of documents executed/ to be executed, please see “Material Contracts and Documents for Inspection” on page 395.*

*While the NCDs are secured to the tune of 100% of the principal and interest thereon in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.*

*Please see “Issue Procedure” on page 344 for details of category wise eligibility and allotment in the Issue.*

*Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.*

*Please refer to Annexure C for details pertaining to the cash flows of the Company in accordance with the SEBI NCS Master Circular.*



### Specific terms for NCDs

Series	I	II	III	IV**	V	VI	VII	VIII	IX	X	XI	XII
Frequency of Interest Payment	Annual	NA	Monthly	Annual	NA	Monthly	Annual	NA	Annual	Monthly	Annual	Annual
Minimum Application	₹ 10,000 (10 NCDs) across all Series											
Face Value/ Issue Price of NCDs (₹/ NCD)	₹ 1,000											
In Multiples of thereafter (₹)	₹ 1,000 (1 NCD)											
Tenor	24 months	24 months	36 months	36 months	36 months	60 months	60 months	60 months	60 months	120 months	120 months	120 months
Coupon (% per annum) for NCD Holders in Category I, II, III & IV	9.00%	NA	9.35%	9.75%	NA	9.80%	10.25%	NA	10.25%	10.03%	10.50%	10.50%
Effective Yield (per annum) for NCD Holders in Category I, II, III & IV	9.00%	9.00%	9.75%	9.74%	9.75%	10.24%	10.24%	10.25%	10.24%	10.50%	10.49%	10.49%
Mode of Interest Payment	Through various modes available											
Amount (₹ / NCD) on Maturity for NCD Holders in Category I, II, III & IV	₹ 1,000	₹ 1,188.10	₹ 1,000	₹ 1,000	₹ 1,322.30	₹ 1,000	₹ 1,000	₹ 1,629.33	Staggered Redemption in Three (3) annual payments of ₹250.00 each in 3rd and 4th Anniversary and ₹ 500.00 on 5th Anniversary*	₹ 1,000	₹ 1,000	Staggered Redemption in Five (5) annual payments of ₹ 200 each, starting from 6th Anniversary* until Maturity
Maturity / Redemption Date (Months from the Deemed Date of	24 months	24 months	36 months	36 months	36 months	60 months	60 months	60 months	60 months	120 months	120 months	120 months

Series	I	II	III	IV**	V	VI	VII	VIII	IX	X	XI	XII
Allotment)												
Redemption Date / Redemption Schedule	24 months	24 months	36 months	36 months	36 months	60 months	60 months	60 months	Staggered Redemption by Face Value as per "Principal Redemption Schedule and Redemption Amounts"	120 months	120 months	Staggered Redemption by Face Value as per "Principal Redemption Schedule and Redemption Amounts"
Put and Call Option	NA											

**\*\*Our Company shall allocate and allot Series IV NCDs wherein the Applicants have not indicated the choice of the relevant NCD Series.**

<sup>1</sup> With respect to Series where interest is to be paid on an annual basis, relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the NCDs. The last interest payment under annual Series will be made at the time of redemption of the NCDs.

<sup>2</sup> With respect to Series where interest is to be paid on monthly basis, relevant interest will be paid on the first date of every month on the face value of the NCDs. The last interest payment under monthly Series will be made at the time of redemption of the NCDs. For the first interest payment for NCDs under the monthly options, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month.

<sup>3</sup> Subject to applicable tax deducted at source, if any.

<sup>4</sup> Please refer to Annexure C for details pertaining to the cash flows of the Company in accordance with the SEBI NCS Master Circular.

Set out below is the principal redemption schedule and the redemption amount for the Series IX NCDs and Series XII NCDs in relation to which the principal outstanding will be redeemed in a staggered manner:

#### Principal Redemption Schedule and Redemption Amounts

Series	Series IX		Series XII	
Tenure	60 Months		120 Months	
	Redemption Schedule	Principal Outstanding	Redemption Schedule	Principal Outstanding
Face Value	₹1,000.00	₹1,000.00	₹ 1,000.00	₹ 1,000.00
1st Anniversary*	₹0.00	₹1,000.00	₹ 0.00	₹1,000.00
2nd Anniversary*	₹0.00	₹1,000.00	₹ 0.00	₹1,000.00
3rd Anniversary*	₹250.00	₹750.00	₹ 0.00	₹1,000.00
4th Anniversary*	₹250.00	₹500.00	₹ 0.00	₹1,000.00
5th Anniversary*	₹500.00	₹0.00	₹ 0.00	₹1,000.00
6th Anniversary*	NA	NA	₹200.00	₹800.00
7th Anniversary*	NA	NA	₹200.00	₹600.00
8th Anniversary*	NA	NA	₹200.00	₹400.00
9th Anniversary*	NA	NA	₹200.00	₹200.00
10th Anniversary*	NA	NA	₹200.00	₹0.00

*\*of Deemed Date from Allotment*

#### Terms of payment

The entire face value per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, the Issuer shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms specified in “Terms of the Issue – Manner of Payment of Interest/ Unblocking” on page 336.

Participation by any of the above-mentioned Investor classes in the Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

The NCDs have not been and will not be registered, listed, or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the “**Securities Act**”) or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form.

This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

#### **Day Count Convention**

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI NCS Master Circular.

#### **Effect of holidays on payments**

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory Permissions / consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

For further details, see the section titled “*Issue Procedure*” on page 344.

## TERMS OF THE ISSUE

### Authority for the Issue

At the meeting of the Board of Directors of the Issuer held on February 07, 2025, the Board of Directors approved the issuance of NCDs of the face value ₹ 1,000 each, for an amount up to ₹ 10,000 million. Further, the Debenture Fund Raising Committee of the Issuer has approved this Issue of NCDs with a face value of ₹ 1000 each, pursuant to the terms and conditions of this Prospectus and the Draft Prospectus.

Further, the present borrowing is within the borrowing limits of ₹ 100,000 million under Section 180(1)(c) of the Companies Act, 2013 duly approved by the members of the Issuer by way of postal ballot on September 10, 2014.

The NCDs pursuant to this Issue will be issued on terms and conditions as set out in this Prospectus.

### Principal Terms & Conditions of the Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the relevant provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Issuer, the terms of this Prospectus, the Draft Prospectus, the Abridged Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE/NSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

### Ranking of NCDs

The NCDs would constitute secured obligations of ours and shall rank *pari passu* inter se, and subject to any obligations and applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, thereof shall be secured by way of a *pari passu* charge in favor of the Debenture Trustee on the assets of the entities permissible under applicable law and/or the Company including loans and advances, receivables, investments, stock in trade, current & other assets held by the entities permissible under applicable law and/or the Company, created in favour of the Debenture Trustee, and/or over the Pledged Securities in favour of the Debenture Trustee for the benefit of the Debenture holders, except those specifically and exclusively charged in favour of certain existing charge holders as specifically set out in and fully described in the Debenture Trust Deed and/or Securities Pledge Agreement, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. We have received necessary consents from the relevant debenture trustees for ceding *pari-passu* charge in favour of the Debenture Trustee in relation to the NCDs. The NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and/or RoC or CERSAI or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee. Without prejudice to the aforesaid, in the event the Issuer fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, the Issuer shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Prospectus, till the execution of the Debenture Trust Deed. The security shall be created prior to making the listing application for the NCDs with the Stock Exchange.

The Issuer, pursuant to the SEBI DT Master Circular has entered/shall enter into the Debenture Trustee Agreement with the Debenture Trustee and in furtherance thereof intends to enter into a deed of agreement with the Debenture Trustee, ("**Debenture Trust Deed**"), terms of which will govern the powers, authorities and obligations of the Debenture Trustee. The Issuer proposes to complete the execution and registration of the Debenture Trust Deed within the stipulated timeframe and shall utilize the funds only after the stipulated security has been created. Under the terms of the Debenture Trust Deed, the Issuer will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant Redemption Date and also that it will pay the interest due on NCDs on the rate specified in this Prospectus, the Draft Prospectus and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that the Issuer may withdraw any portion of the security and replace with another asset of the same or a higher value and shall ensure that the minimum security cover shall be maintained until the redemption of the NCDs.

The NCDs proposed to be issued under this Issue and all earlier issues of debentures outstanding in the books of the Issuer having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption.

The Issuer has obtained permissions or consents from the debenture trustees /existing creditors for proceeding with this Issue.

## **Security**

The principal amount of the NCDs to be issued in terms of this Prospectus, the Draft Prospectus and the Debenture Trust Deed, thereof shall be secured by way of a pari passu charge in favor of the Debenture Trustee on the assets of the entities permissible under applicable law and/or the Issuer including loans and advances, receivables, investments, stock in trade, current & other assets and/or immovable property / fixed assets held by the entities permissible under applicable law and/or the Issuer, created in favour of the Debenture Trustee, and/or over the Pledged Securities in favour of the Debenture Trustee for the benefit of the NCD holders, except those specifically and exclusively charged in favour of certain existing charge holders as specifically set out in and fully described in the Debenture Trust Deed and/or Securities Pledge Agreement, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all time until the Maturity Date. We have received necessary consents from the relevant debenture trustees for ceding pari-passu charge in favour of the Debenture Trustee in relation to the NCDs. The NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and/or RoC or CERSAI or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee. Without prejudice to the aforesaid, in the event the Issuer fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, the Issuer shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in the Prospectus, till the execution of the Debenture Trust Deed. The security shall be created prior to making the listing application for the NCDs with the Stock Exchange.

Without prejudice to the aforesaid, in the event the Issuer fails to execute the Debenture Trust Deed within the period specified in Regulation 18 of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, the Issuer shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in the Prospectus, till the execution of the Debenture Trust Deed and in accordance with the applicable laws. The security shall be created prior to making the listing application for the NCDs with the Stock Exchange.

## **Debenture Redemption Reserve**

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI NCS Regulations, a listed company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Prospectus, the Issuer is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by the Issuer for the purpose of redemption of the NCDs or in connection with the Issue. The Issuer shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws:

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

## **Face Value**

The face value of each NCD shall be ₹ 1,000.

### **Trustees for the NCD Holders**

The Issuer has appointed Beacon Trusteeship Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71(5) of the Companies Act, 2013 and the rules prescribed thereunder. The Issuer and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

We and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action.

### **Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)**

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to the Issuer specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs and such default is not remedied within the applicable cure periods as particularly described in the Debenture Trust Deed. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed.

#### **Indicative list of Events of Default:**

(i) Default in redemption of NCDs

Default in redemption of the NCDs together with redemption premium, if any, interest accrued thereon as and when the same shall have become due and payable or payment of any other amounts in terms of the Debenture Trust Deed;

(ii) Default in payment of interest/principal amount

Default is committed in payment of the principal amount of the NCDs on the due date(s);

(iii) Default in performance of covenants and conditions

Default is committed in the performance of any other covenants, conditions or agreements on the part of the Issuer under the Debenture Trust Deed or the other Offer Documents or deeds entered into between the Issuer and the NCD Holder(s) / Debenture Trustee unless cured within applicable cure periods, if any;

(iv) Supply of misleading information

Default is committed if any information given to the Issuer in this Prospectus and the Draft Prospectus, the Offer Documents and/or other information furnished and/or the representations and warranties given/deemed to have

been given by the Issuer to the NCD Holder(s) for financial assistance by way of subscription to the NCD is or proves to be misleading or incorrect in any material respect or is found to be incorrect;

(v) Inability to pay debts

Default is committed if the Issuer is unable to or admits in writing its inability to pay its debts as they mature or proceedings for taking it into liquidation have been admitted by any competent court;

(vi) Proceedings against Company; Liquidation or dissolution of Company

The Issuer has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law or suffered any action to be taken for its reorganisation, liquidation or dissolution;

(vii) Extra-ordinary circumstances

Default is committed if any extraordinary circumstances have occurred which makes it impossible for the Issuer to fulfil its obligations under the Debenture Trust Deed and/or the NCDs;

(viii) Company ceases to carry on business

The Issuer ceases to carry on its business or gives notice of its intention to do so;

(ix) Security

Any security created at any time, any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardize or endangers any hypothecated properties or any part thereof or any event occurs which causes the Debenture Trust Deed or any related agreement to become ineffective;

Any security created at any time, without prior written consent of the Debenture Trustee or unless otherwise provided for in the Debenture Trust Deed, the Issuer, attempts or purports to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over any other encumbrance over any of the Security

At any time after appointment of a receiver or liquidator, if it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Issuer exceed its assets;

(x) Revocation or termination

Default is committed if any of the necessary clearances required or desirable in relation to the Issuer or the NCDs in accordance with any of the Offer Documents is not received or is revoked or terminated, withdrawn, suspended, modified or withheld or shall cease to be in full force and effect which shall, in the reasonable opinion of NCD Holder(s), have material adverse effect on the Issuer or the NCDs;

(xi) Insolvency or winding up

Default is committed if the Issuer enters into any arrangement or composition with its creditors or commits any acts of insolvency or winding up of the Issuer;

If the Issuer files a petition for reorganization, arrangement, adjustment, winding up or composition of debts of the Issuer or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding (other than a proceeding commenced voluntarily by the Issuer is not stayed, quashed or dismissed);

If the Issuer is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors;

(xii) Unlawfulness

If it becomes unlawful for the Issuer to perform any of its obligations under any Offer Document;

(xiii) Revocation or termination

Default is committed if the occurrence of any event or condition which in the Debenture Trustee reasonable opinion can constitute a material adverse effect;



Any other event described as an Event of Default in this Prospectus, the Draft Prospectus and the Transaction Documents. In accordance with the DT Master Circular dated May 16, 2024 issued by SEBI in case of 'Default' by Issuers of listed debt securities", post the occurrence of a "default", the consent of the NCD Holders for entering into an inter-creditor agreement (the "ICA")/enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the DT Master Circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 51% of the investors by value of the outstanding debt.

Regulation 51 read with the Explanation to Clause A (11) in Part B of Schedule III of the SEBI Listing Regulations, defines 'default' as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt.

It is hereby confirmed, in case of an occurrence of a "default", the Debenture Trustee shall abide and comply with the procedures mentioned in the DT Master Circular.

### **NCD Holder not a Shareholder**

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of the Issuer, except to the extent of the right to receive the annual reports of the Issuer and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

### **Rights of NCD Holders**

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to the Issuer's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of the Issuer's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of the Issuer, the said resolution will first be placed before the concerned registered NCD Holders for their consideration.
2. In terms of Section 136(2) of the Companies Act, 2013 read with Rule 18(8)(a) of the Companies (Share Capital and Debentures) Rules, 2014, trustee of the holders of the NCDs or the holders of NCDs shall be entitled to a copy of the balance sheet and a copy of Debenture Trust Deed at the Registered Office of the Issuer during business hours.
3. Subject to the above and the applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of least 50% (fifty one per cent) of the outstanding amount of the NCDs (unless required under applicable laws, to be approved/determined by such thresholds as may be prescribed thereunder for specified matters including the removal of the Debenture Trustee or any exoneration of liability thereof, which is currently required to be approved by the holders of at least three-fourth of the outstanding amount of the NCDs) provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
4. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution

placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

5. The NCDs are subject to the provisions of the SEBI NCS Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of the Issuer, the terms of this Prospectus, the Draft Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
6. For the NCDs issued in dematerialized form, the Depositories shall also maintain the updated record of holders of the NCDs in dematerialized Form. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial owners of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained at the registered office of the Issuer under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD holders.
7. Subject to compliance with RBI requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing 15 days prior notice for such roll over and in accordance with the SEBI NCS Regulations. The Issuer shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over. The roll-over of NCDs shall be as per Regulation 39 of the SEBI NCS Regulations.

The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of this Prospectus, the Draft Prospectus and the Debenture Trust Deed.

#### **Nomination facility to NCD Holder**

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 (“**Rule 19**”) read with the applicable provisions of the Companies Act, 2013, the sole NCD holder, or first NCD holder, along with other joint NCD Holders’ (being individual(s)), may nominate, in the **Form No. SH.13**, any one person with whom, in the event of the death of Applicant the NCDs were allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No. SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder’s death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19 read with the applicable provisions of the Companies Act 2013, any person who becomes a nominee by virtue of the Rule 19 read with the applicable provisions of the Companies Act 2013, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with the Issuer. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Applicants who have opted for rematerialisation of NCDs and are holding the NCDs in the physical form should provide required details in connection with their nominee to the Issuer.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

### **Application in the Issue**

Applicants shall apply in the Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in the Issue shall be made through the ASBA facility only (including Applications made by Retail Investors under the UPI Mechanism).

In terms of Regulation 7 of the SEBI NCS Regulations, the Issuer will make public issue of the NCDs in the dematerialised form only. However, in the terms of Section 8(1) of the Depositories Act, the Issuer at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialised form only.

### **Form of Allotment and Denomination of NCDs**

As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD (“**Market Lot**”). Allotment in this Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

For details of allotment see “*Issue Procedure*” beginning on page 344.

### **Transfer/Transmission of NCD(s)**

The NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer’s DP account to his depository participant.

Please see “*Terms of the Issue - Interest and Payment of Interest*” on page 332 for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non-Individual Investors on the Record Date.

According to Regulation 40(1) of the SEBI Listing Regulations, requests for effecting transfer of the NCDs cannot be processed unless the NCDs are held in the dematerialised form with a depository. Further, the transmission or transposition of the NCDs can only be effected if the NCDs are held in dematerialised form.

## **Title**

In case of:

- a) the NCDs held in the dematerialised form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and
- b) the NCD held in physical form, pursuant to any rematerialisation, the person for the time being appearing in the register of debenture holders as NCD Holder, shall be treated for all purposes by the Issuer, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the NCD Holder.

## **Register of Debenture Holders**

No transfer of title of a NCD will be valid unless and until entered on the register of debenture holders (for re materialized NCDs) or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Redemption Amount, as the case may be, will be paid to the person, whose name appears first in the register of debenture holders maintained by the Depositories and/or the Issuer and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with the Issuer or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of the Issuer's shares contained in the Articles of Association of the Issuer and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

## **Succession**

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for the Issuer to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on the Issuer to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCD. In the event of demise of the sole or first holder of the NCDs, the Issuer will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the NCDs only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The Directors of the Issuer in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach the Issuer to register his name as successor of the deceased NCD Holder. The successor of the deceased NCD Holder shall approach the respective Depository Participant for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

## **Joint-holders**

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles of Association.

## Procedure for rematerialisation of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of the NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Issuer and the Depository Participant. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such re-materialisation.

## Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Issue. However, Regulation 40(1) of the SEBI Listing Regulations, prescribes that requests for effecting transfer of the NCDs cannot be process unless the NCDs are held in the dematerialised form with a depository. Further, the transmission or transposition of the NCDs can only be effected if the NCDs are held in dematerialised form.

## Period of subscription

ISSUE PROGRAMME**	
ISSUE OPENS ON	TUESDAY, JULY 08, 2025
ISSUE CLOSES ON	MONDAY, JULY 21, 2025
PAY IN DATE	Application Date. The entire Application Amount is payable on Application
DEEMED DATE OF ALLOTMENT	The date on which the Board of Directors/or the Debenture Fund Raising Committee approves the Allotment of the NCD for the Issue or such date as may be determined by the Board of Directors/ or the Debenture Fund Raising Committee to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the NCD Holders from the Deemed Date of Allotment.

**\*\*** The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date (subject to a minimum period of 2 (two) working days and a maximum period of 10 (ten) working days from the date of opening of this Issue) as may be decided by the Board of Directors of the Issuer or the Debenture Fund Raising Committee, thereof, subject to relevant approvals.

Pursuant to Regulation 33A of the SEBI NCS Regulations, (i) the Issue shall be kept open for a minimum of two Working Days and a maximum of ten Working Days, (ii) in case of a revision in the price band or yield, the Issuer shall extend the Issue Period for a minimum period of one working day, provided that it shall not exceed the maximum number of days, as provided above in (i), and (iii) in case of force majeure, banking strike or similar circumstances, the Issuer may, for reasons to be recorded in writing, extend the Issue Period, provided that it shall not exceed the maximum number of days, as provided above in (i).

In the event of an early closure or extension of the Issue; the Issuer shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation and a regional daily at the place where the registered office of the Issuer is situated on or before such earlier or extended date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 am and 3:00 pm and upload until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.

Applications Forms for the Issue will be accepted only from 10:00 am to 5:00 pm (Indian Standard Time) (“**Bidding Period**”) or such extended time as may be permitted by the BSE on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 am to 3:00 pm and uploaded until 5:00 pm (Indian Standard Time) or such extended time as may be permitted by the BSE. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 pm on one Working Day after the Issue Closing Date.

*Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3:00 pm (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Neither the Issuer, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription and thereafter, if any, where the Allotment will be proportionate, where the Allotment will be proportionate in accordance with SEBI NCS Master Circular. For further details please refer to the section titled "General Information" on page 63.*

## **Interest and Payment of Interest/ Coupon on NCDs**

### **Interest/ Coupon on NCDs**

#### **Series I NCD**

In case of Series I NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series I NCD:

<b>Category of NCD Holders</b>	<b>Coupon (% p.a.)</b>
Category I, II, III and IV	9.00%

Series I NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 24 months from the Deemed Date of Allotment.

#### **Series II NCD**

In case of Series II NCDs, the NCDs shall be redeemed at the end of 24 months from the Deemed Date of Allotment as mentioned below:

<b>Category of NCD Holders</b>	<b>Face Value (₹ per NCD)</b>	<b>Redemption Amount (₹ per NCD)</b>
Category I, II, III and IV	1,000	1,188.10

#### **Series III NCD**

In case of Series III NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series III NCD:

<b>Category of NCD Holders</b>	<b>Coupon (% p.a.)</b>
Category I, II, III and IV	9.35%

Series III NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 36 months from the Deemed Date of Allotment.

#### **Series IV NCD**

In case of Series IV NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series IV NCD:

<b>Category of NCD Holders</b>	<b>Coupon (% p.a.)</b>
Category I, II, III and IV	9.75%

Series IV NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 36 months from the Deemed Date of Allotment.

#### Series V NCD

In case of Series V NCDs, the NCDs shall be redeemed at the end of 36 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Category I, II, III and IV	1,000	1,322.30

#### Series VI NCD

In case of Series VI NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VI NCD:

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III and IV	9.80%

Series VI NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

#### Series VII NCD

In case of Series VII NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VII NCD:

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III and IV	10.25%

Series VII NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

#### Series VIII NCD

In case of Series VIII NCDs, the NCDs shall be redeemed at the end of 60 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Category I, II, III and IV	1,000	1,629.33

#### Series IX NCD

In case of Series IX NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series IX NCD:

Category of NCD Holders	Coupon (% p.a.)
Category I, II, III and IV	10.25%

Series IX NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any. For redemption details, please refer to “*Issue Structure - Principal Redemption Schedule and Redemption Amounts*” on page 321 of this Prospectus.

#### **Series X NCD**

In case of Series X NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series X NCD:

<b>Category of NCD Holders</b>	<b>Coupon (% p.a.)</b>
Category I, II, III and IV	10.03%

Series X NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 120 months from the Deemed Date of Allotment.

#### **Series XI NCD**

In case of Series XI NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series XI NCD:

<b>Category of NCD Holders</b>	<b>Coupon (% p.a.)</b>
Category I, II, III and IV	10.50%

Series XI NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 120 months from the Deemed Date of Allotment.

#### **Series XII NCD**

In case of Series XII NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series XII NCD:

<b>Category of NCD Holders</b>	<b>Coupon (% p.a.)</b>
Category I, II, III and IV	10.50%

Series XII NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any. For redemption details, please refer to “*Issue Structure - Principal Redemption Schedule and Redemption Amounts*” on page 321 of this Prospectus.

#### **Basis of payment of Interest**

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs pursuant to this Prospectus. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor, coupon/yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available)



would be as prescribed by RBI. Please see “Terms of the Issue – Manner of Payment of Interest/ Unblocking” on page 336.

## **Taxation**

Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians (other than insurance companies), at the time of credit / payment, as per the provisions of Section 193 of the IT Act. Further, Tax will be deducted at source at reduced rate or no tax will be deducted at source in the following cases:

- a) When the Assessing Officer issues a certificate on an application by a NCD Holder on satisfaction that the total income of the NCD Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Issuer before the prescribed date of closure of books for payment of debenture interest;
- b) When the resident NCD Holder with Permanent Account Number (“PAN”) (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of 236 Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;
- c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL; and
- d) In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act.
- e) Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Issuer before the prescribed date of closure of books for payment of debenture interest without any withholding tax.

The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar to the Issue quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each Fiscal during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in the Issuer’s books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of the Prospectus read with the provisions of the Articles of Association of the Issuer, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

*Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the section titled “Issue Procedure” on page 344, please note that in case the NCDs are transferred and/or transmitted*

*in accordance with the provisions of this Prospectus read with the provisions of the Articles of Association of the Issuer, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.*

### **Day Count Convention**

Interest shall be computed on an actual/actual basis on the principal outstanding on the NCDs as per the SEBI NCS Master Circular.

### **Effect of holidays on payments**

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by the Issuer on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force, as applicable.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by the Issuer on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

### **Illustration for guidance in respect of the day count convention and effect of holidays on payments:**

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI NCS Master Circular is disclosed in Annexure C of this Prospectus.

### **Maturity and Redemption**

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amounts to the Applicant at the Applicant's sole risk, and neither the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

### **Application Size**

Each Application should be for a minimum of 10 NCDs and multiples of 1 NCD thereafter. Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

### **Terms of Payment**

The entire issue price of ₹ 1000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, the Issuer shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of this Prospectus.

### **Manner of Payment of Interest / Unblocking**

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / unblocking / redemption as the case may be. Applicants are advised to keep their bank account details as appearing on the records of the depository participant

updated at all points of time. Please note that failure to do so could result in delays in credit of Interest/ Redemption Amounts at the Applicant's sole risk, and the Lead Managers, the Issuer or the Registrar shall have no responsibility and undertake no liability for the same.

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Issuer along with the rematerialisation request. For further details, please see "*Terms of the Issue – Procedure for Rematerialisation of NCDs*" on page 331.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

**1. Direct Credit**

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

**2. NACH**

National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

**3. RTGS**

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate the Issuer and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

**4. NEFT**

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

**5. Registered Post/Speed Post**

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed/ available.

Please note that the Issuer shall not be responsible to the holder of NCDs, for any delay in receiving credit of interest/ refund / redemption so long as the Issuer has initiated the process of such request in time.

In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to unblock amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within five Working Days of the Issue Closing Date.

## **6. Printing of bank particulars on interest/redemption warrants**

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form either on account of rematerialisation or transfer, the investors are advised to submit their bank account details with the Issuer / Registrar at least 7 (seven) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCDs as available in the records of the Issuer. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

### **Right to recall or redeem NCDs prior to maturity**

Not Applicable

### **Buy Back of NCDs**

The Issuer may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by the Issuer.

The Issuer may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as the Issuer may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

### **Form and Denomination of NCDs**

In case of NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the NCD Holder for the aggregate amount of the NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of NCD certificates in denomination of one NCD ("**Market Lot**"). In case of NCDs held under different Options, by an NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each option.

It is, however, distinctly to be understood that the NCDs pursuant to this issue shall be traded only in dematerialized form.

In respect of Consolidated Certificates, only upon receipt of a request from the NCD Holder, the Consolidated Certificates would be split into smaller denominations, subject to the minimum of Market Lot. No fee would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate, which would then be treated as cancelled.

### **Procedure for redemption by NCD Holders**

The procedure for redemption is set out below:

#### **NCDs held in physical form on account of re-materialization:**

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, the Issuer may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the Redemption Date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled.

#### **NCDs held in electronic form:**

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

#### **Payment on redemption**

The manner of payment of redemption is set out below:

#### **NCDs held in physical form on account of re-materialization:**

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if the Issuer so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the Redemption Date or (if so requested by the Issuer in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the Redemption Date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgement of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least seven days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

#### **NCDs held in electronic form:**

On the Redemption Date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

*\*In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.5, then the amount shall be rounded off to ₹ 1,838.*

### **Right to Reissue NCD(s)**

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

### **Issue of duplicate NCD Certificate(s)**

If any NCD certificate(s), issued pursuant to rematerialisation, if any, is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

### **Sharing of Information**

The Issuer may, at its option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

### **Notices**

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper at the place where the registered office of the Issuer is situated and/or will be sent by speed post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

### **Future Borrowings**

The Issuer will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, pari passu or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement.

### **Impersonation**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013.”*

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 0.1 million or 1% of the turnover of the Issuer, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 0.1 million or 1% of the turnover

of the Issuer, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

### **Pre-closure**

The Issuer, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in this Prospectus and the Draft Prospectus. The Issuer shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, the Issuer shall ensure that public notice of such early closure is published on or before such early date of closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement have been given.

### **Minimum subscription**

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size i.e. ₹ 1,125 million. If the Issuer does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 Working Days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Account(s) of the Applicants within 6 Working Days from the Issue Closing Date, failing which the Issuer will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Issuer and/or Registrar, refunds will be made to the account prescribed. However, where the Issuer and/or Registrar does not have the necessary information for making such refunds, the Issuer and/or Registrar will follow the guidelines prescribed by SEBI in the SEBI NCS Master Circular.

### **Utilisation of Application Amount**

The sum received in respect of the Issue will be kept in separate bank account(s) and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deeds and on receipt of listing and trading approval from the Stock Exchange as per applicable provisions of law(s), regulations and approvals.

### **Utilisation of Issue Proceeds**

All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- (a) The allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;
- (b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested;
- (d) The Issuer shall utilize the Issue proceeds only up on (i) receipt of minimum subscription; (ii) completion of Allotment in compliance with Section 40 of the Companies Act, 2013; (ii) receipt of listing and trading approval from Stock Exchange; and (iii) only upon execution of the documents for creation of security;

- (e) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property;
- (f) Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested;
- (g) The Issue proceeds shall be utilised in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and
- (h) Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

### **Filing of the Prospectus with the RoC**

A copy of the Prospectus has been filed with the RoC, in accordance with section 26 of Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, the Issuer will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will be issued in compliance with the Regulation 30(1) of SEBI NCS Regulations and shall contain the information as prescribed in the SEBI NCS Regulations and Section 30 of the Companies Act, 2013.

Material updates, if any, between the date of filing of the Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI NCS Regulations.

### **Payment of Interest**

If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. the Issuer shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. For further details, see “*Issue Procedure – Rejection of Applications*” beginning on page 376.

### **Listing**

The NCDs offered through this Prospectus are proposed to be listed on the BSE. The Issuer has obtained an ‘in-principle’ approval for the Issue from the BSE vide their letter no. DCS/BM/PI-BOND/04/25-26 dated June 19, 2025. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

The Issuer will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

### **If the Security is backed by a Guarantee/Letter of Comfort or any other document of a similar nature, a copy of the same shall be disclosed**

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

### **Arrangers**

No arrangers have been appointed for this Issue.



**Monitoring and Reporting of Utilisation of Issue Proceeds**

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee shall monitor the utilization of the proceeds of the Issue. For the relevant quarters, the Issuer will disclose in its quarterly financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

**Lien**

The Issuer will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, to the extent of all outstanding dues, if any by the NCD Holder to the Issuer.

**Lien on Pledge of NCDs**

Subject to applicable law, the Issuer, at its discretion, may record a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

## ISSUE PROCEDURE

*This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI NCS Master Circular, which provides, inter-alia, that for all public issues of debt securities all Applicants shall mandatorily use the ASBA facility for participating in the Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. Further in terms of the SEBI NCS Master Circular retail individual investor shall use the Unified Payment Interface (“UPI”) to participate in the public issue for an amount up to ₹ 5,00,000 UPI Mechanism. All individual investors applying in public issues of such securities through intermediaries (viz. syndicate members, registered stock brokers, registrar to an issue and transfer agent and depository participants), where the application amount is up to ₹ 5,00,000 shall only use UPI for the purpose of blocking of funds and provide his/ her bank account linked UPI ID in the bid-cum application form submitted with intermediaries. Further, individual investors shall continue to have the choice of availing other modes (viz. through SCSBs and Stock Exchange Platform) for making an application in the public issue.*

*Applicants should note that they may submit their Applications to the Designated Intermediaries at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Prospectus.*

*Please note that this section has been prepared based on the SEBI NCS Master Circular and the notifications issued by BSE, in relation to the UPI Mechanism dated December 28, 2020 as amended on April 13, 2022 and May 19, 2022.*

*Specific attention is drawn to the SEBI NCS Master Circular which provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application.*

*The Issuer and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Investors are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws.*

*Further, the Issuer and the Lead Managers are not liable for any adverse occurrences consequent to the UPI Mechanism for application in the Issue.*

**PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.**

**THE LEAD MANAGERS, THE CONSORTIUM MEMBERS AND THE ISSUER SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN RESPECT OF THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE WILL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS/DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.**

**Please note that for the purposes of this section, the term “Working Day” shall mean all days on which commercial banks in Mumbai, are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business (provided that on any trading day of Stock Exchange if commercial banks in Mumbai are closed, it will be considered as Working Day). Further, in respect of the time period between the bid/ issue closing date and the**

**listing of the NCDs on the Stock Exchange, working day shall mean all trading days of the Stock Exchange for NCD, excluding Saturdays, Sundays and bank holidays, as specified by SEBI.**

**Availability of this Prospectus, the Draft Prospectus, Abridged Prospectus, and Application Form.**

The copies of this Prospectus, the Draft Prospectus, Abridged Prospectus together with Application Forms may be obtained from our Registered Office, Lead Managers to the Issue, Consortium Members for marketing of the Issue, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, the Prospectus and the Application Forms will be available

- (i) for download on the website of BSE at [www.bseindia.com](http://www.bseindia.com).
- (ii) at the designated branches of the SCSBs and the Syndicate Members at the Specified Locations.

A unique application number (“UAN”) will be generated for every Application Form downloaded from the website of the Stock Exchange i.e. BSE at [www.bseindia.com](http://www.bseindia.com). Hyperlinks to the websites of the Stock Exchange for this facility will be provided on the websites of the Lead Managers and the SCSBs.

In addition, Application Forms would also be made available to all the recognised Stock Exchange. Further, Application Forms will also be provided to Trading Members at their request.

The Issuer may provide Application Forms for being filled and downloaded at such websites as we may deem fit. The Issuer may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, online demat account portals may also provide the facility of submitting the Application Forms online to their account holders’.

**Retail Individual Investors making an Application upto ₹ 5 lakhs, using the UPI Mechanism, must provide the UPI ID in the relevant space provided in the Application Form. Application Forms that do not contain the UPI ID are liable to be rejected. UPI Investors applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.**

**PROCEDURE FOR APPLICATION**

**Who can apply?**

The following categories of persons are eligible to apply in the Issue.

**Category I (Institution Investors)**

- Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds each with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- systemically important non-banking financial companies;

- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

#### **Category II (Non Institutional Investors)**

- Companies within the meaning of Section 2(20) of the Companies Act, 2013;
- Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

#### **Category III (High Net Worth Individual Investors)**

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue.

#### **Category IV (Retail Individual Investors)**

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹ 500,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism.

Note: Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

**Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.**

**Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.**

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

The information below is given for the benefit of Applicants. The Issuer and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus.

**Availability of this Prospectus, the Draft Prospectus, Abridged Prospectus and Application Forms.**

**Please note that there is a single Application Form for, persons resident in India.**

Copies of the Abridged Prospectus containing the salient features of this Prospectus and the Draft Prospectus together with Application Forms may be obtained from our Registered Office, the Lead Managers, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, the Prospectus and the Application Forms will be available:

- (i) for download on the website of BSE at [www.bseindia.com](http://www.bseindia.com); and
- (ii) at the designated branches of the SCSBs and the Syndicate Members at the Specified Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange. A unique application number (“UAN”) will be generated for every Application Form downloaded from the websites of the Stock Exchange. Further, Application Forms will also be provided to Designated Intermediaries at their request.

## How to apply?

### Method of Application

In terms of the SEBI NCS Master Circular, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the SEBI NCS Master Circular, SEBI has mandated issuers to provide, through a recognized Stock Exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“**Direct Online Application Mechanism**”). In this regard, SEBI has, through the SEBI NCS Master Circular, directed the recognised stock exchanges in India to put in necessary systems and infrastructure for the implementation of the SEBI NCS Master Circular and the Direct Online Application Mechanism infrastructure. The Direct Online Application facility will be available for this Issue as per mechanism provided in the SEBI NCS Master Circular.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a Retail Individual Investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Applicants should submit the Application Form only at the Bidding Centres, i.e. to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <http://www.sebi.gov.in>.

Pursuant to SEBI Circular No: SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/128 dated September 24, 2024, all individual investors applying in public issues where the application amount is up to ₹5,00,000 shall use UPI and shall also provide their UPI ID in the bid cum application form submitted with any of the entities mentioned herein below:

1. a syndicate member;
2. a stock-broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
3. a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity); and
4. a registrar to an issue and share transfer agent.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB (except Application Form from RIBs using the UPI Mechanism) with whom the relevant ASBA Accounts are maintained.

For RIBs using UPI Mechanism, the Stock Exchange shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. Further, the Application may also be submitted through the app or web interface developed by Stock Exchange wherein the Application is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism, as applicable.

The Sponsor Bank shall provide details of the UPI linked bank account of the Bidders to the Registrar to the Issue for purpose of reconciliation.

RIBs using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

RIBs using UPI Mechanism, submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only the UPI ID is mentioned in the field for Payment Details in the Bid cum Application Form. Application Forms submitted by RIIs using UPI Mechanism to Designated Intermediary (other than SCSBs) with ASBA Account details, are liable to be rejected.

Further, such Bidders including RIBs using the UPI Mechanism, shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of the relevant Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms (except electronic Bid- cum-Application Forms) not bearing such specified stamp may be liable for rejection. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid. Designated Intermediaries (other than SCSBs) shall not accept any ASBA Form from a RIB who is not Bidding using the UPI Mechanism.

The Issuer, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to the Issue should be made by Applicants directly to the relevant Stock Exchange.

In terms of the SEBI NCS Master Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:

1. *Self-Certified Syndicate Bank (SCSB) or intermediaries (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)*
  - a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.
  - b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.
  - c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹ 5,00,000 or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.
2. *Through Stock Exchange*
  - a. An investor may submit the bid-cum-application form through the App or web interface developed by

Stock Exchange (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism.

- b. The Stock Exchange have extended their web-based platforms i.e. 'BSE Direct' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto ₹ 5,00,000. To place bid through 'BSEDirect' platform/ mobile app the eligible investor is required to register himself/ herself with BSE Direct.
- c. An investor may use the following links to access the web-based interface developed by the Stock Exchange to bid using the UPI Mechanism: BSE: <https://www.bsedirect.com>.
- d. The BSE Direct mobile application can be downloaded from play store in android phones. Kindly search for 'BSEDirect' on Google Playstore for downloading mobile applications
- e. To further clarify the submission of bids through the App or web interface, the BSE has issued operational guidelines and circulars dated December 28, 2020 and May 19, 2022 available at <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228> 60, <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228> 61, and <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20220519> 34.

### **Application Size**

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereof.

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

### **APPLICATIONS BY VARIOUS APPLICANT CATEGORIES**

#### **Applications by Mutual Funds**

Pursuant to the SEBI Master Circular for Mutual Funds bearing reference number SEBI/HO/IMD/IMD-PoD-1/ CIR/P/2023/74 dated May 19, 2023 ("SEBI Mutual Funds Master Circular"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees. A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

#### **Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks**

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in this Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (iv) a letter of authorisation. Failing this, the Issuer reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI NCS Master Circular SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications. Failing this, the Issuer reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

#### **Application by Systemically Important Non-Banking Financial Companies**

Systemically Important Non-Banking Financial Companies can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) their memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (iv) specimen signatures of authorised signatories.

Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

#### **Application by Insurance Companies**

Insurance companies registered with the IRDAI can apply in this Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories.

Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

#### **Applications by Indian Alternative Investments Funds**

Applications made by 'alternative investment funds' eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

#### **Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment**

In case of Applications made by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements.

#### **Applications by Trusts**

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Failing this, the Issuer reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.



**Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs**

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, the Issuer reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

**Applications made by companies, bodies corporate and societies registered under the applicable laws in India**

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

Failing this, the Issuer reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

**Applications by Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs.**

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any act/rules under which such Applicant is incorporated; (ii) a resolution of the Board of Directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant.

Failing this, the Issuer reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

**Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008.**

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant.

Failing this, the Issuer reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

**Applications under a power of attorney by limited companies, corporate bodies and registered societies**

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

Failing this the Issuer, in consultation with the Lead Managers, reserves the right to reject such Applications.

The Issuer, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that the Issuer and the Lead Managers may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his or her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

**Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs**

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities.

Failing this, the Issuer reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

**Applications by National Investment Funds**

Application made by a National Investment Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons.

Failing this, the Issuer reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

**Applications cannot be made by:**

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

- a. Minors without a guardian name\* (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian; It is further clarified that it is the responsibility of the Applicant to ensure that the guardians are competent to contract under applicable statutory/regulatory requirements);
- b. Persons Resident Outside India, Foreign nationals (including FIIs, FPIs, Qualified Foreign Investors) and other foreign entities;
- c. Foreign Venture Capital Investor;
- d. Overseas Corporate Bodies; and
- e. Person ineligible to contract under applicable statutory/ regulatory requirements.
- f. Any other category of Applicants not provided for under “*Issue Procedure – Who can apply?*” on page 345 of this Prospectus.

*\* Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872.*

*The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.*

Based on the information provided by the Depositories, the Issuer shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

*\*\*The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in this Issue.*

## **Payment instructions**

### **Payment mechanism for Applicants**

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form.

An Applicant may submit the completed Application Form to designated intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Designated Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

An Applicant may submit the Application Form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹ 5,00,000 or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchange wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account and Sponsor Bank Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within 5 (five) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

For ASBA Applications submitted to the Lead Managers or Consortium Member or Trading Members of the Stock Exchange at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

**Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Lead Managers or Consortium Member or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.**

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allotted to the successful Applicants to the Public Issue Account(s). The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to

the respective SCSB within 5 Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### **Payment mechanism for Direct Online Applicants**

*Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.*

### **Additional Instructions for Retail Individual Investors using the UPI mechanism:**

1. Before submission of the application form with the Designated Intermediary, a Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.
2. The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchanges App/Web interface.
3. The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.
4. Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.
5. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to the Stock Exchanges which would be shared by the Stock Exchanges with the Designated Intermediaries through its platform, for corrections, if any.
6. Once the bid details are uploaded on the Stock Exchanges platform, the Stock Exchanges shall send an SMS to the investor regarding submission of his / her Application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.
7. Post undertaking validation with the Depository, the Stock Exchanges shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Issuer.
8. The Sponsor Bank shall initiate a mandate request on the investor i.e. request the investor to authorise blocking of funds equivalent to the Application Amount and subsequent debit of funds in case of allotment.
9. The request raised by the Sponsor Bank, would be electronically received by the investor as an SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.
10. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorise the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Issue.
11. The investor is required to accept the UPI mandate latest by 5.00 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the Issue Period or any other modified closure date of the Issue Period in which case, he / she is required to accept the UPI mandate latest by 5.00 pm the next Working Day.
12. The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.

13. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the Issue Closing Date) modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Issue Closing Date) day till 1.00 pm.
14. The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5.00 pm on the day of bidding.
15. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.
16. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchanges. The block request status would also be displayed on the Stock Exchanges platform for information of the intermediary.
17. The information received from Sponsor Bank, would be shared by the Stock Exchanges with the Registrar to the Issue in the form of a file for the purpose of reconciliation.
18. Post closure of the Issue, the Stock Exchanges shall share the bid details with the Registrar to the Issue. Further, the Stock Exchanges shall also provide the Registrar to the Issue, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

#### **Additional information for Applicants**

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.
2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted on the Application Form only. In the event that physical Application Form do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.
4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

#### **Filing of the Prospectus with ROC**

A copy of the Prospectus has been filed with the ROC in accordance with section 26 of the Companies Act, 2013, as amended, modified and/or supplemented from time to time.

#### **Instructions for completing the Application Form**

1. Applications must be made in the prescribed Application Form.
2. Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Prospectus and the Application Form.
3. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.

4. Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in the Issue Documents.
5. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
6. Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.
7. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
8. Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by the Designated Intermediaries, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
9. Applicants must ensure that their Application Forms are made in a single name.
10. The minimum number of Applications and minimum application size is specified in this Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
11. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
12. Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.
13. All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.
14. Applications for all the series of the NCDs may be made in a single Application Form only.

**Additional Instructions for Retail Individual Investors using the UPI mechanism:**

1. Before submission of the application form with the Designated Intermediary, the Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.
2. The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface.
3. The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.
4. Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.
5. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated

Intermediaries through its platform, for corrections, if any.

6. Once the bid details are uploaded on the Stock Exchange(s) platform, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period.
7. For the last day of bidding, the SMS may be sent the next Working Day.
8. Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Issuer.
9. The Sponsor Bank shall initiate a mandate request on the investor i.e. request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.
10. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.
11. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Issue.
12. The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the Issue period or any other modified closure date of the Issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next Working Day.
13. The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.
14. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the Issue Closing Date) modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Issue Closing Date) day till 1.00 pm.
15. The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5.00 pm on the day of bidding.
16. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.
17. The information containing status of block request (e.g., accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platform for information of the intermediary.
18. The information received from Sponsor Bank, would be shared by Stock Exchange(s) with the Registrar to the Issue in the form of a file for the purpose of reconciliation.
19. Post closure of the Issue, the Stock Exchange(s) shall share the bid details with the Registrar to the Issue. Further, the Stock Exchange(s) shall also provide the Registrar to the Issue, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.
20. The allotment of debt securities shall be done as per SEBI NCS Master Circular.
21. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

22. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.
23. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.
24. Thereafter, Stock Exchange will issue the listing and trading approval.
25. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSEDirect issued by BSE on December 28, 2020 and May 19, 2022 the investor shall also be responsible for the following:
  - i. Investor shall check the Issue details before placing desired bids;
  - ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;
  - iii. The receipt of the SMS for mandate acceptance is dependent upon the system response/integration of UPI on Debt Public Issue System;
  - iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;
  - v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
  - vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and
  - vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.

**The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.**

**Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. The Issuer would allot the NCDs, as specified in this Prospectus for the Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.**

#### **Applicants' PAN, Depository Account and Bank Account Details**

**ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID, PAN AND UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM) IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID PAN AND UPI ID GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID, PAN AND UPI ID AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.**

**On the basis of the DP ID, Client ID, PAN and UPI ID provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor**



**the Banker(s) to the Issue, nor the SCSBs, nor the Issuer shall have any responsibility and undertake any liability for the same.**

**Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchanges by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and the Issuer, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.**

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Allotment Advice would be mailed by post or e-mail at the address of the Applicants in accordance with the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither the Issuer, Banker(s) to the Issue, Registrar to the Issue nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, the Issuer in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the four parameters, namely, DP ID, Client ID, PAN and UPI ID then such Applications are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for Retail Individual Investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

## **APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM**

### ***Submission of Applications***

Applicants can apply for NCDs only using the ASBA facility pursuant to SEBI NCS Master Circular. ASBA Applications can be submitted through either of the following modes:

- (a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block

an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly register such ASBA Applications.

- (b) Physically through the Consortium Member, Lead Managers, or Trading Members of the Stock Exchange only at the Specified Cities i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Consortium Member, Lead Managers or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Consortium Member, Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (c) A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is upto ₹ 5,00,000, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange' bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

A UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange' bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Designated Intermediaries (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

In case of Application involving an Application by an RIB through UPI Mechanism, if an Applicant submits the Application Form with a Designated Intermediary and uses his/ her bank account linked UPI ID for the purpose of blocking of funds, where the application value is up to UPI Application Limit, the Application Amount will be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant and the Designated Intermediary shall upload the Application on the bidding platform developed by the Stock Exchange. If an Applicant submits the Application Form through the application or web interface developed by Stock Exchange, the bid will automatically be uploaded onto the Stock Exchange bidding platform and the amount will be blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Applicants must note that:

- (a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Lead Managers and Trading Members of the Stock Exchange at the Specified Cities; and electronic

Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that this Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.

- (b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, please see section titled “*Issue Related Information*” on page 311.
- (c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Managers or Consortium Member or Trading Members of the Stock Exchange, as the case maybe, if not, the same shall be rejected. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

### **Submission of Direct Online Applications**

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges. In the event the Direct Online Application facility is implemented by the Stock Exchanges, relevant “know your customer” details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number (“UAN”) and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant’s bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue. As per the SEBI NCS Master Circular, the availability of the Direct Online Applications facility is subject to the Stock Exchanges putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI.

## **INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM**

### **General Instructions**

#### **A. General instructions for completing the Application Form**

- Applications must be made in prescribed Application Form only;
- Applicants should ensure that their Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities, and not directly to the escrow collecting banks (assuming that such bank is not a SCSB) or to the Issuer or the Registrar to the Issue.
- Applications through Syndicate ASBA, before submitting the physical Application Form to the Members of the Syndicate or Trading Members of the stock exchange(s), ensure that the SCSB where

the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Forms (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>)

- Application Forms must be completed in block letters in English, as per the instructions contained in this Prospectus, the Draft Prospectus, the Abridged Prospectus and the Application Form.
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the NCDs in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applicants must apply for Allotment in dematerialised form and must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- The minimum number of Applications and minimum application size is specified in this Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- Applications must be for a minimum of 10 (Ten) NCDs and in multiples of 1 NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 (Ten) NCDs, an Applicant may choose to apply for 10 (Ten) NCDs or more in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Lead Managers, Consortium Member, Trading Members of the Stock Exchange or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Managers, Consortium Member, Trading Member of the Stock Exchange or the Designated Branch of the SCSBs, as the case may be.
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the

Application Form and submit the same. Applicant without PAN is liable to be rejected, irrespective of the amount.

- All Applicants are required to tick the relevant column of “Category of Investor” in the Application Form.
- ASBA will be the default “Mode of Application” as per the SEBI NCS Master Circular.
- Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant’s bank records, otherwise the Application is liable to be rejected.
- Applicants must provide details of valid and active DP ID, UPI ID, Client ID and PAN clearly and without error. On the basis of such Applicant’s active DP ID, UPI ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account
- For Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the Stock Exchange on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;
- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchange, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.
- Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant’s bank records.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Managers, Consortium Member, Trading Member of the Stock Exchange in the data entries as such data entries will be considered for allotment.

**Applicants should note that neither the Designated Intermediaries nor SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.**

The Issuer would allot Series IV to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

## **B. Applicant’s Beneficiary Account and Bank Account Details**

**ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM), CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, UPI ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, UPI ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.**

Applicants applying for Allotment in dematerialized form must mention their DP ID, Client ID, PAN and UPI ID (in case applying through UPI Mechanism) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("MICR") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither the Issuer, the Lead Managers, Trading Members of the Stock Exchange, Public Issue Account Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchange by the Consortium Member or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and the Issuer, the Consortium Member and the other Designated Intermediaries shall not be liable for losses, if any.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. **Please note that any such delay shall be at such Applicants sole risk and neither the Issuer, the Lead Managers, Trading Members of the Stock Exchange, Public Issue Account Banks, SCSBs, Registrar to the Issue nor the Stock Exchange shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.** In case of refunds through electronic modes as detailed in this Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, the Issuer in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts

are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

*Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for retail individual investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.*

### **C. Permanent Account Number (PAN)**

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI Master Circular for Registrar to an Issue and Share Transfer Agents bearing circular number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 (“**SEBI RTA Master Circular**”) and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with the SEBI RTA Master Circular, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

### **D. Joint Applications**

Applications can be made in joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to first named in the Application whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form

### **E. Additional/ Multiple Applications**

An Applicant is allowed to make one or more Applications for the NCDs, for the same or other Options of NCDs, subject to a minimum application size of ₹ 10,000 and in multiples of ₹1,000 thereafter as specified in this Prospectus. Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹ 1,000,000 shall be deemed such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN of the sole or the first Applicant is one and the same.

## **F. Unified Payments Interface (UPI)**

Pursuant to the SEBI NCS Master Circular, the UPI Mechanism is an applicable payment mechanism for public debt issues (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Issuer will be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchange and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

### **Process for investor application submitted with UPI as mode of payment**

- a. Before submission of the application with the intermediary, the investor would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).
- b. An investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the Stock Exchange App/ Web interfaces, or any other methods as may be permitted.
- c. The intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platforms using appropriate protocols.
- d. Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.
- e. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to the Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated Intermediaries through its platform, for corrections, if any.
- f. Once the bid details are uploaded on the Stock Exchange(s) platforms, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next working day.
- g. Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Issuer.
- h. The Sponsor Bank shall initiate a mandate request on the investor i.e. request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.
- i. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.
- j. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the public issue bid details submitted by investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorise the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the Issue.
- k. An investor is required to accept the UPI mandate latest by 5.00 pm on the third working day from the day of bidding on the Stock Exchange platforms except for the last day of the Issue Period or any other modified closure date of the Issue Period in which case, he / she is required to accept the UPI mandate latest by 5.00 pm the next working day.
- l. An investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.
- m. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 day till 1.00 PM.
- n. The facility of re-initiation/ resending the UPI mandate shall be available only till 5.00 pm on the day of bidding.
- o. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.
- p. The information containing status of block request (e.g. accepted / decline / pending) would also be



shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platforms for information of the intermediary.

- q. The information received from Sponsor Bank, would be shared by the Stock Exchange(s) with the RTA in the form of a file for the purpose of reconciliation.
- r. Post Issue closure, the Stock Exchange(s) shall share the bid details with the RTA. Further, the Stock Exchange(s) shall also provide the RTA, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.
- s. The allotment of debt securities shall be done as SEBI NCS Master Circular.
- t. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.
- u. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.
- v. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.
- w. Thereafter, Stock Exchanges will issue the listing and trading approval. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 the investor shall also be responsible for the following:
  - i. Investor shall check the Issue details before placing desired bids;
  - ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;
  - iii. The receipt of the SMS for mandate acceptance is dependent upon the system response/ integration of UPI on Debt Public Issue System;
  - iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;
  - v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
  - vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and
  - vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.
- x. The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 for Introduction of Unified Payment Interface (UPI) before investing through the through the app/ web interface of the Stock Exchange(s).

Kindly note, the Stock Exchange(s) shall be responsible for addressing investor grievances arising from Applications submitted online through the App based/ web interface platform of Stock Exchanges or through their Trading Members. Further, the collecting bank shall be responsible for addressing any investor grievances arising from non-confirmation of funds to the Registrar despite successful realization/blocking of funds, or any delay or operational lapse by the collecting bank in sending the Application forms to the Registrar.

### **Electronic registration of Applications**

- (a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchange. Direct Online Applications will be registered

by Applicants using the online platform offered by the Stock Exchange. The Lead Managers, the Issuer, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (v) Applications accepted and uploaded by Trading members of the Stock Exchange or (vi) the Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Member, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms. In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application.

- (b) The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Issue Period. Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, Designated Intermediaries and Designated Branches of SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Syndicate Members and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please see “*Issue Structure*” on page 311.
- (c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchange, would be made available at the Application centres as provided in the Application Form during the Issue Period.
- (d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchange.
- (e) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, other than Direct Online Applications, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:
  - Application Form number
  - PAN (of the first Applicant, in case of more than one Applicant)
  - Investor category and sub-category
  - DP ID
  - Client ID
  - UPI ID (if applicable)
  - Number of NCDs applied for
  - Price per NCD
  - Bank code for the SCSB where the ASBA Account is maintained
  - Bank account number
  - Application amount
- (f) With respect to Applications submitted to the Designated Intermediaries at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:
  - Application Form number

- PAN (of the first Applicant, in case of more than one Applicant)
  - Investor category and sub-category
  - DP ID
  - Client ID
  - UPI ID (if applicable)
  - Number of NCDs applied for
  - Price per NCD
  - Bank code for the SCSB where the ASBA Account is maintained
  - Location
  - Application amount
- (g) A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Syndicate Members or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by the Issuer. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.
- (h) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Issuer, and/or the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Issuer, the management or any scheme or project of the Issuer; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.
- (i) In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.
- (j) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

## **General Instructions**

Do's and Don'ts Applicants are advised to take note of the following while filling and submitting the Application Form.

### ***Do's***

1. Check if you are eligible to apply as per the terms of this Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue;
4. Ensure that the DP ID and Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated. The requirement for providing Depository Participant details shall be mandatory for all Applicants;

5. Ensure that you have mentioned the correct ASBA Account number (i.e., bank account number or UPI ID, as applicable) in the Application Form;
6. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder;
7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Intermediaries, as the case may be;
8. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Bidding Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediaries/Designated branch of the SCSB as the case may be;
9. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;
10. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
11. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes;
12. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
13. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;
14. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange, match with the DP ID, Client ID and PAN available in the Depository database;
15. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN of the HUF should be mentioned in the Application Form and not that of the Karta;
16. Ensure that the Applications are submitted to the Lead Managers, Consortium Member, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see the section titled "Issue Related Information" on page 311.
17. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;
18. Ensure that you have correctly signed the authorisation /undertaking box in the Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form, as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
19. Permanent Account Number: Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents

of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;

20. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
21. All Applicants are requested to tick the relevant column “Category of Investor” in the Application Form; and
22. Tick the series of NCDs in the Application Form that you wish to apply for.
23. Check if you are eligible to Apply under ASBA;
24. Retail individual investors using the UPI Mechanism to ensure that they submit bids upto the application value of ₹ 500,000;
25. Investor using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form;
26. Investors bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the Issue and submit the application with any of the intermediaries or through the Stock Exchange’ App/ Web interface
27. Ensure that you give the correct details of your ASBA Account including bank account number/ bank name and branch;
28. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
29. Retail Individual Investors submitting Application Form using the UPI Mechanism, should ensure that the: (a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid, are listed on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40)
30. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;

In terms of SEBI NCS Master Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI NCS Master Circular stipulates the time between closure of the Issue and listing at six Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

#### **Don’ts:**

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest;

3. Do not send Application Forms by post; instead submit the same to the Consortium Member, sub-consortium member/sub brokers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be;
4. Do not submit the Application Form to any non-SCSB bank or the Issuer;
5. Do not submit an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be;
6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
8. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
9. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;
10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
13. Do not submit Application Forms to a Designated Intermediary at a location other than Collection Centers;
14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
15. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA); and
16. Do not make an application of the NCD on multiple copies taken of a single form.
17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;
18. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities; and
19. Do not submit more than five Application Forms per ASBA Account.
20. If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID;
21. Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI;
22. Do not submit a bid using UPI ID, if you are not a Retail Individual Investor and if the Application is for an amount more than ₹ 5,00,000;

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

#### SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
ASBA Applications	<p>(i) If using physical Application Form, (a) to the Members of the Consortium or Trading Members of the Stock Exchanges only at the Specified Cities (“Syndicate ASBA”), or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or</p> <p>(ii) If using electronic Application Form, to the SCSBs, electronically through internet banking facility, if available. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.</p>

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Members of the Consortium/ Trading Members of Stock Exchanges will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants a TRS which will serve as a duplicate Application Form for the records of the Applicant.

#### OTHER INSTRUCTIONS

##### Depository Arrangements

The Issuer has made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

1. Tripartite Agreements dated December 8, 2020 between us, the Registrar to the Issue and CDSL for offering depository option to the Applicants.
2. Tripartite Agreements dated December 17, 2020 between us, the Registrar to the Issue and NSDL for offering depository option to the Applicants.
3. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
4. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
5. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
6. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to the Issue.
7. It may be noted that NCDs in electronic form can be traded only on Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange have connectivity with NSDL and CDSL.
8. Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

9. The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, please see the section titled “*Issue Procedure*” on page 344.

### **Communications**

All future communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue related problems and/or Post-Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository’s beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchange in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository’s beneficiary account/ etc.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

### **Interest in case of Delay**

The Issuer undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

### **Undertaking by the Issuer**

- (a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) The details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- (e) Execution of Debenture Trust Deed. Further, as per Regulation 18 of SEBI NCS Regulations, in the event the Issuer fails to execute the Debenture Trust Deed within a timeline specified under Regulation 18 of SEBI NCS Regulations, the Issuer shall pay interest of at least 2% p.a. over and above the agreed coupon rate, to each NCD Holder, till the execution of the Debenture Trust Deed;
- (f) We shall utilize the Issue proceeds only upon creation of security as stated in this Prospectus in the section titled “*Terms of the Issue*” on page 323 and after (a) permissions or consents for creation of pari passu charge have been obtained from the creditors who have pari passu charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue amount; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from the Stock Exchange;



- (g) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property, dealing of equity of listed companies or lending/investment in group companies;
- (h) The allotment letter shall be issued, or application money shall be unblocked within 15 days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;
- (i) Application money shall be unblocked within five Working Days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the Application money shall be refunded to the Applicants in accordance with applicable law, failing which interest shall be due to be paid to the Applicants for the delayed period, if applicable in accordance with applicable law.

Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. This Prospectus has not been recommended or approved by any regulatory authority in India, including any registrar of companies, stock exchange or SEBI nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of investors is invited to the section '*Risk Factors*' on page 19 of this Prospectus.

The Issuer has no side letter with any NCD Holder. Any covenants later added shall be disclosed on the stock exchanges website where the NCDs are listed.

#### *Other Undertakings by the Issuer*

The Issuer undertakes that:

- (a) Complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) will be attended to by the Issuer expeditiously and satisfactorily.
- (b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding.
- (c) The Issuer will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 6 (six) Working Days of the Issue Closing Date.
- (d) Funds required for dispatch of Allotment Advice will be made available by the Issuer to the Registrar to the Issue.
- (e) The Issuer will forward details of utilisation of the proceeds of the Issue, duly certified by the Current Statutory Auditor, to the Debenture Trustee, as per the specified timelines.
- (f) The Issuer will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Prospectus.
- (g) We shall make necessary disclosures/reporting under any other legal or regulatory requirement as may be required by the Issuer from time to time.
- (h) We undertake that the assets on which charge is created, are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor/ debenture trustees.
- (i) The Issuer will disclose the complete name and address of the Debenture Trustee in its annual report and website.
- (j) We shall create a recovery expense fund in the manner as maybe specified by SEBI from time to time and shall inform the Debenture Trustee about the same.
- (k) The allotment of NCDs will be done on a first come, first serve basis. However, on the date of oversubscription and thereafter, the allotments shall be made to the applicants on proportionate basis. On the

successful allotment of the NCDs, the Issue proceeds will be released to the Issuer to use in pursuance of the objects specified in this Prospectus.

### **Rejection of Applications**

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any committee of the Issuer reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

*Application may be rejected on one or more technical grounds, including but not restricted to:*

- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;
- Applications not being signed by the sole/joint Applicant(s);
- Applications not made through the ASBA facility;
- Number of NCDs applied for or Applications for an amount being less than the minimum Application size;
- Applications submitted without blocking of the entire Application Amount. However, the Issuer may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- Investor Category in the Application Form not being ticked;
- Application Amount blocked being higher or lower than the value of NCDs Applied for. However, the Issuer may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum application size;
- ASBA Bank account details to block Application Amount not provided in the Application Form;
- Applications where a registered address in India is not provided for the Applicant;
- In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partners(s);
- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian when PAN of the Applicant is not mentioned;
- DP ID and Client ID not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications by OCBs;
- Applications for an amount below the minimum application size;
- Submission of more than five ASBA Forms per ASBA Account;
- Applications by persons who are not eligible to acquire NCDs of the Issuer in terms of applicable laws, rules, regulations, guidelines and approvals;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;
- Applications accompanied by Stock invest/ cheque/ money order/ postal order/ cash;
- Signature of sole Applicant missing or, in case of joint Applicants, the Application Forms not being signed by

the first Applicant (as per the order appearing in the records of the Depository);

- Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.
- Application Forms not being signed by the ASBA Account holder if the account holder is different from the Applicant.
- If the signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB Bank's records where the ASBA Account mentioned in the Application Form is maintained;
- Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;
- ASBA Applications not having details of the ASBA Account to be blocked;
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- If an authorization to the SCSB or Sponsor Bank for blocking funds in the ASBA Account or acceptance of UPI Mandate Request raised has not been provided;
- The UPI Mandate Request is not approved by the Retail Individual Investor;
- SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- Authorization to the SCSB for blocking funds in the ASBA Account not provided or acceptance of UPI Mandate Request raised has not been provided;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by any person outside India;
- Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
- Applications not uploaded on the online platform of the Stock Exchange;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Prospectus;
- Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;
- Applications providing an inoperative demat account number;

- ASBA Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Banker to the Issue (assuming that such bank is not a SCSB), to the Issuer or the Registrar to the Issue;
- Category not ticked;
- Forms not uploaded on the electronic software of the Stock Exchange;
- In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Prospectus, the Draft Prospectus and as per the instructions in the Application Form;
- UPI Mandate Request is not approved by Retail Individual Investors.

**Kindly note that ASBA Applications submitted to the Lead Managers, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit ASBA Applications (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).**

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please see below “*Issue Procedure-Information for Applicants*”.

### **Information for Applicants**

In case of ASBA Applications submitted to the SCSBs, in terms of the SEBI RTA Master Circular the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Issuer, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of Applicants submitted to the Lead Managers, Consortium Members and Trading Members of the Stock Exchange at the Specified Cities, the basis of allotment will be based on the Registrar’s validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Issuer, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

Based on the information provided by the Depositories, the Issuer shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

### **Mode of making refunds**

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within five Working Days of the Issue Closing Date.

The Issuer and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by registered post/speed post at the Applicant's sole risk, within 6 (six) Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further,

- (a) Allotment of NCDs in this Issue shall be made within the time period stipulated by SEBI;
- (b) Credit to dematerialised accounts will be given within one Working Day from the Date of Allotment;
- (c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund effected within five Working days from the Issue Closing Date, for the delay beyond five Working days; and
- (d) The Issuer will provide adequate funds to the Registrar to the Issue for this purpose.

### **Green Shoe Option/ Retention of oversubscription**

The Issuer shall have an option to retain over-subscription/ green shoe option of up to ₹ 1,500 million.

### **Basis of Allotment**

For the purposes of the basis of Allotment:

- A. Applications received from Category I Applicants: Applications received from Applicants belonging to Category I shall be grouped together, ("**Institutional Portion**");
- B. Applications received from Category II Applicants: Applications received from Applicants belonging to Category II, shall be grouped together, ("**Non-Institutional Portion**").
- C. Applications received from Category III Applicants: Applications received from Applicants belonging to Category III shall be grouped together, ("**High Net-worth Individual Category Portion**").
- D. Applications received from Category IV Applicants: Applications received from Applicants belonging to Category IV shall be grouped together, ("**Retail Individual Category Portion**").

For removal of doubt, the terms "Institutional Portion", "Non-Institutional Portion", "High Net-worth Individual Category Portion" and "Retail Individual Category Portion" are individually referred to as "Portion" and collectively referred to as "Portions".

### **Allocation Ratio**

<b>Particulars</b>	<b>Institutional Portion</b>	<b>Non-Institutional Portion</b>	<b>High Net Worth Individual Investors Portion</b>	<b>Retail Individual Investors Portion</b>
% of Issue Size	10%	10%	40%	40%
Base Issue Size (₹ in million)	150	150	600	600
Total Issue Size (₹ in million)	300	300	1200	1200

- (a) *Allotments in the first instance:*

- i. Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to 10% of this Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;

- ii. Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs up to 10% of this Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;
- iii. Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated NCDs up to 40% of this Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange; and
- iv. Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to 40% of this Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange.

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the Electronic Book with the Stock Exchange, in each Portion subject to the Allocation Ratio indicated at the section titled “*Issue Procedure – Basis of Allotment*” at this page 379 of this Prospectus.

As per the SEBI NCS Master Circular, the allotment in this Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, on the date of oversubscription and thereafter, the allotments should be made to the applicants on proportionate basis.

- (b) *Under Subscription:* If there is any under subscription in any Category, priority in Allotments will be given to the Retail Individual Investors Portion, High Net Worth Individual Investors Portion, and balance, if any, shall be first made to applicants of the Non-Institutional Portion, followed by the Institutional Portion on a first come first serve basis, on proportionate basis. If there is under subscription in the overall this Issue Limit due to undersubscription in each Portion, all valid Applications received till the end of last day of the Issue Closure day shall be grouped together in each Portion and full and firm Allotments will be made to all valid Applications in each Portion.
- (c) For each Category, all Applications uploaded on the same day onto the electronic platform of the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where NCDs uploaded into the platform of the Stock Exchanges on a particular date exceeds NCDs to be Allotted for each portion respectively.
- (d) Minimum Allotments of 1 (one) NCD and in multiples of 1 (one) NCD thereafter would be made in case of each valid Application to all Applicants.
- (e) *Allotments in case of oversubscription:* In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first serve basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the Applicants on the date of oversubscription and thereafter (based on the date of upload of each Application on the electronic platform of the Stock Exchange, in each Portion).

For the purpose of clarity, in case of oversubscription please see the below indicative scenarios:

In case of an oversubscription in all Portions resulting in an oversubscription in the Issue Limit, Allotments to the maximum permissible limit, as possible, will be made on a first-come first serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription to respective Portion and proportionate allotment

of NCDs to the Applicants on the date of oversubscription and thereafter in respective Portion (based on the date of upload of each Application on the electronic platform of the Stock Exchanges in each Portion).

In case there is oversubscription in this Issue Limit, however there is under subscription in one or more Portion(s) Allotments will be made in the following order:

- i. All valid Applications in the undersubscribed Portion(s) uploaded on the electronic platform of the Stock Exchanges till the end of the last day of the Issue Period, shall receive full and firm allotment
- ii. In case of Portion(s) that are oversubscribed, allotment shall be made to valid Applications received on a first come first serve basis, based on the date of upload of each Application in to the electronic platform of the Stock Exchanges. Priority for allocation of the remaining undersubscribed Portion(s) shall be given to day wise Applications received in the Retail Individual Investors Portion followed by High Net Worth Individual Investors Portion, next Non-Institutional Portion and lastly Institutional Portion each according to the day of upload of Applications to the Electronic Book with Stock Exchange during this Issue period.

(f) Proportionate Allotments: For each Portion, on the date of oversubscription and thereafter:

- i. Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.
- ii. If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than this Issue Limit, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.
- iii. In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

(g) Applicant applying for more than one Series of NCDs: If an Applicant has applied for more than one Series of NCDs and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with the Lead Managers and the Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the 12 series and in case such Applicant cannot be allotted all the 12 series, then the Applicant would be allotted NCDs, at the discretion of the Company, the Registrar and the Lead Manager wherein the NCDs with the least tenor i.e. allotment of NCDs with tenor of 24 months followed by allotment of NCDs with tenor of 36 months and so on.

(h) Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications: The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Issue Closing Date.

All decisions pertaining to the basis of allotment of NCDs pursuant to this Issue shall be taken by our Company in consultation with the Lead Managers and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Managers.

Our Company would allot Series IV NCDs to all valid applications, wherein the applicants have not indicated their choice of the relevant series of the NCDs.

Applications where the Application Amount received is greater than the minimum Application Amount, and the Application Amount paid does not tally with the number of NCDs applied for may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest ₹ 1,000.

#### **Payment of Refunds:**

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within the applicable regulatory timelines.

#### **Issuance of Allotment Advice**

The Issuer shall ensure dispatch of Allotment Advice as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 5 (five) Working Days of the Issue Closing Date

The Issuer shall use best efforts to ensure that all steps for completion of the necessary formalities and approvals for the commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 5 (five) Working Days from the Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be unblocked in the ASBA Accounts of the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period.

The Issuer will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

#### **Investor Withdrawals and Pre-closure**

*Investor Withdrawal:* Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date.

*Withdrawal of Applications after the Issue Period:* In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar prior to the finalization of the Basis of Allotment but not later than 2 (two) Working days from the Issue Closing Date or early closure date, as applicable.

*Pre-closure/ Early Closure:* The Issuer, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue before the Issue Closing Date. The Issuer shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

*In the event of such early closure of this Issue, the Issuer shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date of the Issue, as applicable, through advertisement(s) in all those newspapers in which pre-Issue advertisement of this Issue have been given.*

*Further, the Issue may also be withdrawn by the Issuer in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Issue Closing Date.*

*Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount has not been subscribed or received, as applicable, within the specified period, the application money received is to be unblocked/credited only to the bank account in/from which the subscription was blocked/remitted. To the extent possible, where the required information for making such refunds is available with the Issuer and/or Registrar, refunds will be made to the*



*account prescribed. However, where the Issuer and/or Registrar does not have the necessary information for making such refunds, the Issuer and/or the Registrar will follow the guidelines prescribed by SEBI in this regard.*

If the Issuer does not receive the minimum subscription of 75% of Base Issue Size prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 (eight) working days from the Issue Closing Date, provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 5 (five) working days from the Issue Closing Date, failing which the Issuer will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

### **Revision of Applications**

As per the notice no: 20120831-22 dated August 31, 2012 issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day after the Issue Closing Date (till 1:00 PM) to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

## **SECTION VIII - SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION**

The following regulations comprised in these Articles of Association were adopted by the members at the 28th Annual General Meeting of the Issuer held on September 26, 2023, in substitution for, and to the entire exclusion of the earlier regulations comprised in the extant Articles of Association of the Issuer.

### **APPLICABILITY OF TABLE ‘F’**

1. The Regulations for the management of the Company shall be those as contained in these Articles and the matters in respect of which no Regulations is specified herein, Regulations as contained in Table F in Schedule I to the Companies Act, 2013 shall be applicable.

### **INTERPRETATION**

2. Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force:-
  - (a) “The Act” means the Companies Act, 2013, or any statutory modification or re-enactment thereof from time to time and shall include the Rules and Regulations framed thereunder.
  - (b) “The Company” means EDELWEISS FINANCIAL SERVICES LIMITED, incorporated under the Companies Act, 1956.
  - (c) “The Directors” means the Director for the time being of the Company.
  - (d) “The Board of Directors” or “The Board” means the Board of Directors for the time being of the Company.
  - (e) “The Managing Director/Whole-time Director/Executive Director” means the Managing Director/Whole-time Director/Executive Director for the time being of the Company.
  - (f) “The Office” means the Registered Office for the time being of the Company.
  - (g) “Seal” means the Common Seal of the Company includes Attorneys duly constituted under a power of Attorney.

“In writing” and “Written” include printing, lithography and other modes of representing or reproducing words in a visible form.

Words importing the singular number only include the plural number and vice versa. Words importing persons include corporations.

### **Share Capital and variation of rights**

3. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at par or at a premium and at such time as they may from time to time think fit.
4. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind, whatsoever, sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued either as fully paid-up or partly paid-up otherwise than for cash.
5. The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:
  - (a) Equity Share Capital:

- (i) With voting right; and/or
    - (ii) With differential rights as to dividend, voting or otherwise in accordance with the Act; and
  - (b) Preference Share Capital.
6. A Person subscribing to the securities of the Company shall have the option either to receive certificates for such securities or hold such securities in a dematerialised state with a depository. Where a person opts to hold any securities with the depository, the Company shall intimate such depository the details of the securities to enable the depository to enter in its records the name of such person as the beneficial owner of such securities.
  7.
    - (1) The Company may exercise the powers of paying commission conferred by the Act to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act.
    - (2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act.
  8.
    - (1) If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class as prescribed by the Act.
    - (2) The provisions of this Article shall *mutatis mutandis* apply to other securities including debentures of the Company.
    - (3) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.
  9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
  10. Subject to the provisions of the Act, the Board shall have the power to issue preference shares of one or more classes which are liable to be redeemed, or converted in to equity shares or other securities, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.
  11. A further issue of securities may be made in any manner and on such terms, whatsoever, as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act.

## **Lien**

12.
  - (1) The Company shall have a first and paramount lien—
    - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
    - (b) on all shares (not being fully paid shares) standing registered in the name of a person, for all monies presently payable by him or his estate to the Company: Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

13. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency or otherwise.

14.

- (1) To give effect to any such sale, the Board may authorise a person to transfer the shares sold to the purchaser thereof.
- (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
- (4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

15.

- (1) The proceeds of the sale shall be received by the Company and applied in the payment of such part of the amount in respect of which the lien exists as is presently payable.
- (2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

16. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

17. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

### **Alteration of Capital**

18. Subject to the provisions of the Act, the Company may, by an ordinary resolution:-

- (a) increase the share capital by such sum, to be divided into shares of such amount, as it may think expedient;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum;

- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
19. The Company may, by a resolution, or as may be prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act:-
- (a) its share capital; and/or
  - (b) any capital redemption reserve account; and/or
  - (c) any security premium account; and/or
  - (d) any other reserve in the nature of share capital.

### **Capitalisation of profits**

20.

- (1) The Company by an ordinary resolution may, upon the recommendation of the Board, resolve—
  - (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's Reserve Account(s), or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause hereunder, either in or towards—
  - (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
- (3) The Securities Premium Account and/or the Capital Redemption Reserve Account may, for the purposes of this Article, be applied in the paying up of un- issued shares to be issued to the members of the Company as fully paid bonus shares;
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

21.

- (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
  - (a) make all appropriations and applications of the amount resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (2) The Board shall have power—
  - (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their

respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

- (3) Any agreement made under such authority shall be effective and binding on such members.

#### **Buy-back of Securities**

22. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities as per the Act.

#### **General Meetings**

23. All general meetings other than Annual General Meeting shall be called Extraordinary General Meeting.
24. The Board may, whenever it thinks fit, call an Extraordinary General Meeting.
25. If at any time the Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### **Proceedings at General Meetings**

- 26.
- (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (2) The quorum for the general meetings shall be as provided in the Act.
27. No business shall be discussed or transacted at any general meeting except the election of the Chairperson, whilst the chair is vacant.
28. The Chairperson, if any, of the Board shall preside as a Chairperson at every general meeting of the Company.
29. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairperson of the meeting, the Directors present shall elect one of their members to be Chairperson of the meeting.
30. If at any meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
31. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.

#### **Adjournment of General Meeting**

- 32.
- (1) The Chairperson may, suo moto, or with the consent of the meeting at which the quorum is present and, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (4) Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## **Voting Rights**

33. Subject to any rights or restrictions for the time being attached to any class or classes of shares—
- (a) on a show of hands, every member present in person shall have one vote; and
  - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
34. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
- 35.
- (1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
  - (2) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.
36. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his Committee or other legal guardian, and any such Committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share(s) shall be by his guardian or any one of his guardians.
37. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
38. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised the right of lien.
39. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

## **Proxy**

- 40.
- (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, subject to the provisions of the Act.
  - (2) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the Office or such other place as may be fixed in that behalf, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
41. An instrument appointing a proxy shall be in the form as prescribed in the Act.
42. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

## **Board of Directors**

43. Unless otherwise determined by the Company in General Meeting, the number of the Directors shall not be less than 3 (three) and shall not be more than 15 (Fifteen).
44. The same individual may, at the same time, be appointed as the Chairperson of the Board as well as the Managing Director/Executive Director/Chief Executive Officer of the Company.
- 45.
- (1) The remuneration payable to the Directors, including any Managing Director, Whole-Time Director, Executive Director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act.
- (2) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them—
- (a) in attending and returning from meetings of the Board of Directors or any Committee thereof or general meetings of the Company; and
- (b) in connection with the business of the Company.
46. The Company may exercise the powers conferred on it under the provisions of the Act with regard to the keeping of a foreign Register; and the Board may make and vary such Regulations as it may think fit in keeping of any such Register.
47. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
- 48.
- (1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
- (2) Subject to the provisions of the Act, such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting.
- 49.
- (1) Subject to the provisions of the Act, the Board may appoint an alternate Director to act for a Director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India.
- (2) The Board may appoint any person as a director nominated by the Government/any institution/financial institution/Banks and others in pursuance of the provisions of any law for the time being in force or of any agreement.
- (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.
- 50.
- (1) If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.



- (2) The Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held the office if it had not been vacated.

### **Proceedings of the Board**

51.

- (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (2) The Chairperson or any Director with the prior consent of the Chairperson may, and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.
- (3) The quorum for a Board meeting shall be as provided in the Act.
- (4) The Directors may participate in a meeting of the Board and Committee may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed under the Act.

52.

- (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

53.

- (1) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their member to be Chairperson of the meeting.

54.

- (1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committee(s) consisting of such member(s) of its body as it thinks fit.
- (2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any Regulations that may be imposed on it by the Board.

55.

- (1) A Committee may elect a Chairperson of its meetings unless the Board while constituting a Committee has appointed a Chairperson of such Committee.
- (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

56.

- (1) A Committee may meet and adjourn as it thinks fit.
- (2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

57. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

## **Duties of Directors**

58. The Director shall –

- (i) act in accordance with the provisions of the Act, Applicable law and these Articles of Association of the Company.
- (ii) act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- (iii) exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (iv) not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- (v) not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such Director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
- (vi) not assign his office and any assignment so made shall be void.

## **Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

59. Subject to the provisions of the Act—

- (1) A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board.
  - (2) A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.
60. The provisions of the Act or these Regulations requiring or authorising a thing to be done by or to a Director and Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

## **The Seal**

61. The Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by or under the authority of the Board or a Committee thereof and every deed or other instrument to which the Seal of the Company is required to be affixed shall, be affixed in the presence of a Director/Manager/Chief Executive Officer/Chief Financial Officer/Secretary or such other person as the Board or the Committee may appoint for the purpose, who shall sign every instrument to which the Seal is so affixed in his presence.

The Company shall also be at liberty to have an official seal in accordance with the provisions of the Act or any amendment thereof for use in any territory, district or place outside India and shall be used by or under the authority of the Directors or a Committee of the Directors and granted, in favour of any person appointed for the purpose in that territory, district or place outside India.

## **Dividends and Reserves**

62. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in the General Meeting may declare a lesser dividend.

63. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such interval as it may think fit.
- 64.
- (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
  - (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 65.
- (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
  - (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
  - (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
66. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- 67.
- (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post/courier/other mode specified in the Act, directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct.
  - (2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
68. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
69. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
70. No dividend shall bear interest against the Company.

## **Registers**

71. The Company shall keep and maintain the statutory registers for such duration as the Board may, unless otherwise prescribed decide, and in such manner and containing such particulars as may be prescribed in the Act.

The Registers and the other documents which are required to be kept open for inspection by the equity shareholders, shall be open for inspection during 11.00 a.m. and 1.00 p.m. (or such other time as the Board including Committee thereof may decide from time to time) on all working days, at the Office or such other

place as may be fixed in this behalf, by the persons entitled thereto on payment, where required of such fees as may be fixed by the Board.

### **Winding up**

72. Subject to the applicable provisions of the Act—

- (1) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **Indemnity**

73. Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the Court or the Tribunal.

## **SECTION IX – MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office/Corporate Office of our Company situated at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098, Maharashtra, India between 10.00 am to 5.00 pm on any Working Days from the date of the filing of this Prospectus with the ROC, until Issue Closing Date.

### **MATERIAL CONTRACTS**

1. Issue Agreement dated June 13, 2025, between the Issuer and the Lead Managers.
2. Registrar Agreement dated June 13, 2025, between the Issuer and the Registrar to the Issue.
3. Debenture Trustee Agreement dated June 13, 2025, executed between the Issuer and the Debenture Trustee.
4. Agreed form of Debenture Trust Deed to be executed between the Issuer and the Debenture Trustee.
5. Tripartite agreement dated December 8, 2020 among the Issuer, the Registrar to the Issuer and CDSL.
6. Tripartite agreement dated December 17, 2020 among the Issuer, the Registrar to the Issuer and NSDL.
7. Public Issue Account and Sponsor Bank Agreement dated June 26, 2025 between the Issuer, the Lead Managers, Registrar to the Issue and Public Issue Account and Sponsor Bank.
8. Consortium Agreement dated June 26, 2025 among the Issuer, Lead Managers and Consortium Members.

### **MATERIAL DOCUMENTS**

1. Memorandum and Articles of Association of the Issuer, as amended to date.
2. Certificate of Incorporation of the Issuer dated November 21, 1995 issued by the RoC.
3. Certificate of commencement of business dated January 16, 1996 issued by the RoC.
4. Fresh certificate of incorporation dated August 1, 2011 issued by the RoC.
5. Copy of shareholders' resolution passed by way of postal ballot on September 10, 2014 under Section 180(1)(c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of the Issuer.
6. Copy of the resolution passed by the Board of Directors dated February 07, 2025, approving the Issue.
7. Copy of the resolution passed by the Debenture Fund Raising Committee at its meeting held on June 13, 2025, approving the Draft Prospectus.
8. Copy of the resolution passed by the Debenture Fund Raising Committee at its meeting held on June 26, 2025, approving this Prospectus.
9. Letter dated May 26, 2025, by Crisil Ratings Limited assigning a rating of "Crisil A+/Stable (pronounced as Crisil A plus rating with Stable outlook)" for the Issue with rating rationale dated May

23, 2025.

10. Consents of the Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Lead Managers, Legal Advisor to the Issue, consent letter from Crisil, Registrar to the Issue, Banker to the Issuer, Public Issue Account Bank, Consortium Members and the Debenture Trustee for the NCDs, to include their names in this Prospectus, in their respective capacities and the NOCs received from lenders to the Issuer in relation to the Issue.
11. Consent of CARE Analytics & Advisory Private Limited dated June 12, 2025, as the agency issuing the industry report titled “Research Report on Financial Services Industry” dated June 12, 2025 and the CAAPL Research Report titled “Research Report on Financial Services Industry” dated June 12, 2025.
12. The Issuer has received the written consent dated June 26, 2025, from Nangia & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of the (a) 2025 Audited Standalone Financial Statement for the financial year ended March 31, 2025 and the 2025 Audited Consolidated Financial Statement for the financial year ended March 31, 2025; (b) 2024 Audited Standalone Financial Statement for the financial year ended March 31, 2024 and the 2024 Audited Consolidated Financial Statement for the financial year ended March 31, 2024 and (c) the statement of possible tax benefits dated June 26, 2025, which appear in this Prospectus, and such consent has not been withdrawn as on the date of this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1993.
13. The report on statement of possible tax benefits dated June 26, 2025.
14. Annual reports of the Issuer for the financial years ended March 31, 2024 and March 31, 2023 along with the audited financial statements for the financial year ended March 31, 2025.
15. In-principle listing approval from BSE by its letter no. DCS/BM/PI-BOND/04/25-26 dated June 19, 2025.
16. Due Diligence Certificate dated June 26, 2025 filed by Trust Investment Advisors Private Limited and Tipsons Consultancy Services Private Limited (lead manager to the Issue) with SEBI.
17. Due Diligence Certificate dated June 13, 2025 filed by the Debenture Trustee to the Issue.

## DECLARATION

We, the Directors of the Company, hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, and SEBI Master Circular no. SEBI/HO/DDHS/POD1/P/CIR/2024/54 dated May 22, 2024, as amended from time to time have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be.

We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992, or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government. We further certify that all the disclosures and statements made in this Prospectus are true, accurate, and correct in all material respects, are in conformity with the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, and SEBI Master Circular no. SEBI/HO/DDHS/POD1/P/CIR/2024/54 dated May 22, 2024, and all relevant regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements. No information material to the subject matter of this Issue has been suppressed or concealed and whatever is stated in this Prospectus thereto is true, correct and complete and is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association. Furthermore, all the monies received under the Issue shall be used only for the purposes and objects indicated in this Prospectus.

The contents of this Prospectus have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein shall also lie with the Board of Directors.

Signed by the Directors of the Company

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

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Venkatchalam A Ramaswamy  
*Vice Chairman & Non-Executive Director*  
DIN: 00008509

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Vidya Rashesh Shah  
*Non-Executive, Non-Independent Director*  
DIN:00274831

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Ashok Kasaragod Kini  
*Independent Director*  
DIN: 00812946

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Ashima Goyal  
*Independent Director*  
DIN: 00233635

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Shiva Kumar  
*Independent Director*  
DIN: 06590343

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C. Balagopal  
*Independent Director*  
DIN: 00430938

**Date:** June 26, 2025  
**Place:** Mumbai

## **ANNEXURE A: CRISIL RATING AND RATING RATIONALE**



RL/EDELCAPLT/367412/NCD/0525/118495/156217434  
 May 26, 2025



**Ms. Ananya Suneja**  
 Chief Financial Officer  
**Edelweiss Financial Services Limited**  
 Edelweiss House, 11th Floor,  
 Off C.S.T. Road, Kalina  
 Mumbai City - 400098  
 9833415417

Dear Ms. Ananya Suneja,

**Re: Review of Crisil Rating on the Rs.1000 Crore Non Convertible Debentures<sup>&</sup> of Edelweiss Financial Services Limited**

All ratings assigned by Crisil Ratings are kept under continuous surveillance and review.

Crisil Ratings has, after due consideration, reaffirmed its Crisil A+/Stable (pronounced as Crisil A plus rating with Stable outlook) rating on the captioned debt instrument. Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from Crisil Ratings will be necessary.

As per our Rating Agreement, Crisil Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. Crisil Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which Crisil Ratings believes may have an impact on the rating. Please visit [www.crisilratings.com](http://www.crisilratings.com) and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crisil.com](mailto:debtissue@crisil.com). This will enable Crisil Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at [debtissue@crisil.com](mailto:debtissue@crisil.com) for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Aesha Maru  
 Associate Director - Crisil Ratings

Nivedita Shibu  
 Director - Crisil Ratings



*& public issue*

**Disclaimer:** A rating by Crisil Ratings reflects Crisil Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by Crisil Ratings. Our ratings are based on information provided by the issuer or obtained by Crisil Ratings from sources it considers reliable. Crisil Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by Crisil Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. Crisil Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. Crisil Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. Crisil Ratings' criteria are available without charge to the public on the web site, [www.crisilratings.com](http://www.crisilratings.com). Crisil Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by Crisil Ratings, please visit [www.crisilratings.com](http://www.crisilratings.com) or contact Customer Service Helpdesk at [Crisilratingdesk@crisil.com](mailto:Crisilratingdesk@crisil.com) or at 1800-267-3850

## Rating Rationale

May 23, 2025 | Mumbai

### Edelweiss Financial Services Limited

Ratings reaffirmed at 'Crisil A+/Crisil PPMLD A+/Stable/Crisil A1+'

#### Rating Action

Rs.1000 Crore Non Convertible Debentures <sup>&amp;</sup>	Crisil A+/Stable (Reaffirmed)
Rs.500 Crore Non Convertible Debenture	Crisil A+/Stable (Reaffirmed)
Rs.300 Crore Long Term Principal Protected Market Linked Debentures	Crisil PPMLD A+/Stable (Reaffirmed)
Rs.881.36 Crore Retail Bond <sup>&amp;</sup>	Crisil A+/Stable (Reaffirmed)
Rs 500 Crore Commercial Paper	Crisil A1+ (Reaffirmed)
Non Convertible Debentures Aggregating Rs.2363.59 Crore <sup>&amp;</sup>	Crisil A+/Stable (Reaffirmed)

<sup>&</sup> public issue

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

Crisil Ratings has reaffirmed its 'Crisil A+/Crisil PPMLD A+/Stable/Crisil A1+' ratings on the debt instruments of Edelweiss Financial Services Ltd (EFSL; part of the Edelweiss group)

Crisil Ratings has **withdrawn** its rating on non-convertible debentures (NCDs) of Rs 51 crore in line with its withdrawal policy (See 'Annexure - Details of rating withdrawn'). Crisil Ratings has received independent confirmation that these instruments are fully redeemed.

During the fourth quarter of fiscal 2025, in consultation with the Reserve Bank of India (RBI) ECL Finance (ECLF) has undertaken a markdown on their wholesale book, which largely comprises of security receipts (SRs), of Rs 1,137 crore. The company re-valued SRs, based on Income Recognition and Asset Classification (IRAC) loan norms and reassessed expected credit loss (ECL), resulting in a provision incurred through other comprehensive income in the financial statement. Resultantly, carrying value of SRs on ECL finance's balance sheet have now reduced to ~Rs 2260 crore as on March 31, 2025 from ~Rs 3400 crore as on December 31, 2024. The resultant impact on ECLF's networth was ~Rs 1000cr.

The company had sufficient headroom to absorb the impact on capital due to a high cushion in the capital adequacy ratio (CAR) over and above the regulatory threshold. ECLF's CAR and CET 1 ratio had increased to 52.3% and 44.7% respectively as on December 31, 2024, compared to 40.7% and 20.3% as on March 31, 2024 helped by conversion of Rs 1040 crore compulsorily convertible debentures (CCD) into equity during the fiscal. Thus, the CAR and CET 1 ratio remains comfortable at 32.6% and 23.3% respectively, as on March 31, 2025 post the provisioning impact.

On a standalone basis, ECLF's networth reduced from Rs 3,029 crore as on March 31, 2024 to Rs 1,602 crore as on March 31, 2025. While this resulted in increased gearing from 2.2 times (excluding collateralised borrowing and lending obligation [CBLO], gearing was 1.6 times) as on March 31, 2024 to 3.8 times (excluding CBLO, 2.3 times) as on March 31, 2025, it still remains lower than historical gearing levels of 4.4 times and 5.3 times as on March 31, 2021 and March 31, 2020 respectively.

On a consolidated basis, the group's networth reduced to Rs 5,918 crore as on March 31, 2025 from Rs 6,309 crore as on March 31, 2024. Gearing remains comfortable at 3.02 times (excluding CBLO, 2.6 times) as on March 31, 2025, compared to 3.2 times (excluding CBLO, 2.9 times) as on March 31, 2024, due to debt reduction from Rs 19,988 crore as on March 31, 2024 to Rs 17,875 crore as on March 31, 2025.

Going forward, any further provisioning undertaken in this respect will remain a monitorable.

The ratings continue to be supported by the Edelweiss group's adequate capitalisation and diversified business risk profile with good market position in the asset reconstruction and asset management businesses. Growth in retail lending (including MSME [micro, small and medium enterprises] and housing) has, however, been relatively slow. The ratings are constrained by lower-than-expected revival in core profitability and continued high unprovided monitorable portfolio.

#### Analytical Approach

Crisil Ratings has combined the business and financial risk profiles of Edelweiss Financial Services Limited and its subsidiaries (including . This is because these entities, collectively referred to as the Edelweiss group, have significant operational, financial and managerial linkages.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

#### Key Rating Drivers & Detailed Description

##### Strengths:

**Adequate capitalisation, supported by multiple capital raises:** The Edelweiss group has demonstrated its ability to raise capital from global investors across businesses, despite the tough macroeconomic environment. The group has raised ~Rs 6,000 crore since 2016 across lending, wealth management and asset management businesses. This has helped the group to maintain its capital position despite elevated credit costs, and absorb asset-side risks. The networth stood at Rs 5,918 crore as on March 31, 2025, against Rs 6,309 crore as on March 31, 2024 (Rs 8,581 crore as on March 31, 2023). The networth reduced from March 2024 levels due to strategic mark down done in the SR book. Earlier the networth had come down as ~30% of Nuvama's networth was distributed to the shareholders of EFSL as part of the demerger.

Gearing stood at 3.02 times (excluding CBLO, 2.6 times) as on March 31, 2025, compared with 3.2 times (excluding CBLO, 2.9 times) as on March 31, 2024 (2.4 times as on March 31, 2023, and 2.5 times as on March 31, 2022). With increased focus on fee-based businesses, and strategy to grow in the credit business through an asset-light model, the incremental debt requirement will be low. Besides the stake sale done in Nuvama, the group plans to divest stake in alternative assets (for which the DRHP will be refilled with SEBI), mutual funds, housing, and general insurance businesses, which will further aid in unlocking capital and debt reduction.

**Demonstrated ability to build significant competitive position across businesses:** The Edelweiss group is a diversified financial services player with presence in four verticals: credit (wholesale and retail), insurance (life and general), asset management, and asset reconstruction. The group has attained leading positions in the alternative assets and asset reconstruction businesses and is focusing on building market position in other businesses, which should lend greater stability to earnings over time.

The asset management business comprises mutual fund and alternative asset businesses. The group is a leading player in the alternative asset segment and its mutual fund assets under management (AUM) have grown steadily. The asset management AUM grew to Rs 2,01,440 crore as on March 31, 2025, from Rs 1,81,700 crore as on March 31, 2024.

In the distressed assets segment, EARC was the largest asset reconstruction company (ARC) in India, with total securities receipts managed at Rs 27,850 crore as on December 31, 2024, compared with Rs 31,590 crore as on March 31, 2024 (Rs 37,100 crore as on March 31, 2023, and Rs 40,200 crore as on March 31, 2022).

As on March 31, 2025, EARC's AUM reduced to ~Rs 14,817 crore from Rs 27,850 crore as on December 31, 2024 (Rs 31,590 crore as on March 31, 2024) as the company has written off its 5:95 portfolio, which had completed more than 8 years.

From being largely corporate focused, the ARC has, in the recent past, started focusing on the retail and MSME segments. The share of retail and MSME is expected to grow over the medium term.

In the lending business, while the wholesale book is under run down, the group's focus is on growth in retail through the asset-light model. The key product offerings in the retail credit book would be mortgage and MSME loans. The group has entered into agreements for retail product offerings with various co-lending partners, which are large domestic and foreign banks, for both the priority and non-priority sector portfolios. Although the retail AUM picked up pace in fiscal 2024, the growth has been relatively slow due to delay in operationalising the onboarding and underwriting process with the co-lending partners. Subsequently, the overhang of the regulatory embargo impacted growth across the lending business. After growing to Rs 5,368 crore as on March 31, 2024, from Rs 4,879 crore as on March 31, 2023, the retail AUM stood at Rs 5,378 crore as on March 31, 2025.

The group also houses the life and general insurance businesses, which are gaining scale and are expected to break even over the medium term.

However, with the rundown of wholesale credit, divestment of the wealth management business, and planned stake sale in the asset management, housing finance and general insurance businesses, the diversity in the business risk profile is monitorable.

#### **Weaknesses:**

**Subdued profitability for current size and scale considering presence in multiple businesses:** The group's profitability is lower than other large, financial groups. However, most of the businesses have been reporting profit since the last quarter of fiscal 2021.

The group reported a profit after tax (PAT) of Rs 536 crore in fiscal 2025 against a PAT of Rs 528 crore in fiscal 2024. The RoA was 1.3% compared to 1.2%, for these periods.

The group's overall profitability is weighed down by loss in the insurance businesses as well as lower profitability in the lending business. Thus, ex-insurance profit stood at Rs 711 crore for fiscal 2025 against Rs 808 crore for fiscal 2024.

Of the various businesses, the asset reconstruction and asset management businesses, mainly alternative assets, remain the largest contributors to overall profitability (forming 90% of the overall PAT<sup>[1]</sup> for fiscal 2025). Notably, EARC's profitability was supported by healthy redemptions even as there were nil acquisitions during the embargo period. However, the profitability of the credit business was impacted due to stagnation of growth. While the insurance businesses remain loss-making, the losses continue to reduce and the entities are expected to break even over the next 1-2 fiscals. Going ahead, the alternate assets business should continue to support profitability. Any additional provisioning required on the monitorable book based on the pace and extent of recovery from underlying assets will need to be seen. Thus, the group's ability to scale up the retail lending business while managing overall credit costs will be crucial over the medium term and will remain a key monitorable.

**Asset quality monitorable with elevated level of monitorable portfolio:** The group's overall gross loan book (excluding monitorable portfolio, net of gross stage III assets) stood at Rs 5,246 crore as on March 31, 2025, compared with Rs 5,537 crore as on March 31, 2024, and Rs 7,548 crore as on March 31, 2023. Of this, retail on book stood at Rs 4,080 crore (Rs 4,261 crore and Rs 3,795 crore) and the remaining was wholesale book.

The group has been consciously running down the wholesale portfolio through various modes. While recoveries have contributed to this, the reduction has been primarily due to sell-down to ARCs (both internal and external) and alternative investment funds (AIFs).

The Edelweiss group has retained risks and rewards on a large portion of this and hence, Crisil Ratings tracks the monitorable portfolio to assess the asset quality of the group. This includes gross stage III accounts in the lending book (Rs 416 crore), security receipts held by the group (including in EARC) pertaining to sell down (Rs 5,960 crore) and loans sold down to AIFs (Rs 1,348 crore). Overall monitorable portfolio stood at Rs 7,724 crore as on March 31, 2025. While the monitorable portfolio has reduced from Rs 12,097 crore as on March 31, 2022 (Rs 11,383 crore as on March 31, 2021), it remains elevated. Crisil Ratings notes that although majority of this monitorable portfolio is on-book exposure of the Edelweiss group, some part pertains to exposure of external ARC or AIF wherein the group has extended a put option.

The group has made provisions against the monitorable portfolio and, therefore, the net monitorable portfolio stood at Rs 4,395 crore as on March 31, 2025 (Rs 6,018 crore as on March 31, 2024). Based on management estimates, there is a reasonable level of collateral cover on most of this portfolio.

The overall gross stage III assets in the lending business stood at Rs 416 crore (7.9% of loans) as on March 31, 2025, compared with Rs 720 crore (13.0%) as on March 31, 2024, Rs 794 crore (10.5%) as on March 31, 2023, Rs 930 crore (8.9%) as on March 31, 2022, and Rs 1,601 crore (10.9%) as on March 31, 2021. Retail book gross stage III assets were at Rs 105 crore (2.3%) as on March 31, 2025, against Rs 78 crore (1.84%) as on March 31, 2024, and Rs 124 crore (3.3%) and Rs 182 crore (2.7%) as on March 31, 2023, and March 31, 2022, respectively.

However, any challenges affecting the planned recoveries could necessitate higher provisioning and put pressure on profitability and hence, will remain monitorable.

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<sup>[1]</sup>Excluding both insurance entities and corporate book, which are currently making loss

#### **Liquidity: Adequate**

As on April 30, 2025, the group had liquidity of Rs 4,165 crore of which Rs 2,908 crore was in the form of bank balances, fixed deposits and investments in mutual funds, Rs 1,192 crore in the form of exchange margin (unencumbered) and short-term loan book, and Rs 65 crore in the form of available lines. This is expected to be sufficient to meet debt obligations and operating expenses for about six months, even after assuming nil business inflow and no incremental fund raising. Furthermore, the group's liquidity is expected to be supported by contractual receivables from the retail book and recoveries from wholesale exposures.

#### **ESG profile:**

Crisil Ratings believes that the environment, social, and governance (ESG) profile of EFSL supports its credit risk profile.

The ESG profile of financial institutions typically factors in governance as a key differentiator among them. The sector has reasonable social impact because of its substantial employee and customer base, and it can play a key role in promoting financial inclusion. While the sector does not have a direct adverse environmental impact, the lending decisions may have a bearing on the environment and other sustainability related factors.

The group has an evolving focus on strengthening various aspects of its ESG profile.

#### **Key ESG highlights:**

- The group has an ESG council in place since fiscal 2020 to provide effective governance on ESG parameters. The council is led by women and comprises heads of various units including HR, admin, compliance and governance, marketing, and investor relations.
- EFSL's total water consumption reduced by 30% in fiscal 2024 and reduction of 14% in greenhouse emissions via effective carbon management initiatives.



- The company has been doing CSR activities on a continuous basis to reach out to remote parts of rural India to build resilience among communities. In partnership with its philanthropic arm, EdelGive Foundation, it addresses developmental challenges in areas of gender equality, healthcare, education, livelihoods, and climate action.
- About 57% of the board members were independent directors as on June 30, 2024. A dedicated investor grievance redressal mechanism is in place and the disclosures put out by it are extensive.

There is growing importance of ESG among investors and lenders. The group's commitment to ESG will play a key role in enhancing stakeholder confidence, given the presence of foreign investors.

#### **Outlook: Stable**

The 'Stable' outlook factors in the group's strengthened liquidity and flexibility to raise additional capital through asset monetisation avenues, if needed.

#### **Rating sensitivity factors**

##### **Upward factors**

- Substantial improvement in the overall profitability of the group
- Significant scale up in the retail lending business with sustained return on managed assets of around 2.5%
- Sharp organic reduction in the monitorable portfolio

##### **Downward factors**

- Any material deterioration in profitability from the current levels
- Gearing levels increasing to 4.0 times
- Funding access challenges with limited fundraising at optimal costs by the group
- Slower traction in resolution of monitorable portfolio
- Any further regulatory action

#### **About the Company**

EFSL was incorporated in 1995 as Edelweiss Capital Ltd. The company, on standalone basis, is primarily engaged in investment banking services and provides development, managerial and financial support to group entities.

On standalone basis, EFSL's reported networth stood at Rs 5,517 crore as on March 31, 2025 as compared to Rs 5,463 crore as on March 31, 2024. The company reported a loss of Rs 52 crore on total income of Rs 40 crore (net of interest expenses) as on March 31, 2025, against PAT of Rs 695 crore on total income of Rs 701 crore in fiscal 2024.

#### **About the Group**

The Edelweiss group comprised 27 subsidiaries and associates as on March 31, 2025. The number of companies has come down from 74 as on March 31, 2016, because of multiple factors such as sale, windup and merger among others. The group had 293 offices (including 10 international offices in 6 locations) in around 136 cities as on March 31, 2024. Furthermore, as part of streamlining its operating structure, the group has restructured the businesses into four verticals namely credit, insurance, asset management and asset reconstruction.

The group is present across various financial services businesses, including loans to individuals, mortgage finance - loans against property and small-ticket housing loans, MSME finance, alternative and domestic asset management, and life and general insurance. In addition, the Balance sheet Management Unit (BMU) focuses on liquidity and asset-liability management.

On a consolidated basis, the group reported PAT of Rs 536 crore on a total income (net off interest expense) of Rs 6,982 crore for fiscal 2024, as against PAT of Rs 528 crore on a total income of Rs 6,815 crore for fiscal 2024.

#### **Key Financial Indicators : EFSL (consolidated)**

As on/for the period ended		March 2025	March 2024	March 2023
<b>Total assets</b>	<b>Rs crore</b>	<b>41,623</b>	<b>42,920</b>	<b>44,064</b>
<b>Total income net off interest expense</b>	<b>Rs crore</b>	<b>6,982</b>	<b>6,815</b>	<b>6,058</b>
<b>PAT</b>	<b>Rs crore</b>	<b>536</b>	<b>528</b>	<b>406</b>
<b>Gross stage III assets^</b>	<b>Rs crore</b>	<b>416</b>	<b>720</b>	<b>794</b>
<b>Gross stage III assets</b>	<b>%</b>	<b>7.9</b>	<b>13.0</b>	<b>10.5</b>
<b>Net stage III assets</b>	<b>Rs crore</b>	<b>140</b>	<b>125</b>	<b>156</b>
<b>Net stage III assets</b>	<b>%</b>	<b>2.9</b>	<b>2.6</b>	<b>2.1</b>
<b>Gearing</b>	<b>Times</b>	<b>3.0</b>	<b>3.2</b>	<b>2.4</b>
<b>Return on assets</b>	<b>%</b>	<b>1.3</b>	<b>1.2</b>	<b>0.9</b>

<sup>a</sup>refers to gross stage III of the on balance sheet loan book. The reported gross stage III assets as per annual report is 9,604 crore as on March 31, 2024 and Rs 13,155 crore as on March 31, 2023. Net Stage III was Rs 6,228 crore and Rs 8,313 crore respectively. These include stage III assets in EARC on monitorable book sold down by ECL Finance, interest accrued on non-performing assets and stage III assets held by group entities other than NBFCs on trade and general-purpose advances.

**Any other information:** Not Applicable

#### **Note on complexity levels of the rated instrument:**

Crisil Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings' complexity levels please visit [www.crisilratings.com](http://www.crisilratings.com). Users may also call the Customer Service Helpdesk with queries on specific instruments.

#### **Annexure - Details of Instrument(s)**

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Level	Rating with Outlook
INE532F07BM3	Non-Convertible Debentures*	08-Jan-21	9.39	08-Jan-26	55.9	Simple	Crisil A+/Stable
INE532F07BN1	Non-Convertible Debentures*	08-Jan-21	9.80	08-Jan-26	34.21	Simple	Crisil A+/Stable
INE532F07BO9	Non-Convertible Debentures*	08-Jan-21	Zero Coupon	08-Jan-26	10.8	Simple	Crisil A+/Stable
INE532F07BP6	Non-Convertible Debentures*	08-Jan-21	9.53	08-Jan-31	18.07	Simple	Crisil A+/Stable
INE532F07BQ4	Non-Convertible Debentures*	08-Jan-21	9.95	08-Jan-31	7.13	Simple	Crisil A+/Stable
INE532F07BX0	Non-Convertible Debentures*	29-Apr-21	9.16	29-Apr-26	81.92	Simple	Crisil A+/Stable
INE532F07BY8	Non-Convertible Debentures*	29-Apr-21	9.55	29-Apr-26	30.11	Simple	Crisil A+/Stable

INE532F07BZ5	Non-Convertible Debentures*	29-Apr-21	Zero Coupon	29-Apr-26	9.3	Simple	Crisil A+/Stable
INE532F07CA6	Non-Convertible Debentures*	29-Apr-21	9.30	29-Apr-31	19.13	Simple	Crisil A+/Stable
INE532F07CB4	Non-Convertible Debentures*	29-Apr-21	9.70	29-Apr-31	15.72	Simple	Crisil A+/Stable
INE532F07EA2	Non-Convertible Debentures*	21-Jul-23	8.95	21-Jul-25	10.02	Simple	Crisil A+/Stable
INE532F07EB0	Non-Convertible Debentures*	21-Jul-23	Zero Coupon	21-Jul-25	5.71	Simple	Crisil A+/Stable
INE532F07EC8	Non-Convertible Debentures*	21-Jul-23	9.20	21-Jul-26	36.61	Simple	Crisil A+/Stable
INE532F07ED6	Non-Convertible Debentures*	21-Jul-23	9.60	21-Jul-26	29.71	Simple	Crisil A+/Stable
INE532F07EE4	Non-Convertible Debentures*	21-Jul-23	Zero Coupon	21-Jul-26	15.15	Simple	Crisil A+/Stable
INE532F07EG9	Non-Convertible Debentures*	21-Jul-23	9.67	21-Jul-28	78.51	Simple	Crisil A+/Stable
INE532F07EH7	Non-Convertible Debentures*	21-Jul-23	10.10	21-Jul-28	28.06	Simple	Crisil A+/Stable
INE532F07EF1	Non-Convertible Debentures*	21-Jul-23	Zero Coupon	21-Jul-28	8.63	Simple	Crisil A+/Stable
INE532F07EI5	Non-Convertible Debentures*	21-Jul-23	10.00	21-Jul-33	34.43	Simple	Crisil A+/Stable
INE532F07DZ1	Non-Convertible Debentures*	21-Jul-23	10.45	21-Jul-33	11.17	Simple	Crisil A+/Stable
INE532F07DP2	Non-Convertible Debentures*	27-Apr-23	9.20	27-Apr-26	38.1	Simple	Crisil A+/Stable
INE532F07DS6	Non-Convertible Debentures*	27-Apr-23	9.60	27-Apr-26	28.1	Simple	Crisil A+/Stable
INE532F07DU2	Non-Convertible Debentures*	27-Apr-23	Zero Coupon	27-Apr-26	10.7	Simple	Crisil A+/Stable
INE532F07DT4	Non-Convertible Debentures*	27-Apr-23	9.67	27-Apr-28	68.7	Simple	Crisil A+/Stable
INE532F07DV0	Non-Convertible Debentures*	27-Apr-23	10.10	27-Apr-28	29.8	Simple	Crisil A+/Stable
INE532F07DW8	Non-Convertible Debentures*	27-Apr-23	Zero Coupon	27-Apr-28	9.9	Simple	Crisil A+/Stable
INE532F07DX6	Non-Convertible Debentures*	27-Apr-23	10.00	27-Apr-33	34.6	Simple	Crisil A+/Stable
INE532F07DY4	Non-Convertible Debentures*	27-Apr-23	10.45	27-Apr-33	12.2	Simple	Crisil A+/Stable
INE532F07DM9	Non-Convertible Debentures*	20-Jan-23	9.20	20-Jan-26	54.5	Simple	Crisil A+/Stable
INE532F07DN7	Non-Convertible Debentures*	20-Jan-23	9.60	20-Jan-26	49.8	Simple	Crisil A+/Stable
INE532F07DL1	Non-Convertible Debentures*	20-Jan-23	Zero Interest	20-Jan-26	20.2	Simple	Crisil A+/Stable
INE532F07DK3	Non-Convertible Debentures*	20-Jan-23	9.67	20-Jan-28	119.8	Simple	Crisil A+/Stable
INE532F07DJ5	Non-Convertible Debentures*	20-Jan-23	10.10	20-Jan-28	36.7	Simple	Crisil A+/Stable
INE532F07DG1	Non-Convertible Debentures*	20-Jan-23	Zero Interest	20-Jan-28	15.5	Simple	Crisil A+/Stable
INE532F07DH9	Non-Convertible Debentures*	20-Jan-23	10.00	20-Jan-33	47.2	Simple	Crisil A+/Stable
INE532F07DI7	Non-Convertible Debentures*	20-Jan-23	10.45	20-Jan-33	23.8	Simple	Crisil A+/Stable
INE532F07ET2	Non-Convertible Debentures*	29-Jan-24	8.95	29-Jan-26	27.6	Simple	Crisil A+/Stable
INE532F07EU0	Non-Convertible Debentures*	29-Jan-24	9.20	29-Jan-27	29.8	Simple	Crisil A+/Stable
INE532F07EV8	Non-Convertible Debentures*	29-Jan-24	Zero Interest	29-Jan-26	7.7	Simple	Crisil A+/Stable
INE532F07EW6	Non-Convertible Debentures*	29-Jan-24	9.60	29-Jan-27	33.7	Simple	Crisil A+/Stable
INE532F07EX4	Non-Convertible Debentures*	29-Jan-24	Zero Interest	29-Jan-27	11	Simple	Crisil A+/Stable
INE532F07EY2	Non-Convertible Debentures*	29-Jan-24	9.67	29-Jan-29	44.1	Simple	Crisil A+/Stable
INE532F07EZ9	Non-Convertible Debentures*	29-Jan-24	10.10	29-Jan-29	24.1	Simple	Crisil A+/Stable
INE532F07FA9	Non-Convertible Debentures*	29-Jan-24	Zero Interest	29-Jan-29	5.1	Simple	Crisil A+/Stable
INE532F07FB7	Non-Convertible Debentures*	29-Jan-24	10.00	29-Jan-34	21.8	Simple	Crisil A+/Stable
INE532F07FC5	Non-Convertible Debentures*	29-Jan-24	10.45	29-Jan-34	9.1	Simple	Crisil A+/Stable
INE532F07FD3	Non-Convertible Debentures*	29-Apr-24	10.00	29-Apr-34	14.2	Simple	Crisil A+/Stable
INE532F07FE1	Non-Convertible Debentures*	29-Apr-24	Zero Interest	29-Apr-26	3	Simple	Crisil A+/Stable
INE532F07FF8	Non-Convertible Debentures*	29-Apr-24	9.00	29-Apr-26	35.6	Simple	Crisil A+/Stable

INE532F07FG6	Non-Convertible Debentures*	29-Apr-24	10.45	29-Apr-34	2.7	Simple	Crisil A+/Stable
INE532F07FH4	Non-Convertible Debentures*	29-Apr-24	Zero Interest	29-Apr-29	4.6	Simple	Crisil A+/Stable
INE532F07FI2	Non-Convertible Debentures*	29-Apr-24	10.10	29-Apr-29	4.7	Simple	Crisil A+/Stable
INE532F07FJ0	Non-Convertible Debentures*	29-Apr-24	10.45	29-Apr-34	7.8	Simple	Crisil A+/Stable
INE532F07FK8	Non-Convertible Debentures*	29-Apr-24	9.20	29-Apr-27	27.1	Simple	Crisil A+/Stable
INE532F07FL6	Non-Convertible Debentures*	29-Apr-24	9.60	29-Apr-27	25.3	Simple	Crisil A+/Stable
INE532F07FM4	Non-Convertible Debentures*	29-Apr-24	Zero Interest	29-Apr-27	6.1	Simple	Crisil A+/Stable
INE532F07FN2	Non-Convertible Debentures*	29-Apr-24	9.67	29-Apr-29	29.1	Simple	Crisil A+/Stable
INE532F07FO0	Non-Convertible Debentures*	29-Apr-24	10.10	29-Apr-29	14.5	Simple	Crisil A+/Stable
NA	Non-Convertible Debentures^A	NA	NA	NA	1469	Simple	Crisil A+/Stable
INE532F07CQ2	Retail Bonds*	28-Dec-21	9.15	28-Dec-26	77.76	Simple	Crisil A+/Stable
INE532F07CR0	Retail Bonds*	28-Dec-21	9.55	28-Dec-26	75.8	Simple	Crisil A+/Stable
INE532F07CS8	Retail Bonds*	28-Dec-21	Zero Interest	28-Dec-26	12.17	Simple	Crisil A+/Stable
INE532F07CT6	Retail Bonds*	28-Dec-21	9.30	28-Dec-31	31.1	Simple	Crisil A+/Stable
INE532F07CU4	Retail Bonds*	28-Dec-21	9.70	28-Dec-31	13.22	Simple	Crisil A+/Stable
INE532F07CX8	Retail Bonds*	20-Oct-22	8.90	20-Oct-25	58	Simple	Crisil A+/Stable
INE532F07CY6	Retail Bonds*	20-Oct-22	9.25	20-Oct-25	42	Simple	Crisil A+/Stable
INE532F07CZ3	Retail Bonds*	20-Oct-22	Zero Interest	20-Oct-25	23	Simple	Crisil A+/Stable
INE532F07DB2	Retail Bonds*	20-Oct-22	9.35	20-Oct-27	122	Simple	Crisil A+/Stable
INE532F07DC0	Retail Bonds*	20-Oct-22	9.75	20-Oct-27	32	Simple	Crisil A+/Stable
INE532F07DA4	Retail Bonds*	20-Oct-22	Zero Interest	20-Oct-27	10	Simple	Crisil A+/Stable
INE532F07DD8	Retail Bonds*	20-Oct-22	9.65	20-Oct-32	26	Simple	Crisil A+/Stable
INE532F07DE6	Retail Bonds*	20-Oct-22	10.10	20-Oct-32	19	Simple	Crisil A+/Stable
INE532F07EJ3	Retail Bonds*	26-Oct-23	8.95	26-Oct-25	9.77	Simple	Crisil A+/Stable
INE532F07EQ8	Retail Bonds*	26-Oct-23	9.20	26-Oct-26	28.75	Simple	Crisil A+/Stable
INE532F07EP0	Retail Bonds*	26-Oct-23	9.60	26-Oct-26	33.86	Simple	Crisil A+/Stable
INE532F07EO3	Retail Bonds*	26-Oct-23	9.67	26-Oct-28	40.35	Simple	Crisil A+/Stable
INE532F07EM7	Retail Bonds*	26-Oct-23	10.10	26-Oct-28	17.95	Simple	Crisil A+/Stable
INE532F07EL9	Retail Bonds*	26-Oct-23	10.00	26-Oct-33	18.73	Simple	Crisil A+/Stable
INE532F07EK1	Retail Bonds*	26-Oct-23	10.45	26-Oct-33	8.48	Simple	Crisil A+/Stable
INE532F07ER6	Retail Bonds*	26-Oct-23	Zero Coupon	26-Oct-25	3.31	Simple	Crisil A+/Stable
INE532F07ES4	Retail Bonds*	26-Oct-23	Zero Coupon	26-Oct-26	8.72	Simple	Crisil A+/Stable
INE532F07EN5	Retail Bonds*	26-Oct-23	Zero Coupon	26-Oct-28	6.21	Simple	Crisil A+/Stable
NA	Retail Bond^A	NA	NA	NA	2.62	Simple	Crisil A+/Stable
NA	Non-Convertible Debentures^A	NA	NA	NA	59.62	Simple	Crisil A+/Stable
NA	Commercial Paper Programme	NA	NA	7-365 days	500	Simple	Crisil A1+
NA	Long Term Principal Protected Market Linked Debentures^A	NA	NA	NA	300	Highly Complex	Crisil PPMLD A+/Stable
INE532F07FP7	Non-Convertible Debentures*	26-Jul-24	9.50	26-Jul-26	8.1339	Simple	Crisil A+/Stable
INE532F07FQ5	Non-Convertible Debentures*	26-Jul-24	Zero Interest	26-Jul-26	3.4102	Simple	Crisil A+/Stable
INE532F07FR3	Non-Convertible Debentures*	26-Jul-24	9.57	26-Jul-27	22.493	Simple	Crisil A+/Stable
INE532F07FS1	Non-Convertible Debentures*	26-Jul-24	10.00	26-Jul-27	26.796	Simple	Crisil A+/Stable
INE532F07FT9	Non-Convertible Debentures*	26-Jul-24	Zero Interest	26-Jul-27	5.0131	Simple	Crisil A+/Stable
INE532F07FU7	Non-Convertible Debentures*	26-Jul-24	10.40	26-Jul-29	23.5276	Simple	Crisil A+/Stable
INE532F07FV5	Non-Convertible Debentures*	26-Jul-24	10.50	26-Jul-29	10.6244	Simple	Crisil A+/Stable
INE532F07FW3	Non-Convertible Debentures*	26-Jul-24	Zero Interest	26-Jul-29	3.2542	Simple	Crisil A+/Stable
INE532F07FX1	Non-Convertible Debentures*	26-Jul-24	11.00	26-Jul-34	6.5912	Simple	Crisil A+/Stable
INE532F07FY9	Non-Convertible Debentures*	26-Jul-24	11.00	26-Jul-34	3.7478	Simple	Crisil A+/Stable
INE532F07FZ6	Non-Convertible Debentures*	26-Jul-24	10.49	26-Jul-34	19.4949	Simple	Crisil A+/Stable
INE532F07GA7	Non-Convertible Debentures*	26-Jul-24	10.50	26-Jul-29	4.883	Simple	Crisil A+/Stable
INE532F07GB5	Non-Convertible Debentures*	24-Oct-24	9.50	24-Oct-26	53.78	Simple	Crisil A+/Stable
INE532F07GC3	Non-Convertible Debentures*	24-Oct-24	9.50	24-Oct-26	4.91	Simple	Crisil A+/Stable

INE532F07GD1	Non-Convertible Debentures*	24-Oct-24	9.57	24-Oct-27	18.86	Simple	Crisil A+/Stable
INE532F07GE9	Non-Convertible Debentures*	24-Oct-24	10.00	24-Oct-27	28.49	Simple	Crisil A+/Stable
INE532F07GG4	Non-Convertible Debentures*	24-Oct-24	10.00	24-Oct-27	5.53	Simple	Crisil A+/Stable
INE532F07GJ8	Non-Convertible Debentures*	24-Oct-24	10.04	24-Oct-29	20.08	Simple	Crisil A+/Stable
INE532F07GF6	Non-Convertible Debentures*	24-Oct-24	10.50	24-Oct-29	11.39	Simple	Crisil A+/Stable
INE532F07GK6	Non-Convertible Debentures*	24-Oct-24	10.50	24-Oct-29	3.48	Simple	Crisil A+/Stable
INE532F07GI0	Non-Convertible Debentures*	24-Oct-24	10.49	24-Oct-34	19.25	Simple	Crisil A+/Stable
INE532F07GL4	Non-Convertible Debentures*	24-Oct-24	11.00	24-Oct-34	7.65	Simple	Crisil A+/Stable
INE532F07GH2	Non-Convertible Debentures*	24-Oct-24	10.50	24-Oct-29	1.82	Simple	Crisil A+/Stable
INE532F07GM2	Non-Convertible Debentures*	24-Oct-24	11.00	24-Oct-34	2.08	Simple	Crisil A+/Stable
INE532F07GN0	Non-Convertible Debentures	28-Oct-24	10.20	28-Apr-27	50	Simple	Crisil A+/Stable
INE532F07GO8	Non-Convertible Debentures	24-Jan-25	9.50	24-Jan-27	12.72	Simple	Crisil A+/Stable
INE532F07GP5	Non-Convertible Debentures	24-Jan-25	Zero Interest	24-Jan-27	3.95	Simple	Crisil A+/Stable
INE532F07GQ3	Non-Convertible Debentures	24-Jan-25	9.57	24-Jan-28	32.93	Simple	Crisil A+/Stable
INE532F07GR1	Non-Convertible Debentures	24-Jan-25	11.00	24-Jan-35	7.92	Simple	Crisil A+/Stable
INE532F07GS9	Non-Convertible Debentures	24-Jan-25	11.00	24-Jan-35	2.3	Simple	Crisil A+/Stable
INE532F07GT7	Non-Convertible Debentures	24-Jan-25	10.49	24-Jan-35	28.24	Simple	Crisil A+/Stable
INE532F07GU5	Non-Convertible Debentures	24-Jan-25	10.50	24-Jan-30	4.47	Simple	Crisil A+/Stable
INE532F07GV3	Non-Convertible Debentures	24-Jan-25	Zero Interest	24-Jan-30	4.45	Simple	Crisil A+/Stable
INE532F07GW1	Non-Convertible Debentures	24-Jan-25	10.50	24-Jan-30	19.32	Simple	Crisil A+/Stable
INE532F07GX9	Non-Convertible Debentures	24-Jan-25	10.04	24-Jan-30	33.78	Simple	Crisil A+/Stable
INE532F07GY7	Non-Convertible Debentures	24-Jan-25	Zero Interest	24-Jan-28	10.76	Simple	Crisil A+/Stable
INE532F07GZ4	Non-Convertible Debentures	24-Jan-25	10.00	24-Jan-28	31.24	Simple	Crisil A+/Stable
INE532F07HA5	Non-Convertible Debentures	30-Apr-25	9.50	30-Apr-27	13.42	Simple	Crisil A+/Stable
INE532F07HB3	Non-Convertible Debentures	30-Apr-25	11.00	30-Apr-35	6.55	Simple	Crisil A+/Stable
INE532F07HC1	Non-Convertible Debentures	30-Apr-25	11.00	30-Apr-35	4.28	Simple	Crisil A+/Stable
INE532F07HD9	Non-Convertible Debentures	30-Apr-25	10.50	30-Apr-30	5.84	Simple	Crisil A+/Stable
INE532F07HE7	Non-Convertible Debentures	30-Apr-25	Zero Coupon	30-Apr-30	3.99	Simple	Crisil A+/Stable
INE532F07HF4	Non-Convertible Debentures	30-Apr-25	10.50	30-Apr-30	17.09	Simple	Crisil A+/Stable
INE532F07HG2	Non-Convertible Debentures	30-Apr-25	10.49	30-Apr-35	31.3	Simple	Crisil A+/Stable
INE532F07HH0	Non-Convertible Debentures	30-Apr-25	Zero Interest	30-Apr-28	11.76	Simple	Crisil A+/Stable
INE532F07HI8	Non-Convertible Debentures	30-Apr-25	10.00	30-Apr-28	35.77	Simple	Crisil A+/Stable
INE532F07HJ6	Non-Convertible Debentures	30-Apr-25	9.57	30-Apr-28	32.95	Simple	Crisil A+/Stable
INE532F07HK4	Non-Convertible Debentures	30-Apr-25	Zero Interest	30-Apr-27	3.42	Simple	Crisil A+/Stable
INE532F07HL2	Non-Convertible Debentures	30-Apr-25	10.04	30-Apr-30	31.64	Simple	Crisil A+/Stable

^Yet to be issued

\*Public issue

#### Annexure - Details of Rating Withdrawn

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Level	Rating with Outlook
INE532F07DQ0	Non-Convertible Debentures*	27-Apr-23	8.95	27-Apr-25	13.3	Simple	Withdrawn
INE532F07DR8	Non-Convertible Debentures*	27-Apr-23	Zero Coupon	27-Apr-25	7.8	Simple	Withdrawn
INE532F07DF3	Non-Convertible Debentures*	20-Jan-23	9.00	20-Jan-25	20	Simple	Withdrawn
INE532F07DO5	Non-Convertible Debentures*	20-Jan-23	Zero Interest	20-Jan-25	9.9	Simple	Withdrawn

\*public issue

Annexure – List of entities consolidated

Names of entities consolidated	Extent of consolidation	Rationale for consolidation
ECL Finance Ltd	Full	Subsidiary
Edelcap Securities Ltd	Full	Subsidiary
Edelweiss Asset Management Ltd	Full	Subsidiary
ECap Securities and Investments Limited (Formerly known as ECap Equities Limited)	Full	Subsidiary
Edelweiss Trusteeship Company Ltd	Full	Subsidiary
Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Ltd)	Full	Subsidiary
Edelweiss Investment Adviser Ltd	Full	Subsidiary
ECap Equities Limited (formerly known as Edel Land Limited)	Full	Subsidiary
Edel Investments Limited	Full	Subsidiary
Edelweiss Rural & Corporate Services Ltd	Full	Subsidiary
Comtrade Commodities Services Limited (Formerly known as Edelweiss Comtrade Ltd)	Full	Subsidiary
Edel Finance Company Ltd	Full	Subsidiary
Edelweiss Retail Finance Ltd	Full	Subsidiary
Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Ltd)	Full	Subsidiary
Edelweiss Securities and Investment Pvt Ltd	Full	Subsidiary
Edelweiss Alternative Asset Advisors Pte. Ltd	Full	Subsidiary
Edelweiss International (Singapore) Pte Ltd	Full	Subsidiary
EdelGive Foundation	Full	Subsidiary
Edelweiss Alternative Asset Advisors Ltd	Full	Subsidiary
Edelweiss Asset Reconstruction Company Ltd	Full	Subsidiary
Edelweiss Life Insurance Company Ltd	Full	Subsidiary
Allium Finance Private Ltd	Full	Subsidiary
Edelweiss Global Wealth Management Limited	Full	Subsidiary
Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited)	Full	Subsidiary
Sekura India Management Ltd	Full	Subsidiary
Edelweiss Real Assets Managers Ltd	Full	Subsidiary

Annexure - Rating History for last 3 Years

Instrument	Current			2025 (History)		2024		2023		2022		Start of 2022
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST	500.0	Crisil A1+	09-01-25	Crisil A1+	27-12-24	Crisil A1+	18-12-23	Crisil A1+	01-12-22	Crisil A1+	Crisil A1+
			--		--	02-12-24	Crisil A1+/Watch Negative	31-08-23	Crisil A1+	21-10-22	Crisil A1+	--
			--		--	04-09-24	Crisil A1+/Watch Negative	22-06-23	Crisil A1+	04-03-22	Crisil A1+	--
			--		--	07-06-24	Crisil A1+/Watch Negative	03-02-23	Crisil A1+		--	--
Non Convertible Debentures	LT	3833.69	Crisil A+/Stable	09-01-25	Crisil A+/Stable	27-12-24	Crisil A+/Negative	18-12-23	Crisil A+/Stable	01-12-22	Crisil AA-/Negative	Crisil AA-/Negative
			--		--	02-12-24	Crisil A+/Watch Negative	31-08-23	Crisil AA-/Negative	21-10-22	Crisil AA-/Negative	--
			--		--	04-09-24	Crisil A+/Watch Negative	22-06-23	Crisil AA-/Negative	04-03-22	Crisil AA-/Negative	--
			--		--	07-06-24	Crisil A+/Watch Negative	03-02-23	Crisil AA-/Negative		--	--



<b>Retail Bond</b>	LT	720.8	Crisil A+/Stable	09-01-25	Crisil A+/Stable	27-12-24	Crisil A+/Negative	18-12-23	Crisil A+/Stable	01-12-22	Crisil AA-/Negative	Crisil AA-/Negative
			--		--	02-12-24	Crisil A+/Watch Negative	31-08-23	Crisil AA-/Negative	21-10-22	Crisil AA-/Negative	--
			--		--	04-09-24	Crisil A+/Watch Negative	22-06-23	Crisil AA-/Negative	04-03-22	Crisil AA-/Negative	--
			--		--	07-06-24	Crisil A+/Watch Negative	03-02-23	Crisil AA-/Negative		--	--
<b>Long Term Principal Protected Market Linked Debentures</b>	LT	300.0	Crisil PPMLD A+/Stable	09-01-25	Crisil PPMLD A+/Stable	27-12-24	Crisil PPMLD A+/Negative	18-12-23	Crisil PPMLD A+/Stable	01-12-22	Crisil PPMLD AA- r /Negative	Crisil PPMLD AA- r /Negative
			--		--	02-12-24	Crisil PPMLD A+/Watch Negative	31-08-23	Crisil PPMLD AA-/Negative	21-10-22	Crisil PPMLD AA- r /Negative	--
			--		--	04-09-24	Crisil PPMLD A+/Watch Negative	22-06-23	Crisil PPMLD AA-/Negative	04-03-22	Crisil PPMLD AA- r /Negative	--
			--		--	07-06-24	Crisil PPMLD A+/Watch Negative	03-02-23	Crisil PPMLD AA-/Negative		--	--

All amounts are in Rs.Cr.

## Criteria Details

<b>Links to related criteria</b>
<a href="#">Basics of Ratings (including default recognition, assessing information adequacy)</a>
<a href="#">Criteria for Finance and Securities companies (including approach for financial ratios)</a>
<a href="#">Criteria for consolidation</a>

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**ANNEXURE B: DEBENTURE TRUSTEE CONSENT LETTER**

## CONSENT LETTER

<b>Client ID:</b>	BTL8148	<b>CL Date:</b>	13-June-2025
<b>CL No:</b>	BTL/DEB/CL/25-26/64	<b>Outward No:</b>	BTL/DEB/25-26/3809

To,

**EDELWEISS FINANCIAL SERVICES LIMITED**

Edelweiss House,  
Off C.S.T. Road,  
Kalina, Mumbai - 400 098

**Subject: PUBLIC ISSUE BY EDELWEISS FINANCIAL SERVICES LIMITED ("COMPANY") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1000 EACH ("NCDs" OR "DEBENTURES") FOR AN AMOUNT UPTO ₹ 1,500 MILLION ("BASE LIMIT") WITH A GREEN SHOE OPTION OF UP TO ₹ 1,500 MILLION CUMULATIVELY AGGREGATING UP TO ₹ 3,000 MILLION ("ISSUE LIMIT") HEREINAFTER REFERRED TO AS THE "ISSUE". THE NCDs WILL BE ISSUED ON TERMS AND CONDITIONS AS SET OUT IN THE OFFER DOCUMENTS FOR THE ISSUE INCLUDING THE DRAFT PROSPECTUS ("DRAFT PROSPECTUS") AND THE PROSPECTUS ("PROSPECTUS") AND OTHER ISSUE RELATED DOCUMENTS (COLLECTIVELY, THE "OFFER DOCUMENTS"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON – CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED AND THE SEBI NCS MASTER CIRCULAR DATED MAY 22, 2024.**

**Dear Sir / Madam,**

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the Draft Prospectus to be filed with the BSE Limited and/or National Stock of India Limited (collectively referred to as "**Stock Exchange(s)**") and to be forwarded to Securities and Exchange Board of India ("**SEBI**"), and the Prospectus to be filed with the Registrar of Companies, Mumbai, Maharashtra ("**RoC**"), Stock Exchange(s) and to be forwarded to SEBI in respect of the Issue and also in all related advertisements, abridged prospectus and subsequent communications sent pursuant to the Issue. The following details may, inter alia, be disclosed in the Draft Prospectus and the Prospectus and other Issue related material in relation to us:

Name:	Beacon Trusteeship Limited
Address:	5W, 5th Floor, The Metropolitan, E-Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051
Telephone:	022 - 46060278
Email:	compliance@beacontrustee.co.in
Investor Grievance Email:	investorgrievances@beacontrustee.co.in
Website:	www.beacontrustee.co.in
Contact Person:	Mr. Kaustubh Kulkarni
Compliance Officer:	Mr. Kaustubh Kulkarni
SEBI Registration No:	IND000000569
Logo:	

We confirm that we are registered with SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**. We also confirm that we have not been prohibited by SEBI from acting as an intermediary in capital market issues.

We hereby authorize you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013, and other applicable laws or any other regulatory/statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company; and (iii) any other information in connection thereto.

## **BEACON TRUSTEESHIP LIMITED**

**Registered Office & Corporate Office :** 5W, 5th Floor, The Metropolitan, E-Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051

**Phone:** +91 95554 49955

**Email:** contact@beacontrustee.co.in

**Website:** www.beacontrustee.co.in

**CIN:** L74999MH2015PLC271288

**Mumbai | Bengaluru | Ahmedabad | Pune | Kolkata | Chandigarh | Shimla (HP) | Patna | Delhi | Jaipur | Chennai | GIFT IFSC | Bhopal | Indore | Kochi | Nagpur | Bhubaneshwar | Thiruvananthapuram | Lucknow | Hyderabad**

We confirm that we will immediately inform the Company and the Lead Manager to the Issue of any change, additions or deletions in respect of the matters covered in this letter till the date when the NCDs commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until commencement of trading of the NCDs on the Stock Exchanges.

This letter may be relied by you, the Lead Manager and the legal advisor to the Issue in respect of the Issue.

Sincerely,

For Beacon Trusteeship Limited



**Name:** Bhagyashree Korpade

**Designation:** Relationship Manager

**Authorized Signatory**

**CC To:**

<b>Trust Investment Advisors Private Limited</b>	<b>Nuvama Wealth Management Limited</b>
109/110, Balarama, Bandra Kurla Complex Bandra (East), Mumbai – 400 051 Maharashtra, India	(formerly known as Edelweiss Securities Limited) 8th Floor, Wing A, Building No 3 Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051
<b>Tipsons Consultancy Services Private Limited</b>	<b>JSA Advocates and Solicitors</b>
1st Floor, Sheraton House, Opposite Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 380015, Gujarat	One Lodha Place, 27th Floor, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, 400013

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डिबेंचर न्यासी	प्रकार छ FORM-B	DEBENTURE TRUSTEE
<p align="center"><b>भारतीय प्रतिभूति और विनियम बोर्ड</b>  <b>SECURITIES AND EXCHANGE BOARD OF INDIA</b>          (डिबेंचर न्यासी) विनियम, 1993          (DEBENTURE TRUSTEE) REGULATIONS, 1993          000 २४ १ (विनियम ८)          (Regulation 8)  <b>रजिस्ट्रीकरण प्रमाणपत्र</b>  <b>CERTIFICATE OF REGISTRATION</b></p>		
<p>1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,          1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to</p>		
<p><b>Beacon Trusteeship Limited,</b>          5W, 5th floor, The Metropolitan,          Bandra Kurla Complex, Bandra (E),          Mumbai – 400051</p>		
<p>को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।          as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.</p>		
<p>2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।          2) Registration Code for the debenture trustee is <b>IND000000569</b></p>		
<p><b>This certificate of registration shall be valid till it is suspended or cancelled by the Board.</b></p>		
<p>3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।          3) Unless renewed, the certificate of registration is valid from to</p>		
स्थान Place :	Mumbai	<p align="center"><b>भारतीय प्रतिभूति और विनियम बोर्ड</b>          के लिए और उसके बोर्ड के          By order of the Board          For and on behalf of  <b>Securities and Exchange Board of India</b>    <b>RACHNA ANAND</b>          प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory</p>
तारीख Date :	September 12, 2024	

**BEACON TRUSTEESHIP LIMITED**

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**Annexure B**

We hereby confirm that as on the date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

1.	Registration Number	<b>IND000000569</b>
2.	Date of Registration/Renewal of Registration	<b>September 12, 2024</b>
3.	Date of expiry of registration	<b>Permanent Certificate</b>
4.	If applied for renewal, date of application	<b>Not Applicable</b>
5.	Any communication from SEBI prohibiting the entity from acting as an intermediary	<b>None</b>
6.	Any enquiry/investigation being conducted by SEBI	<b>Please refer to 'Annexure C'</b>
7.	Details of any penalty imposed by SEBI	<b>Please refer to 'Annexure C'</b>

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**Beacon Trusteeship Limited**

**Disciplinary History Summary**

*Last Updated: March 28, 2025, v1*

- I. Any disciplinary action taken by SEBI or any other regulatory authority (including overseas regulators, if any):

<b>Regulator</b>	Securities Exchange Board of India (SEBI)
<b>Order No. &amp; Date</b>	Order/AN/RG/2023-24/30183 Dated: March 27, 2024
<b>Findings</b>	Violation with respect to Reg. 59 of SEBI LODR Regulations and Reg. 15(r) & (s), 16 of SEBI Debenture Trustee Regulations.
<b>Penalty</b>	INR 3,00,000/-
<b>Current Status</b>	The order was passed on March 27, 2024. We have paid the applicable penalty under protest on May 10, 2024.

<b>Regulator</b>	Securities Exchange Board of India (SEBI)
<b>Order No. &amp; Date</b>	Order/BM/RK/2024-25/31013-31014 Dated: November 28, 2024
<b>Findings</b>	Violation of Clause 3 (b) of Schedule IV of the AIF Regulations regarding the Code of Conduct for the trustee of the Regulations and Clause 13.2.2 (ii) of Master Circular dated July 31, 2023, read with Regulation 20(1) and Regulation 20(2) of AIF Regulations.
<b>Penalty</b>	INR 5,00,000/-
<b>Current Status</b>	SEBI passed the order on November 28, 2024, and issued a 'Notice of Demand' on January 22, 2025. The Company, has as of January 10, 2025, filed an appeal against the said Order before the Hon'ble Securities Appellate Tribunal ("SAT").

- II. For Ongoing proceedings:

NIL

- III. Operational actions such as advisory letter / administrative warning / deficiency letter.

The Trustee, in its capacity as a debenture trustee, has received communications dated October 24, 2019, May 31, 2022, September 5, 2022, September 8, 2023, October 26, 2023, September 2, 2024, November 14, 2024, February 12, 2025, March 18, 2025, & March 28, 2025, from SEBI, in the form of an advisory letter, administrative warning and / or deficiency letter. The company has taken the necessary corrective actions to remedy the said deficiencies / non-compliances and reported the same to SEBI from time to time.

**Notes:**

The Trustee has no other litigation against or for in its beneficiary capacity. However, the Trustee is acting in a fiduciary capacity as trustee to various transactions where the Trustee is representing/defending the interest of the claimant/beneficiary. Hence, in these matters, there is no direct claim or liability as such on the Trustee and accordingly not disclosed.

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### ANNEXURE C: ILLUSTRATIVE CASH FLOW

24 Months - Annual Coupon Payment	
Company	Edelweiss Financial Services Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Date of Allotment (assumed)*	Friday, 25 July, 2025
Tenor	24 Months
Coupon Rate for all Categories of Investors	9.00%
Redemption Date/Maturity Date (assumed)	Sunday, 25 July, 2027
Frequency of the interest payment with specified dates	First interest on July 25, 2026 and subsequently on July 25, 2027
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.)
Deemed date of allotment	Friday, 25 July, 2025	Friday, 25 July, 2025		-1000
1st Coupon	Saturday, 25 July, 2026	Monday, 27 July, 2026	365	90.00
2nd Coupon	Sunday, 25 July, 2027	Friday, 23 July, 2027	365	90.00
Principal / Maturity value	Sunday, 25 July, 2027	Friday, 23 July, 2027		1000.00

24 Months - Cumulative Payment	
Company	Edelweiss Financial Services Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Date of Allotment (assumed)*	Friday, 25 July, 2025
Tenor	24 Months
Coupon Rate for all Categories of Investors	NA
Redemption Date/Maturity Date (assumed)	Sunday, 25 July, 2027
Frequency of the interest payment with specified dates	NA
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.)
Deemed date of allotment	Friday, 25 July, 2025	Friday, 25 July, 2025		-1000.00
Coupon/Interest Payment	Sunday, 25 July, 2027	Friday, 23 July, 2027	730	188.10
Principal / Maturity value	Sunday, 25 July, 2027	Friday, 23 July, 2027		1000.00

36 Months - Monthly Coupon Payment	
Company	Edelweiss Financial Services Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Date of Allotment (assumed)*	Friday, 25 July, 2025
Tenor	36 Months
Coupon Rate for all Categories of Investors	9.35%
Redemption Date/Maturity Date (assumed)	Tuesday, 25 July, 2028
Frequency of the interest payment with specified dates	First interest on September 1, 2025 and subsequently on the 1st day of every month.
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.)
Deemed date of allotment	Friday, 25 July, 2025	Friday, 25 July, 2025		-1000
1st Coupon	Monday, 1 September, 2025	Monday, 1 September, 2025	38	9.73
2nd Coupon	Wednesday, 1 October, 2025	Wednesday, 1 October, 2025	30	7.68
3rd Coupon	Saturday, 1 November, 2025	Monday, 3 November, 2025	31	7.94
4th Coupon	Monday, 1 December, 2025	Monday, 1 December, 2025	30	7.68
5th Coupon	Thursday, 1 January, 2026	Thursday, 1 January, 2026	31	7.94
6th Coupon	Sunday, 1 February, 2026	Monday, 2 February, 2026	31	7.94
7th Coupon	Sunday, 1 March, 2026	Monday, 2 March, 2026	28	7.17
8th Coupon	Wednesday, 1 April, 2026	Wednesday, 1 April, 2026	31	7.94
9th Coupon	Friday, 1 May, 2026	Monday, 4 May, 2026	30	7.68
10th Coupon	Monday, 1 June, 2026	Monday, 1 June, 2026	31	7.94
11th Coupon	Wednesday, 1 July, 2026	Wednesday, 1 July, 2026	30	7.68
12th Coupon	Saturday, 1 August, 2026	Monday, 3 August, 2026	31	7.94
13th Coupon	Tuesday, 1 September, 2026	Tuesday, 1 September, 2026	31	7.94
14th Coupon	Thursday, 1 October, 2026	Thursday, 1 October, 2026	30	7.68
15th Coupon	Sunday, 1 November, 2026	Monday, 2 November, 2026	31	7.94
16th Coupon	Tuesday, 1 December, 2026	Tuesday, 1 December, 2026	30	7.68
17th Coupon	Friday, 1 January, 2027	Friday, 1 January, 2027	31	7.94
18th Coupon	Monday, 1 February, 2027	Monday, 1 February, 2027	31	7.94
19th Coupon	Monday, 1 March, 2027	Monday, 1 March, 2027	28	7.17

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.)
20th Coupon	Thursday, 1 April, 2027	Thursday, 1 April, 2027	31	7.94
21st Coupon	Saturday, 1 May, 2027	Monday, 3 May, 2027	30	7.68
22nd Coupon	Tuesday, 1 June, 2027	Tuesday, 1 June, 2027	31	7.94
23rd Coupon	Thursday, 1 July, 2027	Thursday, 1 July, 2027	30	7.68
24th Coupon	Sunday, 1 August, 2027	Monday, 2 August, 2027	31	7.94
25th Coupon	Wednesday, 1 September, 2027	Wednesday, 1 September, 2027	31	7.94
26th Coupon	Friday, 1 October, 2027	Friday, 1 October, 2027	30	7.68
27th Coupon	Monday, 1 November, 2027	Monday, 1 November, 2027	31	7.94
28th Coupon	Wednesday, 1 December, 2027	Wednesday, 1 December, 2027	30	7.68
29th Coupon	Saturday, 1 January, 2028	Monday, 3 January, 2028	31	7.94
30th Coupon	Tuesday, 1 February, 2028	Tuesday, 1 February, 2028	31	7.92
31st Coupon	Wednesday, 1 March, 2028	Wednesday, 1 March, 2028	29	7.41
32nd Coupon	Saturday, 1 April, 2028	Monday, 3 April, 2028	31	7.92
33rd Coupon	Monday, 1 May, 2028	Tuesday, 2 May, 2028	30	7.66
34th Coupon	Thursday, 1 June, 2028	Thursday, 1 June, 2028	31	7.92
35th Coupon	Saturday, 1 July, 2028	Monday, 3 July, 2028	30	7.66
36th Coupon	Tuesday, 25 July, 2028	Tuesday, 25 July, 2028	24	6.13
Principal / Maturity value	Tuesday, 25 July, 2028	Tuesday, 25 July, 2028		1000.00

36 Months - Annual Coupon Payment	
Company	Edelweiss Financial Services Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Date of Allotment (assumed)*	Friday, 25 July, 2025
Tenor	36 Months
Coupon Rate for all Categories of Investors	9.75%
Redemption Date/Maturity Date (assumed)	Tuesday, 25 July, 2028
Frequency of the interest payment with specified dates	First interest on July 25, 2026 and subsequently on July 25 every year
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.)
Deemed date of allotment	Friday, 25 July, 2025	Friday, 25 July, 2025		-1000
1st Coupon	Saturday, 25 July, 2026	Monday, 27 July, 2026	365	97.50
2nd Coupon	Sunday, 25 July, 2027	Monday, 26 July, 2027	365	97.50

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.)
3rd Coupon	Tuesday, 25 July, 2028	Tuesday, 25 July, 2028	366	97.50
Principal / Maturity value	Tuesday, 25 July, 2028	Tuesday, 25 July, 2028		1000.00

36 Months - Cumulative Payment	
Company	Edelweiss Financial Services Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Date of Allotment (assumed)*	Friday, 25 July, 2025
Tenor	36 Months
Coupon Rate for all Categories I & II	NA
Redemption Date/Maturity Date (assumed)	Tuesday, 25 July, 2028
Frequency of the interest payment with specified dates	NA
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.)
Deemed date of allotment	Friday, 25 July, 2025	Friday, 25 July, 2025		-1000.00
Coupon/Interest Payment	Tuesday, 25 July, 2028	Tuesday, 25 July, 2028	1096	322.30
Principal / Maturity value	Tuesday, 25 July, 2028	Tuesday, 25 July, 2028		1000.00

60 Months - Monthly Coupon Payment	
Company	Edelweiss Financial Services Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Date of Allotment (assumed)*	Friday, 25 July, 2025
Tenor	60 Months
Coupon Rate for all Categories of Investors	9.80%
Redemption Date/Maturity Date (assumed)	Thursday, 25 July, 2030
Frequency of the interest payment with specified dates	First interest on September 1, 2025 and subsequently on the 1st day of every month.
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.)
Deemed date of allotment	Friday, 25 July, 2025	Friday, 25 July, 2025		-1000
1st Coupon	Monday, 1 September, 2025	Monday, 1 September, 2025	38	10.20
2nd Coupon	Wednesday, 1 October, 2025	Wednesday, 1 October, 2025	30	8.05
3rd Coupon	Saturday, 1 November, 2025	Monday, 3 November, 2025	31	8.32
4th Coupon	Monday, 1 December, 2025	Monday, 1 December, 2025	30	8.05
5th Coupon	Thursday, 1 January, 2026	Thursday, 1 January, 2026	31	8.32
6th Coupon	Sunday, 1 February, 2026	Monday, 2 February, 2026	31	8.32
7th Coupon	Sunday, 1 March, 2026	Monday, 2 March, 2026	28	7.52
8th Coupon	Wednesday, 1 April, 2026	Wednesday, 1 April, 2026	31	8.32
9th Coupon	Friday, 1 May, 2026	Monday, 4 May, 2026	30	8.05
10th Coupon	Monday, 1 June, 2026	Monday, 1 June, 2026	31	8.32
11th Coupon	Wednesday, 1 July, 2026	Wednesday, 1 July, 2026	30	8.05
12th Coupon	Saturday, 1 August, 2026	Monday, 3 August, 2026	31	8.32
13th Coupon	Tuesday, 1 September, 2026	Tuesday, 1 September, 2026	31	8.32
14th Coupon	Thursday, 1 October, 2026	Thursday, 1 October, 2026	30	8.05
15th Coupon	Sunday, 1 November, 2026	Monday, 2 November, 2026	31	8.32
16th Coupon	Tuesday, 1 December, 2026	Tuesday, 1 December, 2026	30	8.05
17th Coupon	Friday, 1 January, 2027	Friday, 1 January, 2027	31	8.32
18th Coupon	Monday, 1 February, 2027	Monday, 1 February, 2027	31	8.32
19th Coupon	Monday, 1 March, 2027	Monday, 1 March, 2027	28	7.52
20th Coupon	Thursday, 1 April, 2027	Thursday, 1 April, 2027	31	8.32
21st Coupon	Saturday, 1 May, 2027	Monday, 3 May, 2027	30	8.05
22nd Coupon	Tuesday, 1 June, 2027	Tuesday, 1 June, 2027	31	8.32
23rd Coupon	Thursday, 1 July, 2027	Thursday, 1 July, 2027	30	8.05
24th Coupon	Sunday, 1 August, 2027	Monday, 2 August, 2027	31	8.32
25th Coupon	Wednesday, 1 September, 2027	Wednesday, 1 September, 2027	31	8.32
26th Coupon	Friday, 1 October, 2027	Friday, 1 October, 2027	30	8.05
27th Coupon	Monday, 1 November, 2027	Monday, 1 November, 2027	31	8.32
28th Coupon	Wednesday, 1 December, 2027	Wednesday, 1 December, 2027	30	8.05
29th Coupon	Saturday, 1 January, 2028	Monday, 3 January, 2028	31	8.32
30th Coupon	Tuesday, 1 February, 2028	Tuesday, 1 February, 2028	31	8.30
31st Coupon	Wednesday, 1 March, 2028	Wednesday, 1 March, 2028	29	7.77
32nd Coupon	Saturday, 1 April, 2028	Monday, 3 April, 2028	31	8.30
33rd Coupon	Monday, 1 May, 2028	Tuesday, 2 May, 2028	30	8.03
34th Coupon	Thursday, 1 June, 2028	Thursday, 1 June, 2028	31	8.30
35th Coupon	Saturday, 1 July, 2028	Monday, 3 July, 2028	30	8.03
36th Coupon	Tuesday, 1 August, 2028	Tuesday, 1 August, 2028	31	8.30
37th Coupon	Friday, 1 September, 2028	Friday, 1 September, 2028	31	8.30

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.)
38th Coupon	Sunday, 1 October, 2028	Tuesday, 3 October, 2028	30	8.03
39th Coupon	Wednesday, 1 November, 2028	Wednesday, 1 November, 2028	31	8.30
40th Coupon	Friday, 1 December, 2028	Friday, 1 December, 2028	30	8.03
41st Coupon	Monday, 1 January, 2029	Monday, 1 January, 2029	31	8.30
42nd Coupon	Thursday, 1 February, 2029	Thursday, 1 February, 2029	31	8.32
43rd Coupon	Thursday, 1 March, 2029	Thursday, 1 March, 2029	28	7.52
44th Coupon	Sunday, 1 April, 2029	Monday, 2 April, 2029	31	8.32
45th Coupon	Tuesday, 1 May, 2029	Wednesday, 2 May, 2029	30	8.05
46th Coupon	Friday, 1 June, 2029	Friday, 1 June, 2029	31	8.32
47th Coupon	Sunday, 1 July, 2029	Monday, 2 July, 2029	30	8.05
48th Coupon	Wednesday, 1 August, 2029	Wednesday, 1 August, 2029	31	8.32
49th Coupon	Saturday, 1 September, 2029	Monday, 3 September, 2029	31	8.32
50th Coupon	Monday, 1 October, 2029	Monday, 1 October, 2029	30	8.05
51st Coupon	Thursday, 1 November, 2029	Thursday, 1 November, 2029	31	8.32
52nd Coupon	Saturday, 1 December, 2029	Monday, 3 December, 2029	30	8.05
53rd Coupon	Tuesday, 1 January, 2030	Tuesday, 1 January, 2030	31	8.32
54th Coupon	Friday, 1 February, 2030	Friday, 1 February, 2030	31	8.32
55th Coupon	Friday, 1 March, 2030	Friday, 1 March, 2030	28	7.52
56th Coupon	Monday, 1 April, 2030	Monday, 1 April, 2030	31	8.32
57th Coupon	Wednesday, 1 May, 2030	Thursday, 2 May, 2030	30	8.05
58th Coupon	Saturday, 1 June, 2030	Monday, 3 June, 2030	31	8.32
59th Coupon	Monday, 1 July, 2030	Monday, 1 July, 2030	30	8.05
60th Coupon	Thursday, 25 July, 2030	Thursday, 25 July, 2030	24	6.44
Principal / Maturity value	Thursday, 25 July, 2030	Thursday, 25 July, 2030		1000.00

60 Months - Annual Coupon Payment	
Company	Edelweiss Financial Services Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Date of Allotment (assumed)*	Friday, 25 July, 2025
Tenor	60 Months
Coupon Rate for all Categories of Investors	10.25%
Redemption Date/Maturity Date (assumed)	Thursday, 25 July, 2030
Frequency of the interest payment with specified dates	First interest on July 25, 2026 and subsequently on July 25 every year
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.)
Deemed date of allotment	Friday, 25 July, 2025	Friday, 25 July, 2025		-1000
1st Coupon	Saturday, 25 July, 2026	Monday, 27 July, 2026	365	102.50
2nd Coupon	Sunday, 25 July, 2027	Monday, 26 July, 2027	365	102.50
3rd Coupon	Tuesday, 25 July, 2028	Tuesday, 25 July, 2028	366	102.50
4th Coupon	Wednesday, 25 July, 2029	Wednesday, 25 July, 2029	365	102.50
5th Coupon	Thursday, 25 July, 2030	Thursday, 25 July, 2030	365	102.50
Principal / Maturity value	Thursday, 25 July, 2030	Thursday, 25 July, 2030		1000.00

60 Months - Cumulative Payment	
Company	Edelweiss Financial Services Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Date of Allotment (assumed)*	Friday, 25 July, 2025
Tenor	60 Months
Coupon Rate for all Categories of Investors	NA
Redemption Date/Maturity Date (assumed)	Thursday, 25 July, 2030
Frequency of the interest payment with specified dates	NA
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.)
Deemed date of allotment	Friday, 25 July, 2025	Friday, 25 July, 2025		-1000
Coupon/Interest Payment	Thursday, 25 July, 2030	Thursday, 25 July, 2030	1826	629.33
Principal / Maturity value	Thursday, 25 July, 2030	Thursday, 25 July, 2030		1000.00



<b>60 Months - Annual Coupon Payment</b>	
Company	Edelweiss Financial Services Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Date of Allotment (assumed)*	Friday, 25 July, 2025
Tenor	60 Months
Coupon Rate for all Categories of Investors	10.25%
Redemption Date/Maturity Date (assumed)	Thursday, 25 July, 2030
Frequency of the interest payment with specified dates	First interest on July 25, 2026 and subsequently on July 25 every year
Day Count Convention	Actual/Actual

<b>Cash Flows</b>	<b>Due Date</b>	<b>Date of Payment</b>	<b>No. of days in Coupon Period</b>	<b>Coupon For all Categories of Investors (in Rs.)</b>
Deemed date of allotment	Friday, 25 July, 2025	Friday, 25 July, 2025		-1000.00
1st Coupon	Saturday, 25 July, 2026	Monday, 27 July, 2026	365	102.50
2nd Coupon	Sunday, 25 July, 2027	Monday, 26 July, 2027	365	102.50
3rd Coupon	Tuesday, 25 July, 2028	Tuesday, 25 July, 2028	366	102.50
Principal Payment	Tuesday, 25 July, 2028	Tuesday, 25 July, 2028		250.00
4th Coupon	Wednesday, 25 July, 2029	Wednesday, 25 July, 2029	365	76.88
Principal Payment	Wednesday, 25 July, 2029	Wednesday, 25 July, 2029		250.00
5th Coupon	Thursday, 25 July, 2030	Thursday, 25 July, 2030	365	51.25
Principal / Maturity value	Thursday, 25 July, 2030	Thursday, 25 July, 2030		500.00

<b>120 Months - Monthly Coupon Payment</b>	
Company	Edelweiss Financial Services Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Date of Allotment (assumed)*	Friday, 25 July, 2025
Tenor	120 Months
Coupon Rate for all Categories of Investors	10.03%
Redemption Date/Maturity Date (assumed)	Wednesday, 25 July, 2035
Frequency of the interest payment with specified dates	First interest on September 1, 2025 and subsequently on the 1st day of every month.

120 Months - Monthly Coupon Payment	
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.)
Deemed date of allotment	Friday, 25 July, 2025	Friday, 25 July, 2025		-1000
1st Coupon	Monday, 1 September, 2025	Monday, 1 September, 2025	38	10.44
2nd Coupon	Wednesday, 1 October, 2025	Wednesday, 1 October, 2025	30	8.24
3rd Coupon	Saturday, 1 November, 2025	Monday, 3 November, 2025	31	8.52
4th Coupon	Monday, 1 December, 2025	Monday, 1 December, 2025	30	8.24
5th Coupon	Thursday, 1 January, 2026	Thursday, 1 January, 2026	31	8.52
6th Coupon	Sunday, 1 February, 2026	Monday, 2 February, 2026	31	8.52
7th Coupon	Sunday, 1 March, 2026	Monday, 2 March, 2026	28	7.69
8th Coupon	Wednesday, 1 April, 2026	Wednesday, 1 April, 2026	31	8.52
9th Coupon	Friday, 1 May, 2026	Monday, 4 May, 2026	30	8.24
10th Coupon	Monday, 1 June, 2026	Monday, 1 June, 2026	31	8.52
11th Coupon	Wednesday, 1 July, 2026	Wednesday, 1 July, 2026	30	8.24
12th Coupon	Saturday, 1 August, 2026	Monday, 3 August, 2026	31	8.52
13th Coupon	Tuesday, 1 September, 2026	Tuesday, 1 September, 2026	31	8.52
14th Coupon	Thursday, 1 October, 2026	Thursday, 1 October, 2026	30	8.24
15th Coupon	Sunday, 1 November, 2026	Monday, 2 November, 2026	31	8.52
16th Coupon	Tuesday, 1 December, 2026	Tuesday, 1 December, 2026	30	8.24
17th Coupon	Friday, 1 January, 2027	Friday, 1 January, 2027	31	8.52
18th Coupon	Monday, 1 February, 2027	Monday, 1 February, 2027	31	8.52
19th Coupon	Monday, 1 March, 2027	Monday, 1 March, 2027	28	7.69
20th Coupon	Thursday, 1 April, 2027	Thursday, 1 April, 2027	31	8.52
21st Coupon	Saturday, 1 May, 2027	Monday, 3 May, 2027	30	8.24
22nd Coupon	Tuesday, 1 June, 2027	Tuesday, 1 June, 2027	31	8.52
23rd Coupon	Thursday, 1 July, 2027	Thursday, 1 July, 2027	30	8.24
24th Coupon	Sunday, 1 August, 2027	Monday, 2 August, 2027	31	8.52
25th Coupon	Wednesday, 1 September, 2027	Wednesday, 1 September, 2027	31	8.52
26th Coupon	Friday, 1 October, 2027	Friday, 1 October, 2027	30	8.24
27th Coupon	Monday, 1 November, 2027	Monday, 1 November, 2027	31	8.52
28th Coupon	Wednesday, 1 December, 2027	Wednesday, 1 December, 2027	30	8.24
29th Coupon	Saturday, 1 January, 2028	Monday, 3 January, 2028	31	8.52
30th Coupon	Tuesday, 1 February, 2028	Tuesday, 1 February, 2028	31	8.50
31st Coupon	Wednesday, 1 March, 2028	Wednesday, 1 March, 2028	29	7.95
32nd Coupon	Saturday, 1 April, 2028	Monday, 3 April, 2028	31	8.50
33rd Coupon	Monday, 1 May, 2028	Tuesday, 2 May, 2028	30	8.22
34th Coupon	Thursday, 1 June, 2028	Thursday, 1 June, 2028	31	8.50
35th Coupon	Saturday, 1 July, 2028	Monday, 3 July, 2028	30	8.22
36th Coupon	Tuesday, 1 August, 2028	Tuesday, 1 August, 2028	31	8.50
37th Coupon	Friday, 1 September, 2028	Friday, 1 September, 2028	31	8.50
38th Coupon	Sunday, 1 October, 2028	Tuesday, 3 October, 2028	30	8.22
39th Coupon	Wednesday, 1 November, 2028	Wednesday, 1 November, 2028	31	8.50
40th Coupon	Friday, 1 December, 2028	Friday, 1 December, 2028	30	8.22

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.)
41st Coupon	Monday, 1 January, 2029	Monday, 1 January, 2029	31	8.50
42nd Coupon	Thursday, 1 February, 2029	Thursday, 1 February, 2029	31	8.52
43rd Coupon	Thursday, 1 March, 2029	Thursday, 1 March, 2029	28	7.69
44th Coupon	Sunday, 1 April, 2029	Monday, 2 April, 2029	31	8.52
45th Coupon	Tuesday, 1 May, 2029	Wednesday, 2 May, 2029	30	8.24
46th Coupon	Friday, 1 June, 2029	Friday, 1 June, 2029	31	8.52
47th Coupon	Sunday, 1 July, 2029	Monday, 2 July, 2029	30	8.24
48th Coupon	Wednesday, 1 August, 2029	Wednesday, 1 August, 2029	31	8.52
49th Coupon	Saturday, 1 September, 2029	Monday, 3 September, 2029	31	8.52
50th Coupon	Monday, 1 October, 2029	Monday, 1 October, 2029	30	8.24
51st Coupon	Thursday, 1 November, 2029	Thursday, 1 November, 2029	31	8.52
52nd Coupon	Saturday, 1 December, 2029	Monday, 3 December, 2029	30	8.24
53rd Coupon	Tuesday, 1 January, 2030	Tuesday, 1 January, 2030	31	8.52
54th Coupon	Friday, 1 February, 2030	Friday, 1 February, 2030	31	8.52
55th Coupon	Friday, 1 March, 2030	Friday, 1 March, 2030	28	7.69
56th Coupon	Monday, 1 April, 2030	Monday, 1 April, 2030	31	8.52
57th Coupon	Wednesday, 1 May, 2030	Thursday, 2 May, 2030	30	8.24
58th Coupon	Saturday, 1 June, 2030	Monday, 3 June, 2030	31	8.52
59th Coupon	Monday, 1 July, 2030	Monday, 1 July, 2030	30	8.24
60th Coupon	Thursday, 1 August, 2030	Thursday, 1 August, 2030	31	8.52
61st Coupon	Sunday, 1 September, 2030	Monday, 2 September, 2030	31	8.52
62nd Coupon	Tuesday, 1 October, 2030	Tuesday, 1 October, 2030	30	8.24
63rd Coupon	Friday, 1 November, 2030	Friday, 1 November, 2030	31	8.52
64th Coupon	Sunday, 1 December, 2030	Monday, 2 December, 2030	30	8.24
65th Coupon	Wednesday, 1 January, 2031	Wednesday, 1 January, 2031	31	8.52
66th Coupon	Saturday, 1 February, 2031	Monday, 3 February, 2031	31	8.52
67th Coupon	Saturday, 1 March, 2031	Monday, 3 March, 2031	28	7.69
68th Coupon	Tuesday, 1 April, 2031	Tuesday, 1 April, 2031	31	8.52
69th Coupon	Thursday, 1 May, 2031	Friday, 2 May, 2031	30	8.24
70th Coupon	Sunday, 1 June, 2031	Monday, 2 June, 2031	31	8.52
71st Coupon	Tuesday, 1 July, 2031	Tuesday, 1 July, 2031	30	8.24
72nd Coupon	Friday, 1 August, 2031	Friday, 1 August, 2031	31	8.52
73rd Coupon	Monday, 1 September, 2031	Monday, 1 September, 2031	31	8.52
74th Coupon	Wednesday, 1 October, 2031	Wednesday, 1 October, 2031	30	8.24
75th Coupon	Saturday, 1 November, 2031	Monday, 3 November, 2031	31	8.52
76th Coupon	Monday, 1 December, 2031	Monday, 1 December, 2031	30	8.24
77th Coupon	Thursday, 1 January, 2032	Thursday, 1 January, 2032	31	8.52
78th Coupon	Sunday, 1 February, 2032	Monday, 2 February, 2032	31	8.50
79th Coupon	Monday, 1 March, 2032	Monday, 1 March, 2032	29	7.95
80th Coupon	Thursday, 1 April, 2032	Thursday, 1 April, 2032	31	8.50
81st Coupon	Saturday, 1 May, 2032	Monday, 3 May, 2032	30	8.22
82nd Coupon	Tuesday, 1 June, 2032	Tuesday, 1 June, 2032	31	8.50
83rd Coupon	Thursday, 1 July, 2032	Thursday, 1 July, 2032	30	8.22
84th Coupon	Sunday, 1 August, 2032	Monday, 2 August, 2032	31	8.50
85th Coupon	Wednesday, 1 September, 2032	Wednesday, 1 September, 2032	31	8.50
86th Coupon	Friday, 1 October, 2032	Friday, 1 October, 2032	30	8.22
87th Coupon	Monday, 1 November, 2032	Monday, 1 November, 2032	31	8.50

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.)
88th Coupon	Wednesday, 1 December, 2032	Wednesday, 1 December, 2032	30	8.22
89th Coupon	Saturday, 1 January, 2033	Monday, 3 January, 2033	31	8.50
90th Coupon	Tuesday, 1 February, 2033	Tuesday, 1 February, 2033	31	8.52
91st Coupon	Tuesday, 1 March, 2033	Tuesday, 1 March, 2033	28	7.69
92nd Coupon	Friday, 1 April, 2033	Friday, 1 April, 2033	31	8.52
93rd Coupon	Sunday, 1 May, 2033	Monday, 2 May, 2033	30	8.24
94th Coupon	Wednesday, 1 June, 2033	Wednesday, 1 June, 2033	31	8.52
95th Coupon	Friday, 1 July, 2033	Friday, 1 July, 2033	30	8.24
96th Coupon	Monday, 1 August, 2033	Monday, 1 August, 2033	31	8.52
97th Coupon	Thursday, 1 September, 2033	Thursday, 1 September, 2033	31	8.52
98th Coupon	Saturday, 1 October, 2033	Monday, 3 October, 2033	30	8.24
99th Coupon	Tuesday, 1 November, 2033	Tuesday, 1 November, 2033	31	8.52
100th Coupon	Thursday, 1 December, 2033	Thursday, 1 December, 2033	30	8.24
101st Coupon	Sunday, 1 January, 2034	Monday, 2 January, 2034	31	8.52
102nd Coupon	Wednesday, 1 February, 2034	Wednesday, 1 February, 2034	31	8.52
103rd Coupon	Wednesday, 1 March, 2034	Wednesday, 1 March, 2034	28	7.69
104th Coupon	Saturday, 1 April, 2034	Monday, 3 April, 2034	31	8.52
105th Coupon	Monday, 1 May, 2034	Tuesday, 2 May, 2034	30	8.24
106th Coupon	Thursday, 1 June, 2034	Thursday, 1 June, 2034	31	8.52
107th Coupon	Saturday, 1 July, 2034	Monday, 3 July, 2034	30	8.24
108th Coupon	Tuesday, 1 August, 2034	Tuesday, 1 August, 2034	31	8.52
109th Coupon	Friday, 1 September, 2034	Friday, 1 September, 2034	31	8.52
110th Coupon	Sunday, 1 October, 2034	Tuesday, 3 October, 2034	30	8.24
111th Coupon	Wednesday, 1 November, 2034	Wednesday, 1 November, 2034	31	8.52
112th Coupon	Friday, 1 December, 2034	Friday, 1 December, 2034	30	8.24
113th Coupon	Monday, 1 January, 2035	Monday, 1 January, 2035	31	8.52
114th Coupon	Thursday, 1 February, 2035	Thursday, 1 February, 2035	31	8.52
115th Coupon	Thursday, 1 March, 2035	Thursday, 1 March, 2035	28	7.69
116th Coupon	Sunday, 1 April, 2035	Monday, 2 April, 2035	31	8.52
117th Coupon	Tuesday, 1 May, 2035	Wednesday, 2 May, 2035	30	8.24
118th Coupon	Friday, 1 June, 2035	Friday, 1 June, 2035	31	8.52
119th Coupon	Sunday, 1 July, 2035	Monday, 2 July, 2035	30	8.24
120th Coupon	Wednesday, 25 July, 2035	Wednesday, 25 July, 2035	24	6.60
Principal / Maturity value	Wednesday, 25 July, 2035	Wednesday, 25 July, 2035		1000.00

120 Months - Annual Coupon Payment	
Company	Edelweiss Financial Services Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Date of Allotment (assumed)*	Friday, 25 July, 2025
Tenor	120 Months
Coupon Rate for all Categories of Investors	10.50%
Redemption Date/Maturity Date (assumed)	Wednesday, 25 July, 2035
Frequency of the interest payment with specified dates	First interest on July 25, 2026 and subsequently on July 25 every year
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)
Deemed date of allotment	Friday, 25 July, 2025	Friday, 25 July, 2025		-1000
1st Coupon	Saturday, 25 July, 2026	Monday, 27 July, 2026	365	105.00
2nd Coupon	Sunday, 25 July, 2027	Monday, 26 July, 2027	365	105.00
3rd Coupon	Tuesday, 25 July, 2028	Tuesday, 25 July, 2028	366	105.00
4th Coupon	Wednesday, 25 July, 2029	Wednesday, 25 July, 2029	365	105.00
5th Coupon	Thursday, 25 July, 2030	Thursday, 25 July, 2030	365	105.00
6th Coupon	Friday, 25 July, 2031	Friday, 25 July, 2031	365	105.00
7th Coupon	Sunday, 25 July, 2032	Monday, 26 July, 2032	366	105.00
8th Coupon	Monday, 25 July, 2033	Monday, 25 July, 2033	365	105.00
9th Coupon	Tuesday, 25 July, 2034	Tuesday, 25 July, 2034	365	105.00
10th Coupon	Wednesday, 25 July, 2035	Wednesday, 25 July, 2035	365	105.00
Principal Payment	Wednesday, 25 July, 2035	Wednesday, 25 July, 2035		1000.00

120 Months - Annual Coupon Payment	
Company	Edelweiss Financial Services Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Date of Allotment (assumed)*	Friday, 25 July, 2025
Tenor	120 Months
Coupon Rate for all Categories of Investors	10.50%
Redemption Date/Maturity Date (assumed)	Wednesday, 25 July, 2035
Frequency of the interest payment with specified dates	First interest on July 25, 2026 and subsequently on July 25 every year
Day Count Convention	Actual/Actual

<b>Cash Flows</b>	<b>Due Date</b>	<b>Date of Payment</b>	<b>No. of days in Coupon Period</b>	<b>Coupon For all Categories of Investors (in Rs.) (Pre-Incentive)</b>
Deemed date of allotment	Friday, 25 July, 2025	Friday, 25 July, 2025		-1000
1st Coupon	Saturday, 25 July, 2026	Monday, 27 July, 2026	365	105.00
2nd Coupon	Sunday, 25 July, 2027	Monday, 26 July, 2027	365	105.00
3rd Coupon	Tuesday, 25 July, 2028	Tuesday, 25 July, 2028	366	105.00
4th Coupon	Wednesday, 25 July, 2029	Wednesday, 25 July, 2029	365	105.00
5th Coupon	Thursday, 25 July, 2030	Thursday, 25 July, 2030	365	105.00
6th Coupon	Friday, 25 July, 2031	Friday, 25 July, 2031	365	105.00
Principal Payment	Friday, 25 July, 2031	Friday, 25 July, 2031		200.00
7th Coupon	Sunday, 25 July, 2032	Friday, 23 July, 2032	366	84.00
Principal Payment	Sunday, 25 July, 2032	Friday, 23 July, 2032		200.00
8th Coupon	Monday, 25 July, 2033	Monday, 25 July, 2033	365	63.00
Principal Payment	Monday, 25 July, 2033	Monday, 25 July, 2033		200.00
9th Coupon	Tuesday, 25 July, 2034	Tuesday, 25 July, 2034	365	42.00
Principal Payment	Tuesday, 25 July, 2034	Tuesday, 25 July, 2034		200.00
10th Coupon	Wednesday, 25 July, 2035	Wednesday, 25 July, 2035	365	21.00
Principal Payment	Wednesday, 25 July, 2035	Wednesday, 25 July, 2035		200.00