



“Edelweiss Financial Services Limited
30th Annual General Meeting”
September 26, 2025



**MANAGEMENT: MR. RASHESH SHAH – CHAIRMAN – EDELWEISS
FINANCIAL SERVICES LIMITED
MR. ASHOK KINI – INDEPENDENT DIRECTOR –
EDELWEISS FINANCIAL SERVICES LIMITED
DR. ASHIMA GOYAL – INDEPENDENT DIRECTOR –
EDELWEISS FINANCIAL SERVICES LIMITED**

Moderator:

Dear shareholders, good afternoon and warm welcome to you all to 30th Annual General Meeting of Edelweiss Financial Services Limited being conducted through video conferencing or other audiovisual facility. As a reminder for the smooth conduct of the meeting, the members will be in mute mode. Audio and video will be activated for those who are pre-registered to speak.

Please note that, as per the requirements, the proceedings of the Annual General Meeting will be recorded and made available on the website of the company. I now hand over the proceedings to Chairman Mr. Rashesh Shah. Thank you and over to you, sir.

Rashesh Shah:

Hi, thank you and hello everybody, all the members of Edelweiss. I extend a very warm welcome to all of you and on behalf of my fellow Board members to all of you at this 30th Annual General Meeting of Edelweiss Financial Services. Gosh, we are 30 years old now.

I do hope that you and your families are all keeping safe and healthy. This AGM is being conducted through video conferencing in accordance with the circulars issued by MCA and SEBI. Since the requisite quorum is present, I call the meeting to order.

The statutory registers are available as well as will remain accessible to the members electronically if they so desire. The representatives of the Statutory Auditors and the Secretary Auditors are also present. So we start off with the notice of the AGM and the Annual Report for the financial year ended 31st March 2025, which have been circulated to all members electronically.

So with your permission, can we take this AGM notice as read? And before we take up the agenda for the meeting, I would like to give you a brief overview of the company's financial performance for the year 2025. So again, before I start the presentation, I want to thank all my fellow Board members for being here and all of you who over the years have been with us in this Edelweiss journey.

So in the last year, we have four parts of this presentation. The year-end review, a little bit of update on our strategic priorities, then also a little bit more color on the corporate because as Edelweiss has now become an investment company, the holding company part of the equation, the corporate as we call it, as a segment also has an important impact on our entire balance sheet and P&L. And the fourth, an update on the intrinsic value of underlying businesses that we have used to guide our long term success of the business.

So as you would have seen in the presentation, our total equity net worth is INR5,918 crores and our current total borrowing consolidated is INR11,170 crores, which gives us a book value of INR47 crores. And for the last year, we reported a consolidated PAT of INR536 crores.

As you know, we now operate under the Edelweiss financial services umbrella, but we have seven distinct standalone businesses from alternative asset management, EAAA, to mutual fund, EML, to asset reconstruction, ARC, NBFC, which is now being merged ECLF and ERFL, housing finance, which is Nido, our general insurance company, ZUNO, and the life insurance company Edelweiss Life.

All of them, as you can see, are very well capitalized except for ARC and ELI, we own 100% of the companies, and all of them have shown significant improvement in profitability with our underlying PAT of the businesses have grown by 24% in this year. What is more important is as our retail journey has been growing, our total customer reach has now reached more than 10 million customers and which is a 36% growth on a ROI basis. We have consistently reduced the borrowing and in this year also the consolidated debt has come down by INR4,000 crores.

So, we have strengthened the balance sheet, we also use this to do a strategic markdown in the ECLF wholesale book. As you know, the last few years, wholesale book cleanup has been one of the key priorities for us. In terms of the profits, the underlying businesses, if you can see all of them from March 24 to March 25 has shown a significant improvement in profitability across the Board, except NBFC, which as you know, we've been degrowing it and we also have taken this opportunity to clean up the wholesale book.

So overall, our PAT reported was 399 as compared to 421 because we had increase in tax and the corporate which made a profit last year had become a loss and that's why we have included corporate P&L understanding for the shareholders also. Overall, as we said earlier, the PAT of the underlying businesses have grown by 24%. All the businesses, as you have seen, there is a significant improvement in profitability and we have reduced the borrowing across the Board.

All our businesses are very well capitalized. Capital adequacy of NBFC, even after the markdown is close to 33%, housing finance is 33%, ARCs obviously has very little borrowing left now. So, it is mainly equity funded and both the insurance companies are also well capitalized.

In this year, in the March quarter, we also did a strategic markdown in the wholesale book of ECL Finance and we took 1140 crores of additional proactive markdown to make sure the marks are more than adequate. We have always been very conservative in how we value the wholesale book and as a few of the cases in NCLT and all have got delayed, we have marked it down so that any impact on NPV value of those assets as and when they get realized, we are more than adequately covered. In terms of strategic priorities, we had highlighted, friends, there are four priorities we have.

One is reducing the wholesale book. The second was reducing consolidated debt at a group level. Third was to grow the value of the underlying businesses. And fourth is as that value grows to create an unlocked value in the businesses. So we have consistently reduced debt in NBFC. Now, the NBFC debt has fallen by 86% the borrowing out there.

So NBFC is now really very, very thinly borrowed and we are now restarting the NBFC as a core MSME business. The wholesale business, which has been a big drag on this particular entity has been cleaned up now. We also reduce our consolidated debt over the years.

Alternative asset management business, we have shown increased value. AUM has grown, mutual fund AUM has grown. So both we look at PAT and we look at the key metric like AUM for asset management business, gross return premium for insurance business.

All of them have shown good growth over the years. We also, as you remember, had unlocked value in our wealth management business, Nuvama. And we have tried to achieve what we call approach where business should be ready, the value should be unlockable and should be realizable and do it in a way that it becomes a win-win-win for stakeholders.

For the employees and the business, it should be a win. For the shareholders of Edelweiss, it should be a win. And for the Edelweiss Group, also, we should be able to realize some liquidity, use it for investing in our other businesses going forward.

If you remember, when we did the Nuvama unlocking, we made sure Nuvama was very well capitalized. Edelweiss shareholders received 30% stake in Nuvama. And Edelweiss also realized more than INR5,500 crores of liquidity out of the Nuvama stake sales.

So again, win-win-win example is very well quoted out here. We have just announced, in one other important development, in our mutual fund business, we have just announced a stake sale of 15% to WestBridge. And this is currently, the agreements are signed.

We have put this for approval along with SEBI and CCI. And we hope to consummate this deal soon, as soon as the approvals are in place. For a 15% stake, our idea was to do as small a stake as possible, because we don't really need capital very badly, but getting a good strategic partner will really give an impetus to the business, which has grown very well, which has created a lot of value for us.

So we will realize INR450 crores of cash on the stake sale. And on March 25 PAT of the business, which was about INR53 crores, this is valued at 57 times P, which is in the range of where mutual funds are valued in the listed market. We also have announced EAAA intention to IPO that business EAAA is another very marquee business for us, has grown very well.

And this IPO will not just be to raise capital for EFSN, but to truly set up EAAA as an independent, standalone, institutionalized platform. As you may recall, EAAA, we are one of the largest alternative asset manager in India. Over the last 15 years, we have focused on yield and income strategies.

And we are the pioneers in that. We have been the path breakers in creating that, where everybody was focused on private equity in alternatives. We focused on private credit and real assets.

So I think the listing of this platform is going to be very beneficial to all our stakeholders. So to summarize, wholesale book has been reduced by 86%, 73% reduction in consolidated borrowing at the business level. All the business matrices have grown, and we have started and executed a value creation and unlocking journey.

We have a corporate sector, a corporate segment, which is a holding company, which is now the key focus. Because in the last few years, friends, as the underlying businesses were being made independent, they were being strengthened. We did take some additional borrowing at the whole core level.

We did take some additional cost at the whole core level. And the idea was to ensure that we can take some, a little bit of pain, a little bit of extra resources from our side to make the underlying businesses strong. Because if they become stronger, for us to create value and unlock value becomes easier.

So, in the last three, four years, corporate has added borrowing to strengthen the capitalization and provide liquidity to underlying businesses. We have used this to infuse equity in the insurance entities, because we didn't want to stop their growth. We did support our underlying businesses with liquidity like NBFC and all in the last few years, which post ILFS and post COVID has not been easy.

But now we have done that. So as a good parent, the corporate has taken a little bit pain. And now we are focused on how do we strengthen the corporate by reduced borrowings and improve the P&L of the corporate holding entity.

So we have started the reduction in the last one year, almost INR1,700 crores has been reduced in the borrowing. We have now about INR6,350 crores of borrowing remaining at the whole core, at the corporate. We plan to reduce this by liquidating our property and investments that we have, which should get us about INR3,000 crores.

We are now starting to get the dividends from the underlying business, ARC, EAAA mutual fund, they are giving dividends to the holding company, which should also get us 1,500 crores. And the stake sale in the business should give us another 2,000 crores to 3,000 crores. We have already updated you on the EAAA IPO as well as the mutual fund stake sale.

So the next two to three years, we should be able to reduce corporate borrowing even more going forward. And the corporate P&L works in three ways. We have the interest cost of this borrowing.

We have the operating expenses, which we have brought down and now it is at INR100 crores every year. And we have the episodic value capital gains that we get as and when we sell stakes in the businesses. So overall, I think the interest cost is the biggest drag at the corporate level.

We try and offset it with capital gains. But going forward, we want to reduce the borrowing and reduce the interest cost at the whole core level. And the last part, friends, is the intrinsic value of our businesses.

We are focusing on growing the intrinsic value. As we have announced earlier, we expect to grow an intrinsic value by 15% to 20% per year. And we have been able to do that over the last five years.

We hope to continue that for the next 5, 10 years going forward. And now that our businesses are very robust, they've got significant size and scale, and the profitability is also improving, we remain confident that the intrinsic value of the businesses will continue to grow. So here is an update on the intrinsic value.

This presentation is going to be available on the site. So, all the shareholders, all the stakeholders will be able to access it. But overall, we have grown the intrinsic value by about 20% over the last five years at the underlying businesses.

And the corporators, including the corporate assets and the corporate borrowing, we have grown our intrinsic value at about 19% per annum. As I said earlier, we expect to do this between 15 to 20. I'm hoping that as India scales up further, we should be able to do even better than that.

But who knows, we keep the fingers crossed, we stay in our target range of growing intrinsic value between 15% to 20% a year. So again, as I said, the key focus will be use strategic partnerships, use listing, de-mergers to unlock value and deliver value to EFSL and the shareholders of EFSL. So going forward, we will continue to become more and more resilient.

Last few years have shown us having a strong balance sheet, having strong resilience is going to yield a lot of benefits for all the stakeholders. We want to create value by scaling up underlying businesses and we want to unlock after we scale up. For first is create value and then the focus is on unlock value.

So friends, with that, I come to the end of my update to all of you, which has been more the year that has gone by and our strategic initiatives. Because we do believe that the annual shareholder meeting is not just a formality for us, it's a very important opportunity to interact with all of you, but also update you on all the initiatives that we are taking and how we are doing on those initiatives. So along with that, I come to the end of this.

I'm going to close the slide presentation and come back to the main slide. Okay. So thank you again for your patience in this. And now that the update and the presentation is over, I will take up the agenda of the meeting. We have four resolutions which are proposed as ordinary resolutions for the approval at this AGM. I retire by rotation at this meeting and being eligible, offer myself for reappointment.

I'm interested in this item number three of the notice, which relates to my reappointment. The members were provided with the remote e-voting facility, which has already been open. It's commenced on September 23, 2025, and ended on September 25, 2025.

The members who have not cast their vote yet through remote e-voting can still cast their vote now. Mr. Suresh Viswanathan, Partner at SVVS and Associates and Company Secretary, LLP, has been appointed as Scrutinizer for conducting the voting in this meeting in a free and fair manner. Quite a few shareholders have requested to speak.

So I now invite all my fellow shareholders who have already registered to speak. And as usual, I always enjoy listening to all of you. But since we have quite a few speakers today, it would be helpful if you can be brief and specific.

Try and restrict your speech or your questions to under two minutes. And if it's already been covered by somebody else, then you may want to focus on other items. I'll just hand this over back to the moderator to take us through the speaker list.

Moderator: Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. I now invite our first speaker shareholder, Celestine Elizabeth Mascarenhas, to please accept the prompt on the screen. Ma'am, please turn on your webcam, unmute yourself and go ahead with your question, please.

Celestine Mascarenhas: Am I audible?

Moderator: Yes, ma'am. But there's some background noise.

Celestine Mascarenhas: Hello. Now you can hear? Background?

Moderator: No, it is fine. Go ahead, please.

Celestine Mascarenhas: Because what has happened is so many AGMs are at one time, and I cannot miss Edelweiss. Because sometimes I like to hear the Chairman's speech. I was hearing very attentively here, you know. Anyway, you run to us, sir -- Chairman sir, Rashesh Shah, you run to us everything what is happening, you know, in the company and future, present, everything. I was very happy.

So I go to the formal part. Chairman and MD, Mr. Rashesh Shah; Vice Chairman, Venkatchalam Ramaswamy, other esteemed Directors on the Board, my dear fellow shareholders, I am Mrs. C. E. Mascarenhas speaking from Mumbai.

First of all, I thank the Company Secretary, Mr. Tarun Khurana for sending me an Annual Report, also registering me as a speaker at my request, and giving me this platform, which was quite easy to plug in. Our Annual Report is very good, with a very good theme. I am very happy with the theme, with full of information, facts and figures, and self-explanatory, adhering to all the norms of corporate governance.

Our working was not so good, some one time was done, but even then a good gesture of dividend of INR1.50 on face value of INR1 is really very commendable. I congratulate you for all the awards and accolades received during this year, all in the Annual Report. I will not speak on any of them. Good CSR work, good ESG and sustainable reports are also good.

Now I come directly to my queries. We have 255 offices in 136 cities. How many in rural areas and how many are owned? Second, we have [ZEMMO 0:22:51] general insurance. Now with GST going away, removed, will our policies increase? Do we have any policy like cyber security insurance? Third one, we are in alternate asset management, mutual funds, asset reconstruction, MSME, housing finance, etcetera, etcetera.

I would like to know in these, which is the good growth oriented along with good margins? Next one, expenditure on AI, Gen AI, cloud computing and other IT tools, including cyber security. Four, to unlock shareholder value, any listing of any vertical in future, like you did in Nuvama and rewarded us handsomely.

Last is but not the least, future roadmaps, which vertical will be the growth engine, along with margins, good margins in the future. I support all the regulations. I wish my company all the best. May it grow from strength to strength. And sir and the entire team of Edelweiss, I wish you

all good health, as health will be the wealth creator. With this, thank you very much. Namaskar.
I hand over to the second speaker, Mr. Aloysius.

Aloysius P Mascarenhas: Hello. I'm the second speaker in the queue. Can I proceed, sir?

Rashesh Shah: Yes, please.

Aloysius P Mascarenhas: Respected Chairman sir, very distinguished members of the Board and my fellow shareholders. Good evening to you all. My name is Aloysius Mascarenhas. At the outset, I thank the management Company Secret and the team for sending me the EA Annual Report, which is full of information, facts and figures in place.

Our results are quite good, though not comparable with last year, but still we are in good results. We have a strong management, which we are having full faith. It has rewarded us in the past, present and in future also will go to reward. It's a shareholder-friendly company.

And now my question is only one, who are our peers and competitors and what is our market share? Number two, government policy on GST, how does it affect us and to what extent I would like to know? Rest many questions have been already asked by my predecessor shareholder. I don't like to repeat.

So I end my speech wishing you personally, all the Board members and more importantly, all the employees, all the very best in the days and years to come. With this, sir, thank you very much for your attention and happy festivities, which is following day after day. And yes, so I end my speech thanking you once again. Good health, good luck and goodbye.

Moderator: Thank you. I now request our next speaker shareholder, Praveen Kumar, to please accept the prompt on his screen. Mr. Kumar, please turn on your webcam, unmute yourself and go ahead with your question, please.

Praveen Kumar: Audible ma'am?

Moderator: Yes, please go ahead.

Praveen Kumar: A very, very good afternoon to my Founder and respective Chairperson. Before I share my observation with the entire house, first of all, a Happy Navratra to the entire management team, each and every dedicated employer for company. Thank you very much for choosing such an auspicious day. It's an annual event to interact with the stakeholders. A gracious step welcomed by me wholeheartedly.

Coming down to my observation, sir, thank you very much, sir, for addressing your in-depth address along with the presentation. Preparing it honestly, ethnically. I mean, that's something I look forward to listen to you. I'm with the company since IPO and we see lots and lots of up and down, but yes, one thing is constant. Your determination, your leadership, your vision to take our company -- to make our company one of the best in financial sector, and we are achieving it every day.

I wholeheartedly support all the resolution which you set out for the notice today, and due respect to my earlier speaker, there are many, many questions. I don't want to repeat them. But for me, if you ask me honestly, as a retail investor, sir, this day is the celebration of the entire management team, each and every dedicated employee, because you work so hard throughout the year to make sure that our price will go up, we will get benefit, we will get dividend, and mark my word, in this regard, it's a legacy for me. It's a legacy for me. God bless you for that.

And one more thing, sir, as far as the question is concerned, sir, our respected Company Secretary and his entire team, I mean, he is the biggest asset, so mark my word, during the course of year, if you have any, any update, anything we will hear in the stock market about the company, that will be honestly delivered to us. And that's something a great peace of mind if you see from a retail perspective.

So, my best wishes for the future, sir. God bless you with all the positivity. You are the personality in Mumbai, which is the financial capital of India, the most respected persons. I heard lots of speech of yours in different platform. I mean, for me, it's a learning experience. It's a truly, truly financial aspect of life. Everybody will change.

And I learned a lot from you personally also. God bless you for that. And thank you very much for this opportunity. May Maa Durga's blessings always be upon you. Be always happy and healthy and give our company a good direction. With this note, thank you, sir. Thank you very much. Jai Hind.

Moderator:

Thank you. Our next speaker shareholder, Ms. Sharda has registered, however, not joined for the meeting. I now request Hiranand Kotwani to please accept the prompt on his screen. Mr. Kotwani, please turn on your webcam, unmute yourself and go ahead with your question, please. I believe he's facing some difficulties. We'll move on to the next speaker shareholder, Rajendraprasad Joshi. Mr. Joshi, please accept the prompt on your screen. Please turn on your webcam, unmute yourself and go ahead with your question, please.

Rajendraprasad Joshi:

Okay. Thank you, madam. Respected Chairman and MD, Sri Rashesh Shah; our Vice Chairman, Sri Venkatchalam Ramaswamy and other dignified Directors present in today's AGM. Sir, myself, Rajendraprasad Joshi, shareholder of the company speaking from my residence at Mumbai.

Rashesh sir, you have given a very excellent speech at the beginning of the AGM and sir, you have provided full details in the presentation of the company's performance. Sir, it gives a clear picture that the company is on the path of progress. Chairman sir, not looking to the number, I say my compliments to you and Edelweiss team for our company is demonstrating a strong balance sheet with improved asset quality and strong network despite the various challenges due to the high volatile markets and the global uncertainty.

Sir, our company recorded strong bottom line growth in FY '25. It is remarkable that company's net debt declined by 27% on year-to-year basis. Sir, our mutual funds and insurance business have also performed quite well. These are all achievements for '25. Sir, company's client base

has also improved which reflects to the excellent customer services and the customer-centric approach by our company. Sir, please keep it up.

Sir, your Board has declared the dividend of INR1.50 per equity share. We are thankful to the Board for the same. Sir, last but not least, our secretariat department is doing excellent job. My compliments to secretariat and finance department for exceptionally excellent presentation of Annual Report. Very few companies' annual reports are so extensive, explanatory and transparent.

Here, I am also grateful to Shri Tarun Khuranaji for his cooperation and guidance. He is always available to us to solve our queries. Sir, in fact, CS team is also cooperating accordingly and shareholder friendly. Sir, many, many thanks to Khurana sir and his team.

I have, sir, just few questions to ask. Sir, which business segment you see there is ample opportunities for the expansion going further? Second, sir, what is company's percentage market share in the insurance business?

Third, sir, what will be the impact of GST rates rationalization on our company? And fourth and last, sir, what is the present debt to equity ratio and what is the average cost of borrowing? With this, I thank Chairman sir, Company Secretary for giving me this opportunity to speak from this platform. And I also support all the resolutions for today's agenda. Thank you very much, sir. Thank you, sir.

Moderator:

Thank you. Our next two speaker shareholders, Mr. Bimal Kumar Agarwal and Mr. Vinod Agarwal have registered, however, not joined for the meeting. I now invite Bharati Saraf to please accept the prompt on the screen. Bharati Saraf, please accept the prompt. Turn on your webcam, unmute yourself and go ahead with your question, please.

Bharati Saraf:

All those are present, respected Chairperson, Members of the Executive Board, officials and employees, I Bharati Saraf, joint holder Santosh Kumar Saraf greet all of you. I hope all of you will be in good health. Sir, I welcome all of you to this lecture. I would like to thank all the employees who have contributed to the success of our company. I would also like to thank all the family members who have always supported us.

I would also like to thank all the CFO who have created a great balance sheet. This balance sheet is so good that I don't have any other question to ask. I would also like to thank your CS team for coordinating with us. Sir, I would like to ask a few questions. The balance sheet has provided all the answers. But I would like to ask a few questions.

I can't read all these questions. I am getting old and my eyes are getting tired. I would like to ask CFO sir to highlight some points from the next year. You can ask this point to Mr. Shah during the meeting. You can pass through Mr. Khurana that this point you can ask. He is an educated person. He makes a very good balance sheet.

Sir, I would like to know what kind of technology we are using in the future to increase the income and growth of our company. Secondly, I would like to know if the current political

situation is going to have any effect on our company. If you can tell me the reason for the recent market crash, I would like to know. I would also like to know what the future looks like.

The balance sheet has provided all the answers. I would like to ask a few questions. I would like to pray that all the Directors, Employees and Associates of our Company will be safe and healthy. It is time for Durga Puja. I wish you all a happy Durga Puja. I wish you a happy festival whether its personal or nationa. I wish you all a happy festival all associated to the company.

Sir, please continue the VC meeting in the future. See, we have only one chance to express our appreciation for your good work through a VC meeting. That we can't go to Mumbai and if we can't present our appreciation to the company, then VC meeting can continue. And lastly, I am a moderator and I express my appreciation for such moderating.

Once again, saluting the CFO that he has made such a good balance sheet that we did not get any point. May be next year we will get a point. Jai Hind, Jai Bharat, Ram Ram.

Moderator: Thank you. I now request Yusuf Yunus Rangwala to please accept the prompt on his screen. Yusuf Rangwala, please accept the prompt, turn on your webcam, unmute yourself and go ahead with your question please.

Yusuf Yunus Rangwala: Sir, can you hear me? Sir, can you see my photo?

Rashesh Shah: Yes, please go ahead.

Yusuf Yunus Rangwala: Sir, first of all, I would like to extend my warmest greetings to you, sir. Happy, happy, happy Dassera, sir. You seem to be very happy, sir. You can see my hand and you can also see my face. Sir, I am your oldest shareholder, sir. Sir, you have distributed 257 offices, heard through Madam Mascarenhas.

Sir, you are a broker, sir. If I don't ask you two questions about broking, then I won't enjoy, sir. First, about your Infosys and second point, Wipro. Point number third, so many public issues are coming up. What do you think about this, sir? Because 25 issues are coming up every day, sir. This is amazing, this is a record, sir.

So many public issues are coming up. How will a person know which company is good and which is not good? If you have any knowledge, then please guide us, because you are a broker, sir. Because you will have guidance, sir.

Sir, my Demat account is in Joindre Capital, sir. You must be hearing their name, Joindre Capital. And your name is Edelweiss. What is your annual maintenance, sir? What is your year maintenance and what are your Demat charges? If you can tell us something about this.

Sir, what is your branch in Bombay? Santa Cruz is far away. Is it in Bombay or in Fountain, sir? If it is, then please tell us. Because I want to connect with you. Because I have a lot of shares, sir. And I like it, good people, good thinking. And what do you have to say about your CS Department, sir? You even called me, you got the link then you have to talk. Look, this is such a good service. There is a lot of meeting today.

And your CS Department has brought us here. The one who keeps us close, sir. It feels like the heart doesn't agree. Edelweiss, we are connected with you. The heart doesn't agree. I want to sing a song for you, sir.

It is such a friendly song, sir. Nothing more to add. Greeting for festivals sir and the happiness for the people, keep laughing, keep smiling. And keep your name in the brokering, sir. I want you to be number one. I pray to God, Edelweiss, name on top. We will be number one. I pray to God, sir.

And your guidance, what do you have to say, sir? Hardworking, handsome and I want to thank you by saying Namaskar. Namaskar, sir. In Diwali, at the time of any get-together, if there is a new public issue, you call us, sir.

We also have a mutual fund. You have to invite us there, sir. You are in the mutual fund. I want to know, which is the new mutual fund? Thank you very much. Keep laughing, keep smiling, greetings, wishes sir. Thank you, sir.

Moderator: Thank you. I now request Ajay Kumar Jain to please accept the prompt on your screen. Mr. Jain, please accept the prompt. Turn on your webcam. Unmute yourself and go ahead, please.

Ajay Kumar Jain: Namaskar Chairman sir. I am Ajay Kumar Jain from Delhi. I am the shareholder of the company. And sir, today's evening session is to see and listen to a dynamic personality like you. That's why we are sitting here, sir and questions are nothing, sir.

Do you ever light a lamp in front of the sun, sir? And we will ask questions in front of you. You have already done so well. And sir, the second thing is that the Honorable Prime Minister had just said in GST 2 that celebrate the savings festival and the flow of money in the market will increase. Do you see the possibility of my company with that? Do you see the possibility of my company?

I appreciate all the proposals put forward in the assembly. And two words for you. You have to fly, no matter how much you have to count. You have to touch success, no matter how much you have to fight. This is your quality, sir. And with your guidance, Mr. Tarun, who is our CS, his team has done a very good job. This is a memorable moment, sir. A memorable moment. And the second thing is that the quality is very good, sir.

As the Honorable Prime Minister do show Mann ki Baat, you too get to know about the shareholder and investor first and all their work is done. With this belief, Namaskar. Jai Hind.

Moderator: Thank you. I now request our next speaker shareholder Dilip Kumar Jain to please accept the prompt on the screen. Mr. Jain, please turn on your webcam. Unmute yourself and go ahead with your question, please. Mr. Dilip Kumar Jain, I have given you a prompt to unmute yourself. Since there is no response, we will move on to our next question.

I now request our next speaker shareholder I request Yogesh Vesvikar to please accept the prompt on the screen. Mr. Vesvikar, please turn on your webcam. Unmute yourself and go ahead with your question, please.

Yogesh Vesvikar:

First of all, Chairman sir, it's a great pleasure to listen to your presentation, sir. Because very few financial companies or I can say asset management or any other industry, they deliver this presentation. It's really a heads up to you for right now, what are our present as well as how future unlocking will be done through the IPO in 2026, as you said in your presentations.

Once again, sir, a successful asset sale of our to the WestBridge Asset Management. That is one achievement we have done. We are considerably reducing our debts. We are trying to enrich every shareholder value. Once again, I thank for dividend in spite of difficult situation worldwide, whether it's a global war which is going on or the tariff war which is going on currently.

I would also like to thank our Company Secretary, Khurana for all the necessary work related to this region, all the correspondence right from Seminar Building, which we have received and to which we are right now able to communicate.

So it's a really good thing for marginal shareholders like us, we always feel privileged to attend this meeting. I support all the resolutions and thank you for allowing me to speak.

Moderator:

Thank you. I now invite our next speaker shareholder, Bimal Rasiklal Bhatt. Mr. Bhatt, please accept the prompt on your screen. Please turn on your webcam, unmute yourself and go ahead with your question, please.

Bimal Rasiklal Bhatt:

Okay. Honorable Chairman Shri, Rashesh Shah, esteemed Board members, Key Managerial Personnel, senior management and my fellow colleagues. I am Bimal R. Bhatt, Ex-Public Interest Director from Vadodara, Gujarat, the land of Mahatma Gandhi, a strategist and Sardar Patel, an Executor.

Good afternoon. Thank you, Mr. Khurana and team for excellent support. Excellent Annual Report. It's a great training module for young folks. Should we share with major educational institutions across India to attract as well as enhance our brand equity? Hearty congratulations to the entire team of our company.

As a part of co-creation, stakeholder engagement process, my few observations and views, which I have already shared as a fairness to the Company Secretary. He also confirmed, thank you, Mr. Khurana. First, composition of Board of Directors, page seven and eight. Should we have young person as an independent director below 40 years of age? Also, more women representation as a part of success and planning. Can this be executed in next two to three years?

Second, three Independent Directors at present, they are not Directors in any other listed company, page 174-75. I do appreciate their knowledge, experience and contribution. However, as a part of success and planning, should we look out for directors having experience of diversified industry so as to have distinct perspective of socio-economic life?

Three, as a part of value creation process, is company thinking about inorganic growth? Fourth, four Independent Directors are paid same amount towards commission, page 179. As for my understanding, it should have been more realistic. I do appreciate their experience and

contribution. Fifth, are we having accounting expert, not a finance or investment or banking expert as an Independent Director? If no, there is absolutely necessary to appoint such expert.

Next, our paid-up share capital is too low at INR921.40 million. Is it reflecting our true strength? Next, promoter and promoter's group sharing is 32.71%. Can our company be a takeover target? It may not be appreciated, but I always believe in Professor C.K. Prahalad about the next practices rather than the best practices, even for shareholding.

Is Edelweiss brand valued? If no, should we value and charge fees from group companies? And what is the objective of having 110 EARC trusts? And lastly, as a part of collaborative efforts, may I suggest to refer my book, Business and Governance Insight on Amazon India, USA and UK?

It's having 13 chapters, 70-plus subtopics and 130-plus references, including 60 Annual Reports from the Indian companies. I'm happy to share that it is pre-reviewed by Honorable Suresh Prabhuji, exCabinet Minister, Mr. K.V. Kamath, I hope, Professor, you know him very well from the formative years. C.A. Dinesh Kanavar, C.A Nilesh Vikamsi, C. A. Jyotin Mehta etcetera.

This review was also published in Director Today, May 24, in Monthly Journal of Institute Directors, New Delhi. And my recent article, July 2025, Stakeholder Engagement a Priority, in Director Today again, in Monthly Journal of IIT, where I also referred some part about the views of Larry Fink, the CEO of the BlackRock.

I very much appreciate the endless brand power. As a part of my life mission of better governance and stakeholder engagement, I am communicating with various corporates for more than two decades. If both things get proper and worth, I can share true case studies and stories for betterment.

In a bookable, my best wishes for an exciting future, for a happy, fulfilling, growing and peaceful life to all the stakeholders. And lastly, I have shared my copy of book to Madam Radhika Gupta when she was in Baroda last month. Thank you very much for allowing me to share my view. All the best. Happy Dashera.

Moderator: Thank you. I now request Ms. Lekha Shah to please accept the prompt on the screen. Yes, please go ahead.

Lekha Shah: Thank you, Ma'am. Respected Chairman Sir, Board of Directors, and my fellow members, good evening and regards to everyone. Myself, Lekha Shah. I'm joining this meeting from Mumbai. First of all, I would like sincerely thank our Company Secretary Tarun Sir for giving me this opportunity and small, smooth process where I'm able to talk in front of you all in AGM. I found the AGM Notice and I'm delighted to say it's so beautiful, full of colours and facts and figures in place.

Once again, thank you so much, our Company Secretary Tarun Sir. Chairman Sir, opening remarks, so insightful and comprehensive that you have already addressed everything I had in mind. Sir, I pray to God that he always shower his blessings upon you.

I am proud to be a shareholder of this company. which were Navratri will never be filled with divine energy, endless happiness, and countless blessings, Sir. I totally agree with my previous speaker, Santhosh Bhai from Calcutta, on continue video conference meeting in future. Chairman Sir, I have complete trust in our Board of Directors and Chairman Sir.

Where there is trust, there is no question, Sir. So, I would like to say I strongly and wholeheartedly support all the resolutions for today's meeting. Thank you, Chairman Sir.

Moderator: Thank you. Our next speaker shareholder, Mr. Satish Shah has registered, however not joined for the meeting. I now request our next speaker shareholder, Tushar Sodha to please accept the prompt on your screen. Mr. Sodha, please accept the prompt, turn on your webcam, unmute yourself and go ahead with your question, please.

Tushar Sodha: A very good afternoon to all. Am I clearly audible?

Rashesh Shah: Yes.

Moderator: Yes. Please go ahead.

Tushar Sodha: Thank you so very much. Very respected Chairman, Rashesh Bhai Sir, Stalwart and Eminent Board of Directors and my fellow shareholders, Secretarial team of our company deserves appreciation for exemplary and outstanding presentation of current year's financial statements. This year's Insightful Annual Report with catchline Crafting Purpose, Driving Impact and Scripting Value for Stakeholders is a testimony of execution capabilities of both Secretarial as well as Finance Departments of Edelweiss.

It is indeed emotionally rewarding and heartwarming to read Pages 9 to 14 and 25 to 34 which pay rich tributes to glorious and magnificent Bharatiya Culture. Kudos to entire team Edelweiss for consolidated revenues of INR9,500 crores with net profits of INR536 crores. It is a delight to read that net debt is at all-time lows of INR11,170 crores.

Chairman Sir, I remember very well that our peak debt was a massive INR40,000 crores. That's a huge phenomenal reduction of 72%. This journey from peak debt to lows of INR11,000 crores has made Edelweiss more agile and stronger and gives our business model a unique advantage. Can we expect this encouraging trend to continue in the forthcoming years?

Value unlocking in Nuvama Wealth was a masterstroke. We got the opportunity to directly participate in Nuvama Wealth's growth story in addition to Edelweiss' current growth journey. I request you to kindly consider demerger and value creation and unlocking of our other business verticals as well.

Edelweiss is our topmost leading alternative asset manager with AUMs at all-time high of INR59,600 crores. Kindly inform what are our targets and propositions for asset under management for the year 2028. With a robust 40% market share, Edelweiss' asset reconstruction is the largest platform.

Chairman sir, what is your take on future growth of the asset reconstruction vertical? Capital adequacy ratio of more than 32% has been maintained across credit and ARC business despite several headwinds. Kindly inform what is the statutory requirement for capital adequacy?

Sir, Zuno Insurance is very well positioned as a new insurance tech company. How does Zuno leverage technology to differentiate from others and give them edge over peers? Kindly share with us within how many years we can expect insurance business to break even.

I take this opportunity to appreciate employees at all levels and the entire senior management team for their exemplary leadership and very valuable guidance. I am assertive that future of Edelweiss is buoyant and resilient. I am equally confident that Edelweiss will maximize value creation for all stakeholders with exponential growth.

Thank you, Chairman sir, for giving me this opportunity to put forth my queries and express my views. Thank you so very much, sir.

Moderator: Thank you. I now request Rajeev Rupani to please accept the prompt on his screen. Mr. Rupani, please turn on your webcam, unmute yourself and go ahead with your question, please.

Rajeev Rupani: Yes, sir. Good evening to all of you. I have a few questions and I have mailed the same to the Company Secretary yesterday. So, I would appreciate if you could answer them. Sir, my first question is on the stake sale in the mutual fund business. So, we have sold 15% stake for INR450 crores valuing the mutual fund business at INR3,000 crores.

The AUM of a mutual fund business is about INR1,52,000 crores. So, we have valued our mutual fund business at 2% of AUM. Isn't that a very, very low valuation of our mutual fund business? If I am correct, the typical range is 6% to 14% of EV to AUM, enterprise value to AUM. So, even if we value our mutual fund business at 5% of AUM, the valuation comes to INR7,600 crores.

UTI AMC with assets under management of INR3,78,000 crores. Its market cap is INR18,000 crores on the Stock Exchanges, approx 5% of AUM. Aditya Birla AMC with assets under management of INR4,25,000 crores. Its market cap is INR23,000 crores, more than 5% of AUM. So, we should have waited for a better valuation or divested after 2-3 years at a much higher valuation when our AUM would be much higher or done an IPO to unlock value.

Please clarify. My next question is regarding the net debt. Our current net debt is about INR10,920 crores. So, you have talked about INR5,500 crores of corporate debt reduction over next 3 years. And out of this, you have mentioned INR2,000 crores will be from property and other investments. Could you please give more info, more clarity, what are these investments and where is this property and the breakup of amount between the two?

Also, you have mentioned that INR2,000 crores will be reduced from stake sale of business. So, if I am correct, INR2,000 crores will be from the forthcoming alternative asset IPO and mutual fund stake sale which was recently concluded. And no other IPO stake sale in the balance 5 business units in the next 3 years.

My next question is regarding value creation for shareholders. So, we have seven business units out of which EAAA is doing an IPO first. So, going forward, do you plan to list do IPO of each of the balance six units separately on the bosses? What is the time frame for this?

My next question is regarding the wholesale loan book. The wholesale loan book is presently at INR2,400 crores. When does this go to nil? My next question is regarding competition in the life and general insurance business. So, how do you plan to compete in the life and general insurance business where there are biggies like HDFC, ICICI, Bajaj, GoDigit, Acko and PSU players? I don't think you can scale up these two businesses. Please clarify. Just by achieving break-even, you don't create value.

My last question is regarding the Nuvama stake sale. So, Edelweiss has sold its stake in Nuvama to reduce debt. But, Rashesh bhai, you are holding stake in your personal capacity in Nuvama as the future is bright for wealth management and you are in no hurry to sell the same. Isn't this contradictory? I think you should have sold the life and general insurance division as there is a lot of competition and held on to the wealth management business. Thank you.

Moderator:

Thank you. I now request Hiranand Kotwani to please accept the prompt on his screen. Mr. Kotwani, please accept. Yes. Please unmute yourself.

Hiranand Kotwani:

Previously, it was when I just clicked, it was over. So, link was out. Thank you for calling again. Namaste. It is a great pleasure for me to join Mr. Suresh because this gentleman want to just correct. Our company is 30 years young. In the Chairman speech you said, we are 30 years old. So, certainly, next 10 years will be very crucial for our long-term company because you are visible.

You have worked hard for many years. Why? I understand. I am your shareholder since day one. I know you since 30 years. You have built the first floor and your name is enough. Everyone has asked a lot of questions. Your concern is our concern. Your main concern was the reduction in debt. So, same is our concern.

But one thing I will just put short because so many people are just at your platform. Promotion of the sale of book and some are asking you where to invest. Very petty thing. But I will just ask housing and insurance, how the future of our housing and business from our angle point of view. Please narrate.

Thank you and good luck. Our compliance is good. Let us acknowledge that also. Thank you. I am Hiranand Kotwani from Kalyan.

Moderator:

Thank you. I now invite our next speaker shareholder, Ankur Chanda. Mr. Chanda, please accept the prompt on your screen. Mr. Chanda, please turn on your webcam, unmute yourself and go ahead with your question, please. One moment, sir. Mr. Chanda, please go ahead.

Ankur Chanda:

Good afternoon, sir. Good evening. I don't want to say much. This time, we have come out of a tough phase, but our management is capable of clearing the tough phase and bringing good profits. With this hope, I would like to ask you to work a little harder and give us good returns.

You will also get good profits and we will also get good returns. That's all I would like to say. The CS department is doing a good job. Thank you.

Moderator: Thank you. I now request Mr. Jehangir Batiwala to please accept the prompt on his screen. Mr. Batiwala, please unmute your audio.

Jehangir Batiwala: Okay. Rashesh bhai, good evening, sir. Long time shareholder of Edelweiss, sir. Sir remember the meetings we used to have in your office, sitting on those red chairs reclining. We miss those days, sir. And we urge you that kindly start with physical meetings now, sir. Because work from home is stopped now and people are going to work now.

So, I would urge you that you can switch over back to physical meetings where we would like to come and greet you, meet you, talk to you and enjoy the hospitality of Edelweiss. Yes, sir. I have heard everything. Right from the start, I have been with you. So, there are no questions as such. Just that what new products Edelweiss is coming out this time for entering the market? And what is the roadmap? And what are the growth plans for the company?

Best of luck to all. Now that Dussehra is here and then Diwali is coming. Best wishes for the upcoming festival. And sir, I would urge you please have a physical meeting, sir. We would not like talking in a small electronic piece and there we used to enjoy those meetings, sir. So, kindly have a physical meeting now, sir. Thank you.

Moderator: Thank you. Our next two speaker shareholders, Mr. Himanshu Trivedi and Mr. A. P. Jindal have registered however not joined for the meeting. I now request Rushabh Shah to please accept the prompt on his screen. Mr. Shah, please turn on your webcam unmute yourself and go ahead with your question, please. You are on talk mode. Rushabh, please go ahead. Your volume is very low. We can hear you, but it is very low. Not really. Can you speak a bit louder, please?

Rushabh Shah: Okay, thank you. If you could just kindly share some specific examples of improved underwriting practices in the NBFC Housing Finance business over the last cycle and how is technology helping us to reduce cost? That is number one.

Second one is what are the three year ROE targets for NBFC Housing Finance business? And the third question is on the insurance. I think someone already asked it. I'll just ask it a little differently. What gives us confidence in the insurance business value creation? We understand that we are here for the long haul, but is there a defined timeline or a hard stop for reconsidering the business if the progress isn't as planned?

The fourth one is what is the thought process on the ERC business value unlocking given that one of our peers has already filed their DRHP? And what is the latest update on the INR2,000 crores property sale that we are looking at? By when can it happen? And are you on track for the April '26 listing for the AAA business?

And the last question is on the MF stake sale. Could you elaborate on the rationale for proceeding with the MF stake sale at this time given that the balance sheet is already in a much better shape now and you already mentioned that we are looking at possible yield improvement. So maybe

we could have fetched a better valuation, maybe one, one and a half years down the line. So why did we do it now? Thank you and hope you can answer all the questions at the AGM.

Moderator: Thank you. I now request Bimal Kumar Agarwal to please accept the prompt on his screen. Mr. Bimal Kumar Agarwal, please accept the prompt on your screen, turn on your webcam, unmute yourself and go ahead with your question please.

Bimal Kumar Agarwal: Thank you, moderator. First of all, I'll thank the company's team management staff and the shareholders and I got... Sir my question was already raised by the other speaker. I got nothing to ask and I already supported all the resolutions for the same and please continue video conference so people from all over the world can join. That's all from me. Thank you very much.

Moderator: Thank you. I now request Gaurav Gupta to please accept the prompt on his screen. Mr. Gupta, please turn on your webcam, unmute yourself and go ahead with the question please.

Gaurav Gupta: Thank you very much for giving this opportunity to share my thoughts at this AGM and in front of respected Rashesh Shah, who has put his time, his efforts, right, and I think a couple of decades in building up the organisation in which we are a shareholder by simply going to the Demat account or trading terminals and buying shares and becoming a shareholder.

And thanks for giving this opportunity of participating via EAGM. If it was not then I don't think so that shareholders like us, from nook and corner of India would have joined these unless and until someone present in Bombay and coming to your office and having a cup of tea and joining that. So, thanks a lot on that.

Coming to the questions, first of all, great compliments on the annual report that has been prepared. A lot of in-depth analysis, in-depth information about most of our businesses has been detailed out in the annual report, right? So, with your permission and liberty as a shareholder, I would like to quote one particular thing from the report.

I think there are a lot many quotes but one which I really like was, "You cannot write a new chapter unless you read the old one with honesty", right? So I have done a little bit modification into that and I would like to read that like "To not come and participate in a recent AGM and listen simple on the face value, whatever has been talked and discussed unless and until you go and see what has been communicated in the last AGM".

So with that, referring to the presentation which was made in the last AGM and I'm sure Mr. Rashesh Shah, from last one hour almost you have been noting a lot of questions. So, if in case you would like to pass on this particular question to answer to one of the Independent Directors, who truly feels that they are independent and with complete honesty and ethical values they can answer this question. I would love to hear response on this particular question from one of the Independent Directors. We have four independent directors on this call, right?

In the last AGM, in the presented deck, the way we have presented this time, the mutual fund intrinsic value was mentioned as INR5,100 crores, right? And over the last 12 months exactly, a lot has happened in the Indian security market oriented businesses. The value created has been

seen by everyone including what happened in Nuvama, your peers from JM Financial to Motilal Oswal, everyone has seen value creation right?

But having that fact in front of each one of us, right? Including the board of directors, including the management, including the large shareholders and including the small shareholders like me. The transaction that we concluded recently, not even a month ago. We have given 15% stake of AMC in just INR3,000. So that is, we have reduced it from INR5,100 crores to INR3,000 crores of transaction.

And in today's AGM, when we are presenting the presentation, the deck, we are giving a valuation of, I would say intrinsic valuation that we are mentioning INR3,800 crores. Sir, within a month, the value of INR3,000 has become INR3,800. Within a year, the value of INR5,100 has become INR3,000. This calculation is not understood as a shareholder, right?

So the first question I have to ask is, from the Independent Directors, what is the view? When this proposal came to the board, did the Independent Directors not ask this question, that last year we were saying the value of INR5,100 crores of our mutual fund business and in the last year, we have worked on yield improvement.

Our Radhika ji is giving so many interviews, is doing value creation, talking about such good things about the company, creating brand value and so many. And the underlying investor sentiment is of the security market related businesses. But still we are doing INR3,000 crores.

And after that, with a thumping chest, we are coming and saying in this particular AGM, that we are mentioning INR3,800 crores of intrinsic value for AMC. So that is my first question specifically to one of the Independent Directors. Those who can answer it with the complete authenticity, with the complete, I would say not just being like in a Marg Dakshin Mandal, like the concept in India, but not that. But being a true Independent Director, you are a custodian of retail shareholders. So humble request on that first question.

My second question, sir. You mentioned a point that our pain points were, and biggest pain point was debt reduction. Sir, retail shareholders also have a pain point. A very big pain point. Specifically, those who have been associated with this company as a shareholder from last so many years and have seen value destroying. Real value, I would say and not just the paper value.

How I am, or why I am saying that? You also mentioned another point, win-win-win situation in this particular of our deck over here. So sir, I will remind my quote again in which it was mentioned that till we don't read the old one, there will be no use of talking about honesty in the next one.

Sir, when we have already adopted a formula, we have seen the value that has been created personally for yourself and for the institutional investors like Nuvama and the retail shareholders also. The formula of Nuvama where a major stake was given to institutional investors and a subsequent substantial share was given to listed EFSL and some portion was given to retail shareholders in which win-win-win, everyone got a win situation. No one lost.

Why the same formula has not been utilized or has been taken into consideration which we did for EMC or which we are doing for EAAA. That is the second question. The third question is related to this which I have talked about earlier.

Last year, we mentioned the intrinsic valuation of EAAA in the presentation we mentioned INR9,000 crores. Today, when we are presenting our deck we have presented INR10,000 crores. A whole year has passed while we were discussing that we will bring the IPO of EAAA.

Then we said that CEPI has given some observations about the reclassification of the revenue and with that reclassification we will be refiling the draft DRHP with the regulator. After that, we said that we will take it in April 2026. In March, because it is a busy season of fundraising, we are not interested into that.

Though there are not many hundreds of companies doing the IPO they don't have that same thoughts that value creation will not happen during the Diwali or during the JFM quarter. What is the guarantee here that the intrinsic value that we are giving of EAAA as a shareholder will be reduced by 30%-40% in the future. So this whole calculation will go for a tosser about EAAA.

So that was the third question specifically on EAAA that the intrinsic value that we are saying and you being a merchant banker our bread and butter is to create the value of all these businesses and if we are talking about our intrinsic value we will not stay on that so if we are talking about the value creation of other promoters and entrepreneurs how will it happen and how will the shareholder believe? So that is the third piece that was on EAAA.

The next question is that the seven operating businesses that you have mentioned in the asset management piece, insurance vertical, lending vertical and EARC seven different businesses in four different segments and our top listed company is Edelweiss Financial Services Limited EFSL.

So it is said that between KUVI and PYASE the problem of so many subsidiaries is that as a shareholder, we don't understand that the listed company EFSL, how much does it own directly in which business? In a presentation, we told that we have this much in Juno we have this much in Nido we have this much in EARC we do 100% in EAAA.

But if I talk about EAAA then directly when I go to my notes to accounts, I don't see that I have shareholding in EAAA that is held 90% by Edel Security and Investment and 10% by Edel Finance. Then as a shareholder we have to go to their balance sheet to see how much they do in it so sir, the mess that has been created in this, I have three sub questions small questions why is there so much complexity in business?

Then as a shareholder we have to go to their balance sheet to see how much they do in it so sir, the mess that has been created in this, I have three sub questions small questions why is there so much complexity in business? Why not to have a simple structure that a listed company will own their shareholding as simple as that when their value materializes it will directly reflect in your P&L and balance sheet that is the first piece.

Second, RBI's guideline is that a core investment company can only be one in a group in CIC. In Edelweiss, we talk that these are our operating businesses. We don't do anything in Edelweiss. We are a holding company, we are a corporate group. CIC is technically the same.

Then we have Edel Finance. Edel Finance which is holding shareholding in most of the companies Edel Security and Investment, there are 3-4 other companies which look like Edel rural and corporate, which are not doing anything in the operating business, either they are taking loans and giving them, or they are owning the holding of these operating businesses. So are we not playing with RBI's guideline, rather than being in white and black, are we operating in a grey area?

And third question on this piece is that when businesses in your field, in your BFSI vertical when people are realizing that value is not created here and there, value is not created here, value gets created in the listed market only when the value gets appreciated with the honesty and authenticity of the numbers in the business. The way we talk, the way we communicate, what we say, we actually work on that piece.

So, don't we feel that we have been running EFSL for so many decades and today we are at a market cap of INR10,000 crores and those who have started their business 3-4 years ago, they are at a market cap and their name is value creation. So don't we think as a group. As a management, we have four Independent Directors and four Chairman and people related to you, equally distributed. So, our thought is that the value that is being created across India will EFSL shareholders get a chance to participate in the value creation or is it just a paper tiger? So with that, I will conclude.

Rashesh Shah: Mr. Gupta, I think you should complete your questions quickly because we have a couple of others.

Management: Sir, I have concluded, just a disclaimer, sir. Ms. Sharda was not able to join, she is with me. So I have taken time for two shareholders who had registered to speak in this meeting. So, I am assuming that I have taken less time than those who have taken time earlier considering two speakers at one moment. Thank you very much, these are my questions. I would request that if their questions are answered, as a shareholder I will be more than obliged. Thank you very much sir.

Moderator: Thank you. Our next speaker shareholder, Anil Parekh has registered, however not joined for the meeting. I now request Dnyaneshwar Bhagwat to please accept the prompt on his screen. Mr. Bhagwat I am giving you an option to turn on your audio.

Dnyaneshwar Bhagwat: No, ma'am. My camera is not working perfectly, so I am sorry from my side.

Management: No, problem sir

Dnyaneshwar Bhagwat: First of all, Mr. Rasheshji, wishing you a very happy Diwali. I was here last year as well and I have been here for 7-8 years. So to give me the opportunity to speak, I would like to thank you, your team and our secretary Mr. Tarun Khurana, and secondly, as you have said everything in the opening remarks, so I don't have to ask anything in the financial part.

About the resolutions, I extend my full support. And as it is said, we have to keep the pearl out of the sea, I would like to thank Mr. Tarun Khurana for the balance sheet. And last but not the least for our company and the Board members I wish you a very happy and prosperous Diwali. I pray to God for this and for giving me the opportunity to speak.

I would like to thank you all from the bottom of my heart. Thank you very much for your patience and sir, I won't take much time you have been here for 5.5 hours, so I understand your pain very well. I will only do a short cut, thank you very much sir. Thank you that was the last speaker shareholder for today. I now hand over the call to Chairman sir, over to you. Thank you and again, my heartfelt.

About the resolutions, I fully support the resolutions and like it is said we have to keep the pearl out of the sea in front of everyone like our Tarun Khurana the balance sheet he has made I thank him from my heart and last but not the least for our company And board members I wish you prosperity I pray to God and for giving me a chance to speak I thank you all from my heart thank you very much for your patience. I won't take much time you have been sitting for 5.5 hours, so I understand your pain. I won't take much time. Thank you very much, sir.

Moderator: Thank you. That was the last speaker shareholder for today. I now hand over the call to Chairman sir, over to you?

Rashesh Shah: Thank you and again my heartfelt thank you to each and every one of you for coming, sharing your feedback, questions with us. Quite a few important questions raised. I'll just try and answer as many of this as I can and then I will also maybe invite a couple of our Independent Directors if they want to add something because there was a special request made for them also to share.

I would start off by saying we have a great Board of Directors both Independent and as internal members and we do grapple a lot about all these issues that you have raised growth issues, value creation issues, value unlocking issues and what happens is when things appear very black and white they are a lot more complex when you are trying to unlock value, create value at the same time. When you say win-win win, you create win-win for all of them and there is some trade-off even when we did the Nuvama Demerger.

There was always a question how much should go to the Edelweiss shareholders, how much to Edelweiss how much cash to leave in the company, Nuvama? So the cake is there, the cake has to be cut in a win-win manner. And I think I'm always very grateful to the Board members that we have who in the last 8-10 years have truly guided us in finding the balance in that. So I think as you have pointed out we have 255 offices 136 cities, a lot of our products are still catering to Tier 1, Tier 2, Tier 3 cities we are not very much into rural areas.

I think a lot of questions on a business, so I'll combine all of them. So if you see we have three clusters of businesses we have the asset management business which is EAAA and Mutual Fund we have two insurance businesses LI and GI and we have three credit businesses NBFC, ARC and Housing Finance.

As you can see from the presentation, a lot of our equity capital is in the credit businesses though because of the changes in the NBFC business the growth cycle at which NIDO is now in housing

finance and the ARC business which is highly cyclical, 8-10 years ago there were a lot of bad assets to buy now there are very few new bad assets coming up as you know NPN the banking sector is very low.

So, there is a lot of capital in the ARC which is not earning the right kind of ROE that we would want to earn. So our three credit businesses have a lot of capital, but the ROEs are low because we are not geared it up much, we are not borrowing much because we can't do both, we can't reduce borrowing and increase borrowing at the same time.

So, as we have brought down the borrowings our credit businesses ROEs have come down. Our insurance business we are still in investing phase and I'll speak a little bit about why we are in that and why we believe in those. And the two asset management business we have. In asset management EAAA has been growing pretty well as we have shown the AUM is growing, the profitability is growing.

We do believe that it's an alternative it's a long-term business. We should expect to grow it at about 25% per annum. That is a growth rate we've been maintaining and we will want to continue to maintain that. I think most of our businesses will have steady secular growth rate but not always growing at very high rates because we have seen that we did grow very fast 8-10 years ago, but then absorbing that growth, the architecture complexity that it created has actually taught us that growing steady secular in a much more ingestible, digestible manner is more healthy.

So, I think EAAA we expect to grow at about 20%-25%. The same thing goes for our asset management business. I think there was a lot of questions which were around stake sale and the mutual fund valuation as we all know I think INR3,000 crores at first glance appears very low, it's been very strange that I've got a lot of complimentary messages because on a PE multiple, the PE multiple for the deal works out to about 57 multiple.

So the question in the mutual fund or any asset management business is what is the real value of the business how do you value it, should this be a percentage of the AUM or is it a percentage or is it a PE multiple on the profits. A lot of the people use very crude rule of thumb as you have pointed out which is 5% of AUM, 10% of AUM however having been in the market, having gone there, we have realized that profitability and the changing dynamics and cost structure of the business is where the valuation also undergoes a change.

So I think that the question that was pointed out on last year to this year, AMC intrinsic value has come down, it has come down and in fact this is to me not a fudge, it is actually the feature of our intrinsic value approach because intrinsic value can go up, can go down, so we have three parameters, one is the business parameters which is correlated but not always equal to the intrinsic value of the business and the intrinsic value is not always equal to the extrinsic value of the business.

We live in a market where in one week stock prices can fall 8%, 10%, 15%. Does that mean the intrinsic value has fallen by 8, 10, 15% in a week? No, the extrinsic value has fallen so intrinsic value, extrinsic value they move in correlation, but not always in the same way and the same

way your business parameters you might be gathering AUM but that AUM is not profitable in which case the AUM will not get you the same intrinsic value, so we put in a lot of exercise.

Again, I must start with a caution, intrinsic value is our estimate of where we value the business. The external investors, you all can use that as one of the input, but you can do your own, ultimately every investor has to assess the value of the business on their own. We as a transparent approach is putting out what is currently our calculation, again I would highlight our calculation of intrinsic value, how we see the value.

Also intrinsic value versus extrinsic value does vary from a small stake sale to a controlling stake sale. So when we value the business of AMC or EAAA or any other business, we value it as an entire stake. So when you sell a complete stake to an investor there is a control premium which also enhances the value.

So usually a control premium is a 30% higher than a small minority value. When we did the AMC deal we had the choice of either doing a deal or not doing the deal, either doing it now, we have decided to do the deal because we think it will be good for the business, it will be good for us. A WestBridge is a very good partner. We did go back and forth on the valuation that was there.

The valuation we have got is based on the price earning multiple of the business, not on the AUM of the business. As you said, if you can get 8%, 10% of the AUM, it would be great, but we should also understand that a part of our AUM is in Bharat Bond which is not a high margin product, it's a great product, it's an innovative product.

It has really disrupted the bond ETF market, but ultimately it is also a function of profitability. The most profitable part of the mutual fund business is the equity AUM where we are slightly low our equity AUM has been lower than the industry because we are a newer company. Equity AUM is also expensive to acquire.

So you have to spend a lot of resources to even get the distribution and get those assets out there. So anybody who understands the business, understands the dynamics of distribution cost and all that. So in the last one year, though the markets have done well, the economics of the mutual fund business for gathering new equity AUM, the old equity AUM is valued very highly.

So when you quote examples of UTI and other mutual funds, they have a lot of old AUM and equity AUM that is about 5 years old or 10 years old is actually very, very profitable because it's almost free of any distribution cost, any cost you spend to acquire usually for the first 4 to 5 years of that asset. So as the business gets older the profitability also enhances.

So we are a newer player, amongst our peers said we have done pretty well in the last few years. We are spending money in acquiring equity AUM and that has also brought profitability slightly under pressure. So the business is valued on that basis, if you were to sell the whole business lock, stock and barrel, the intrinsic value that we have showed is what our estimate is, that is our guess estimate of what is the value of the business.

What was it last year to this year? It has come down. I think the economics of distribution and the cost structure of the mutual fund business has changed, which has led to a decrease in our estimate of the intrinsic value and in fact this is a very honest approach, it would have been very easy to show that AUM has grown. So intrinsic value should grow, but we want to take a very transparent picture and put it as our value, our estimate of the intrinsic value.

So my caveat on intrinsic value would be treat this as one input to your analysis of the business and the value of the businesses. You should do your own always valuation is in the eye of the beholder and it is an art. It is not a science, there is a formula to that. Now I would also in the end invite my other independent fellow board members to add their inputs on this intrinsic value and how we approach value creation and eventually value unlocking in the business.

Outside of that our two asset management businesses are in growth phase, the profitability will grow, we could have held on to the mutual fund business stake sale and done it after a year or two years as you have seen. Actually it's an ongoing dilemma for all our businesses. Our businesses are growing at 18%, 20% our cost of borrowing is 11%.

So then the question to ask as a shareholder is why are we selling stakes and reducing our borrowing. If you can borrow money at 11% and keep on growing businesses at 18% it's a good arbitrage to have, but I think it doesn't work from the resilience point of view. I think any borrowing you have at the Holdco level especially because Holdco is also not an operating business.

We have taken a call at a board level that we want to reduce the Holdco borrowing because that though is good economically profitable because the value creation is faster than the interest cost. It does make us not as resilient and strong as we want to be. So it's always and I think COVID was a great example for all of us where there was a tradeoff between efficiency and resilience.

If you are hyper efficient financially you also reduce your resilience as a business. So we try to make that tradeoff so the stake sale of asset management business AMC is to get WestBridge as a partner. They have another company called Funds India which could also be a good strategic partner for a mutual fund business as a distributor.

WestBridge is a great name. We have given a small discount to what we would have maybe asked any other player because of the WestBridge name. So intrinsic value is one approach to the business when you go out and do a deal and get the investors you do adjust that valuation for the extrinsic factors which are there.

So that is our perspective on that. On inorganic growth, we don't expect to do any inorganic growth we are having enough growth opportunities internally. Though we always analyze and assess and if opportunistically any business comes up our growth approach is not based on inorganic growth. Our corporate architecture was very complex about 8 years, 10 years ago and as I think Mr. Gupta pointed out we have a lot of companies and a holding structure which we have tried to clean up.

We are in the process of cleaning it up at a company, at a group level we had at peak about almost 80 entities in the group which are now down to about 25, 26. Ideally we need not more

than 18, 20. We will have ARC, we will have 120 trust and all these are the way the business is structured. In the mutual fund also we have the mutual fund and the trustee company all of that we require.

We are currently merging both the NBFCs into one NBFCs. So wherever we can rationalize we rationalize. Historically we had capital available in some businesses which invested into other businesses when we started. So if EAAA is held by two intermediate entities which are 100% held by us the internal architecture has evolved over the years.

We are in the process of simplifying, but the economic value, the ultimate beneficiary holding is what we say that all businesses except ARC where we own 60%, insurance where we own 80%, all other businesses we own 100%. We may not own 100 directly from EFSL we will own it via the other 100% subsidiary.

So in this as a conglomerate, as a group the idea is to look at where the ultimate economic beneficiary is and that is EFSL and the shareholders of EFSL. There was a question on GST as you would have read all the insurance businesses have been impacted by GST because the input credit has gone away. So there will be some pressure. The overall GST reforms have been very good.

This new GST approach is going to be good from economic growth point of view. However our insurance business might have additional cost like all other insurance businesses because of the GST input credit going away. The question on why did the market crash today is equal to why did the market go up a few months ago or a few weeks ago.

Very hard to say on an everyday basis, but overall I think India currently has two major factors playing out and that is why we see a more sideways market. One is the foreigners are selling because the rupee has been weak. Their returns in US dollar have not been as attractive in the last one year.

Other markets including US market have been -- equity markets have been doing very well. So I think currently for foreigners India is still not a very attractively valued and attractive market with the falling rupee and others. Our growth rate has also slowed down. Against that I think there is a lot of Indian household money, Indian retail money coming into the markets which is where we are seeing IPO.

So I think the Indian money is creating a floor in the market and the foreign selling is creating a cap in the market. So I think between that cap and the floor, the market is sideways, but whether it goes up one day or goes down the other day is all part of that. We also in Edelweiss don't look at markets on an everyday basis. We don't look at our stock price on an everyday basis.

We look at the value creation, the internal parameters and we know that the market overall will keep on going up and down, but on a long term basis it is up. We also remain pretty confident on Edelweiss journey. We have had a few changes in the last few years until 2018. We were very NBFC heavy conglomerate.

We had an architecture which was very complex. We had a lot of borrowing which did propel our growth and value creation, but as I said value creation with borrowed money is always good in good times, but bad in bad times. So I think the value creation we had then was very different from the value creation we are following now, which is not based on capital intensity and borrowing intensity, but on genuinely customer money, customer assets in our insurance businesses, in our asset management businesses.

Both our NBFC and housing finance business have a lot of room for growth. We have cleaned up the NBFC book. However, it is equity heavy. We have not borrowed a lot. In both the businesses our approach will be to get in a good strategic partner, maybe a PE partner and then use that to grow because those are capital intensive businesses. However, we don't want to use our balance sheet for capital intensity.

So in order to extract value from their equity capital that we have and the growth in MSME and housing finance that is there, we will clearly partner with somebody. Some PE funds, some very good name PE funds, a lot of them have been speaking to us. The businesses are now getting to a stage where we can explore these opportunities.

So both asset management businesses on growth. Insurance, there was a question on why insurance and just getting to breakeven is good enough or not. We do think breakeven is one important milestone in the journey. It's not the end game. You don't want to build a business just to breakeven. You want to build a business to create value.

But when you get to breakeven your capital investment requirement comes down which changes a lot of optionality, which allows you a lot more optimization on the product mix and all you choose because now the business can sustain on its own without the external injection of capital. So it's like phase 1 of the businesses. We expect to hit a breakeven in the next couple of years in both the insurance businesses.

After that, I think those businesses will continue to grow and we do believe that insurance is for the next 10 to 15 years a very big important. India last 30 years a lot of growth was in the credit businesses which was NBFC and banks. In the last about 5 years, 7 years it's been capital markets which is asset management and wealth management.

We do think if I look at 2035-2040 insurance is actually the real long term where the long term Indian household money will get converted into really long term investments. We have seen that trend in other parts of the world. We do think insurance is very important part of our business, but even in that we would want to get some partners, maybe enlist the businesses.

Our current end game for all businesses is they become independent. Hopefully they get enlisted also if the opportunity does arise. To unlock value like what we did with the Nuvama de-merger was one way. There are a lot of contours in that. The question was asked on why we don't do that for all the businesses. We explore all opportunities to create value and unlock value.

De-merger is one way. Stake sale, IPO is another way and looking at the income tax rules, the needs of the business we do arrive at that and it's an ongoing process. We are all very deeply involved in constantly grappling for that. There was a question on ARC growth. ARC currently

industry as a whole is not growing. If you look at that because there are no NPA assets in the banking industry.

It has done very well from 14 to 21 was a growth era for the business. I do believe from 21-22 to 27-28 will be a consolidation era where you are not acquiring new assets, but you are still recovering old assets. NPA cycles are always 8 year, 10 year cycles and ARC business is an NPA cycle business unless there is an NPA build up and the need to recover and resolve bad assets. ARCs don't have assets to buy.

Outside of that, I think great suggestions on that. I think all our businesses have different competitors. In insurance we are very deeply focused in the Zuno business we are very deeply focused on being one of the best auto insurance companies in India. In the general insurance business there are two parts one is auto and one is health. Auto is 40% of the market, health is 40% of the market and other 20% is everything else commercial and fire and everything.

We are not very big in health. Health is also big market, but we don't have the competency and the capital for that. We are amongst the leading car insurance businesses in India and our aspiration is by 2030 to be in the top two or three car insurance companies in India. We are already in the top five by our calculation.

We want to be one of the leading auto and again this business takes 15 years, 20 years to build. There are companies in US called GEICO and Progressive which are leading car auto insurance companies which have taken 40 years, 50 years to build so we are only 8 years old in the general insurance business. So we always tell our stakeholders to be patient. Insurance business is a 30 year, 40 year business they don't get built overnight.

Even now even asset management business if you look at HDFC Mutual Fund, ICICI Mutual Fund, they are 30 years old now. So businesses take time to build, getting customer assets, customer franchise getting distribution, getting economics right take time. We are in that nascent stage in our insurance businesses. We have we do look at parameters of improvement growth and all as you can see our GI business has grown has been one of the fastest growing business.

So there must be some value we must be adding to customers because I can assure you customers don't are not starved of car insurance companies that they can buy. They are very, very many good insurance products available. So if somebody is buying the Zuno product, we must be offering something different out there.

So we have been growing at 40. We are not growing and we are not as big because we are not very big in the health insurance market. We are we are putting all our focus on the auto insurance market. So I think with that I hope I have covered most of the questions. I will invite my fellow Board members if anybody wants to add anything else Mr. Kini, Ashima, anything Balagopal

Ashok Kini:

Yes, I don't mind I heard two shareholders specifically and one person I think said that the Independent Directors are from companies which are not listed not precisely so. I have been associated with this company for good number of years. I was the Managing Director of State Bank of India and post retirement I have been on the board of a bank a very big bank.

I have been on the board of a very big mutual fund, I have been on the boards of listed industrial houses and technology companies. I have got my fundamentals very strong. I don't want to get into the technical questions which Rashesh has properly answered. What is good about this company?

I have been on many, many boards actually and I have been an advisor with McKinsey's for good number of years before this. So I know how businesses are run, what makes a business competitive This is one company where Independent Directors are truly independent, truly voice their opinion, ask questions and don't let go till the questions are answered.

What I like about this company also is that you are welcome to ask questions and ideas are freely moving around. There is nothing like saying okay next five minutes we will talk about it and then we will stop. Really not. The other very important point I want to say is that this company the original EFSL is known for incubating new businesses. If you look back you had the one big company EFSL and just think of how many new companies have come into existence.

Just tell me one business house in India which has been incubating new businesses. I can't think of anyone and they are getting into very competitive areas. I mean you take insurance, general insurance, you take life insurance, you take mutual fund. I mean you are standing up against very, very big houses, insurance houses, insurance companies, the LIC, SPI and decide that there is future for me in this business and I start small but I will grow.

In terms of scrutiny mind you in the last 5 years the company decided to strategize and says how can this single Board manage eight businesses? Impossible So now we have a board for every business and every Board is Independent it has its own Chairman it has its own Independent Directors it has its own Auditors it has its own regulators I mean how much more scrutiny can you look for.

And having decisions taken in that Board come for a final view in this Board in the Board where I sit with Rashesh, I don't think any group company anywhere in India has this kind of scrutiny has this kind of analysis being done.

Risk is taken very seriously here and we are not satisfied whether it is cyber risk, whether it is business risk, competition all this matters and you have just seen the beginning of this group wait for another 10 years and you will see where we go.

So people who have questions about the what are the Independent Directors doing in this Board am I right being a shareholder of this company, I think you got it all wrong please stay with the company if you think what I am saying makes sense to you otherwise get out.

Because this is a great company and if you do don't have the faith ask questions as you did today I am sure we are going to give you answers don't think anytime any shareholder is denied the chance of opportunity to ask questions and get answers you are ready for that actually.

So feel free and feel good about the fact that you are a shareholder of the company I am not a shareholder at all I never will be probably but I am very happy that I am an Independent Director

of this company and with all the confidence on my part I can assure you that buying a share of this company you have done the right thing. Thank you.

Ashima Goyal:

Thank you. I would like to add a few comments. This is a question of intrinsic value let me tell you that we went through a very bad period after the pandemic many companies in India and that time there was so much debate this question of whether there is debate in the Boardroom and the strategy was arrived at through a lot of question answers discussion objections the idea that intrinsic value should be driven by long term fundamentals through steady growth not market fluctuations.

That the company should simplify move away from pure NBFC credit led business but at the same time diversify into new as Mr. Kini was saying incubate new businesses that will grow with India's growth and have a sort of fundamental basis for this growth.

And the particular question about the AMC and selling or bringing in somebody at less than possible intrinsic value but as Rashesh, was saying these questions are very nuanced and there are two sides or multiple sides to any issue.

So it is that you are bringing in a good collaborator who will help the business grow, you are bringing in cash that will help to reduce debt. So a number of questions come in any decision and they are all debated very thoroughly. Thank you.

Rashesh Shah:

Thank you. And we also encourage all shareholders, if you need to understand more our Company's Secretarial Department as well as our stakeholder communication department we can give you more clarity on what is the approach, what is the thinking, why it is there and again we don't have to always agree on everything but our job is to make our approach more transparent.

And over the last few AGMs if you see all our AGM presentations we would like to communicate to you how we are thinking about businesses, how we are thinking about future, how we are thinking about what creates value, what unlocks value, how it can be done so as individuals we can analyse it, agree on some things, not agree give us your feedback, your questions will make us introspect a lot more but again great feedback from all of you. Thank you to each and every one of you for all the questions you have asked.

Now there being no other business to transact, I declare the meeting closed the members who had not cast their vote through remote e-voting can still cast them now. The e-voting module will be open for another 15 minutes and then it will be disabled and once again thank you all of you for sparing your time coming to this AGM every year, year after year many of you giving us your feedback, your participation and again thank you to all my fellow Board members and my other colleagues who have also been in this AGM. Thank you very much.