



DHIRAJ & DHEERAJ
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of **Edel Finance Company Limited**

Report on the Audit of the Consolidated Financial Statements

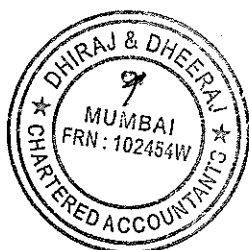
Opinion

We have audited the accompanying consolidated financial statements of Edel Finance Company Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at March 31, 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2024, their consolidated loss including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and its associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

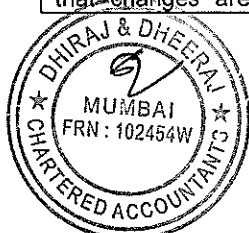


Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

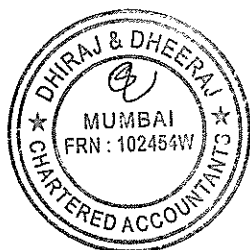
We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| Impairment of financial instruments (expected credit losses) | |
| <p>The Group has investments in various subsidiaries in form of equity shares, compulsorily convertible preference shares and compulsorily convertible debentures which are not listed or quoted.</p> <p>These investments are valued at cost and are required to be assessed for impairment in accordance with Ind AS 36, when any indicators of impairment are observed.</p> <p>In carrying out such impairment assessment, a significant judgement of the management is involved in estimating the investee company's "value in use", in accordance with Ind AS 36. Estimation of the value in use requires the management to apply appropriate assumptions with respect to the growth rates for future cash flow projections of the investee company and discount rates for determining present value of such cash flows.</p> <p>In view of the high degree of management's judgement involved in estimation of the recoverable amount of investments in unlisted subsidiaries and the inherent uncertainty relating to the assumptions supporting such estimates, we considered this area as a key audit matter.</p> | <p>Our audit procedures included considering the appropriateness of the processes laid down by the management for assessment of impairment in the value of investments in subsidiary and other group companies combined with procedures performed as follows:</p> <ul style="list-style-type: none"> • We have considered management's assessment of impairment wherever considered necessary and assessed whether any impairment indicators existed for investment in individual subsidiary and other group companies. • We traced the net-worth of the individual subsidiary and other group companies from their audited financial statements. • We assessed the information used to determine the key assumptions including growth rates and discount rates. • We assessed the disclosures relating to investments in subsidiary and other group companies included in the Consolidated financial Statements in accordance with the Requirements of Ind AS. |
| Information technology (IT) systems and controls | |
| <p>The reliability and security of IT systems play a key role in the business operations, financial accounting and reporting process of the Group. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate</p> | <ul style="list-style-type: none"> • The audit procedures those reported in the auditors report of a subsidiary companies, comprised the following: <p>The aspects covered in the IT General Control audit were</p> <p>(i) User Access Management</p> |



| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| <p>manner. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.</p> <p>Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.</p> | <p>(ii) Program Change Management</p> <p>(iii) Other related ITGCs – to understand the design and test the operating effectiveness of such controls;</p> <ul style="list-style-type: none"> Assessed the changes that were made to the key systems during the audit period and assessing changes that have impact on financial reporting; Tested the periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system. Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures. |
| Sale/Assignment of Financial Assets | |
| | <p>The audit procedures thus reported in the auditor's report of a subsidiary company, comprised the following:</p> <ul style="list-style-type: none"> Read and assessed the Company's accounting policies for computation and accounting of sales /assignment of loan portfolios as per the provisions of Ind AS 109. Read and assessed the contracts entered by the Company for sale/assignment to verify the gains/ losses on the transactions. Verified the procedures followed by the company while carrying out the sale/assignment. Read and assessed the amendments to the contracts entered by the Company with ARC trusts for change in the rights assigned to the underlying Security Receipts (SR) resulting in to de-recognition of Investment in SR and recognition of Investment in SR representing the residual interest (Equity) to be measured at fair value through Other Comprehensive Income. Verification of confirmation and fair valuation of Security receipts. |

We have determined that there are no other key audit matters to communicate in our report.



Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditors report, and the Annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

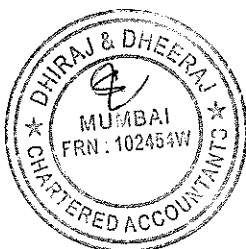
When we read the Board Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those Charged with Governance.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

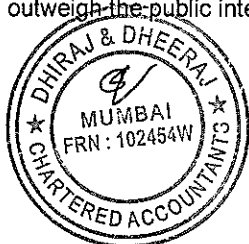
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Other Matter

We did not audit the financial statements and other financial information, in respect of:

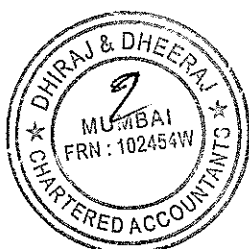
- 14 subsidiaries, whose financial statements include total assets of Rs 24,962.44 crores as at March 31, 2024 and total revenues of Rs.1,624.73 crores and net cash inflow of Rs 892.74 crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management.
- 1 associate company forming part of the Group, whose statements include Group's share of net profit after tax of Rs. 1.61 crores and Group's share of total comprehensive loss of Rs. 1.61 crores for the period from April 1, 2023 to March 31, 2024, as considered in the consolidated financial statement, whose financial statement, other financial information have been audited by other auditor and whose report have been furnished to us by the Management.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate company, and our report in terms of sub- sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate company, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (" the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate, incorporated in India, as noted in the 'Other Matter' paragraph we give in the " Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the confirmation received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate, none of the directors of the Group's companies and its associate, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.



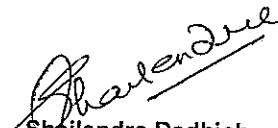
- (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies and associate, incorporated in India, and the operating effectiveness of such controls refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associate, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company, its subsidiaries and associate incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph:
- i) The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated financial statements – Refer Note 51.1 to the consolidated financial statements;
 - ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There have been no amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate, incorporated in India during the year ended March 31, 2024;
 - iv) a. The respective managements of the Holding Company and its subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, as disclosed in note 58(A) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The respective managements of the Holding Company and its subsidiaries and its associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, other than as disclosed in the note 58(B) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries and associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
 - v) No dividend has been declared or paid during the year by the Holding Company and its subsidiaries and its associate.



vi) Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries whose financial statements have been audited under the Act, the Holding Company and subsidiaries have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **Dhiraj and Dheeraj**
Chartered Accountants
ICAI Firm Registration Number:


Shailendra Dadhich

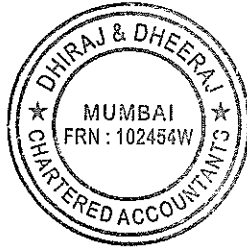
Partner

Membership Number:

UDIN: 24425098BKEIQN6917

Place of Signature: Mumbai

Date: 10th May 2024




Annexure-1: Referred to in Paragraph Under the Heading "Report on Other Legal and Regulatory Requirements" of Our Report of Even Date on the Consolidated Financial Statements of Edel Finance Company Limited

Based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate, incorporated in India, as noted in the 'Other Matter' paragraph we state that:

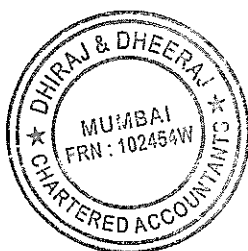
3(xxi) There are no qualifications or adverse remarks by the respective auditors in their report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated financial statements except for following where the respective auditor have reported unfavorable or adverse remarks in their audit report to the principal auditor.

| Name | CIN | Holding Company/ Subsidiary/ Associate | Clause number of the CARO report which is unfavorable or adverse |
|--|-----------------------|--|--|
| Edel Finance Company Limited | U65920MH1989PLC053909 | Holding | xvii |
| Nido Home Finance Limited (formerly Edelweiss Housing Finance Limited) | U65922MH2008PLC182906 | Subsidiary | iii (c) and iii (d) |
| Comtrade Commodities Services Limited | U66990GJ1995PLC025267 | Subsidiary | xvii |
| Edelcap Securities Limited | U67120MH2008PLC422229 | Subsidiary | xvii |
| ECL Finance Limited | U65990MH2005PLC154854 | Subsidiary | iii (c), iii (d) and xvii |
| Edelweiss Retail Finance Limited | U67120MH1997PLC285490 | Subsidiary | iii (c) and iii (d) |
| Edelweiss Investment Adviser Limited | U74140TG2008PLC120334 | Subsidiary | iii (c), iii (d) and xvii |
| Edelweiss Rural & Corporate Services Limited | U45201TG2006PLC078157 | Subsidiary | iii (c), iii (d), vii (a), and xvii |
| Ecap Equities Limited (formerly Edel Land Limited) | U74900MH2008PLC287466 | Subsidiary | iii(c), iii(d), and xvii |
| Edelweiss Securities and Investments Private Limited | U65990MH2009PTC344641 | Associate | iii(c), iii(d), viii(d) and xvi |

For Dhiraj and Dheeraj
Chartered Accountants
ICAI Firm Registration Number:


Shafendra Dadhich

Partner
Membership Number:
UDIN: 24425098BKIEQN6917
Place of Signature: Mumbai
Date: 10th May 202



Annexure-2 to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of Edel Finance Company Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Edel Finance Company Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

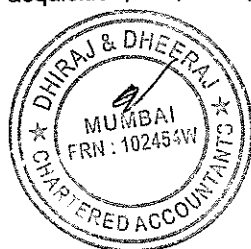
Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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



Annexure-2 to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of Edel Finance Company Limited (Continued)

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

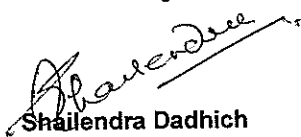
Opinion

In our opinion, the Group and its associate, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance note issued by the ICAI.

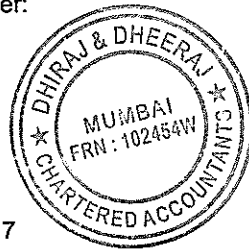
Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 14 subsidiaries and an associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For Dhiraj and Dheeraj
Chartered Accountants
ICAI Firm Registration Number:


Shailendra Dadhich
Partner

Membership Number:
UDIN: 24425098BKEIQN6917
Place of Signature: Mumbai
Date: 10th May 2024



Edel Finance Company Limited

Consolidated Balance Sheet

| (Currency: Indian rupees in millions) | Note | March 31, 2024 | March 31, 2023 |
|--|------|--------------------|------------------|
| ASSETS | | | |
| Financial assets | | | |
| (a) Cash and cash equivalents | 7 | 10,204.77 | 1,289.22 |
| (b) Bank balances other than cash and cash equivalents | 8 | 2,953.03 | 2,458.95 |
| (c) Derivative financial instruments | 9 | 1,031.38 | - |
| (d) Trade receivables | 10 | 5,268.23 | 391.88 |
| (e) Loans | 11 | 69,097.68 | 41,687.17 |
| (f) Investments | 12 | 1,17,521.41 | 29,974.20 |
| (g) Other financial assets | 13 | 2,686.18 | 1,429.57 |
| Total financial assets | | 2,08,762.68 | 77,230.99 |
| Non-financial assets | | | |
| (a) Current tax assets (net) | 14 | 5,205.23 | 2,232.13 |
| (b) Deferred tax assets (net) | 15 | 9,518.42 | 1,314.71 |
| (c) Investment property | 16 | 3,327.85 | 3,032.59 |
| (d) Property, Plant and Equipment | 17 | 2,947.34 | 2,109.89 |
| (e) Capital work in progress | 18 | 5.71 | - |
| (f) Intangible assets under development | 18 | 23.50 | 12.40 |
| (g) Goodwill on consolidation | | 209.83 | 146.82 |
| (h) Other intangible assets | 17 | 198.78 | 66.32 |
| (i) Right of use asset | 17 | 414.71 | 109.09 |
| (j) Other non-financial assets | 19 | 1,330.69 | 478.15 |
| Total non-financial assets | | 23,182.06 | 9,502.10 |
| TOTAL ASSETS | | 2,31,944.74 | 86,733.09 |
| LIABILITIES | | | |
| Financial liabilities | | | |
| (a) Derivative financial instruments | 9 | 1,155.83 | - |
| (b) Trade payables | 20 | | |
| i. total outstanding dues of micro enterprises and small enterprises | | 10.27 | 8.47 |
| ii. total outstanding dues of creditors other than micro enterprises and small enterprises | | 10,238.55 | 393.41 |
| (c) Debt securities | 21 | 1,00,548.75 | 40,067.29 |
| (d) Borrowings (other than debt securities) | 22 | 75,695.02 | 28,750.44 |
| (e) Deposits | 23 | 16.98 | - |
| (f) Subordinated liabilities | 24 | 13,892.05 | 1,070.13 |
| (g) Other financial liabilities | 25 | 16,169.28 | 12,391.47 |
| Total financial liabilities | | 2,17,726.73 | 82,681.21 |
| Non-financial liabilities | | | |
| (a) Current tax liabilities (net) | 26 | 210.25 | 33.44 |
| (b) Provisions | 27 | 128.77 | 58.42 |
| (c) Deferred tax liabilities (net) | 15 | 49.46 | 43.59 |
| (d) Other non-financial liabilities | 28 | 371.87 | 135.52 |
| Total non-financial liabilities | | 760.35 | 270.97 |
| TOTAL LIABILITIES | | 2,18,487.08 | 82,952.18 |
| EQUITY | | | |
| (a) Equity share capital | 29 | 9,566.75 | 7,566.75 |
| (b) Instruments entirely equity in nature | 30 | 9,650.00 | 1,650.00 |
| (c) Other equity | 31 | (10,064.13) | (6,176.38) |
| Equity attributable to Owners of the parent | | 9,152.62 | 3,040.37 |
| Equity attributable to Non-controlling Interests | | 4,305.04 | 740.54 |
| TOTAL EQUITY | | 13,457.66 | 3,780.91 |
| TOTAL LIABILITIES AND EQUITY | | 2,31,944.74 | 86,733.09 |

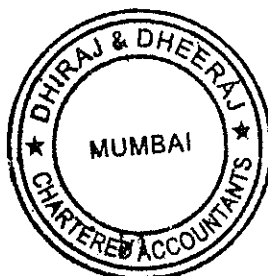
The accompanying notes are an integral part of the Consolidated Financial Statements.

1 to 61

As per our report of even date attached

For Dhiraj & Dheeraaj
Chartered Accountants
ICAI Firm Registration Number: 102454W

Shalendra Dadhich
Shalendra Dadhich
Partner
Membership No: 425098



For and on behalf of the Board of Directors

Ananya Suneja
Ananya Suneja
Executive Director & CFO
DIN: 0297081

Vidya Shah
Vidya Shah
Executive Director
DIN: 00274831

Christina D'souza
Christina D'souza
Company Secretary



Mumbai, May 10, 2024

May 10, 2024

Edel Finance Company Limited

Consolidated Statement of Profit and Loss

| (Currency: Indian rupees in millions) | Note | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|-------------|--------------------------------------|--------------------------------------|
| Revenue from operations | | | |
| Interest income | 32 | 6,725.97 | 5,999.69 |
| Dividend income | 33 | 16.29 | 4.12 |
| Fee income | 34 | 749.33 | 917.11 |
| Net gain / (loss) on fair value changes | 35 | 9,803.55 | 1,905.84 |
| Other operating revenue | 36 | 476.03 | 355.39 |
| Total revenue from operations | | 17,771.17 | 9,182.15 |
| Other income | 37 | 294.26 | 899.34 |
| Total Income | | 18,065.43 | 10,081.49 |
| Expenses | | | |
| Finance costs | 38 | 13,392.23 | 8,678.30 |
| Impairment on financial instruments | 39 | 239.90 | (245.93) |
| Employee benefits expense | 40 | 2,659.65 | 1,093.40 |
| Depreciation and amortisation | 16, 17 & 18 | 407.73 | 366.14 |
| Other expenses | 41 | 3,378.78 | 1,576.10 |
| Total expenses | | 20,078.29 | 11,468.01 |
| Profit / (loss) before share in profit of associates and tax | | (2,012.86) | (1,386.52) |
| Share in profit / (loss) of associates | | 333.78 | (106.31) |
| Profit / (Loss) before tax | | (1,679.08) | (1,492.83) |
| Tax expenses: | 42 | | |
| Current tax | | 116.76 | 90.11 |
| Deferred tax | | (1,183.77) | 413.84 |
| Profit / (Loss) for the year | | (612.07) | (1,996.78) |
| Other comprehensive income / (loss) | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement gain / (loss) on defined benefit plans (OCI) | | (120.00) | (1.26) |
| Income tax - OCI - that will not be reclassified | | (0.43) | 0.66 |
| Total other comprehensive income / (loss) | | (120.43) | (0.60) |
| Total comprehensive income / (loss) | | (732.50) | (1,997.38) |
| Net Profit / (Loss) for the period attributable to: | | | |
| Owners of the parent | | (559.78) | (2,015.10) |
| Non controlling interests | | (52.29) | 18.32 |
| Other Comprehensive Income / (Loss) for the period attributable to: | | | |
| Owners of the parent | | (120.12) | (0.72) |
| Non controlling interests | | (0.31) | 0.12 |
| Total Comprehensive Income / (Loss) for the period attributable to: | | | |
| Owners of the parent | | (679.90) | (2,015.82) |
| Non controlling interests | | (52.60) | 18.44 |
| Earnings per share (Face value of ₹ 100 each) | 44 | | |
| - Basic (₹) | | (5.47) | (27.84) |
| - Diluted (₹) | | (5.47) | (27.84) |

The accompanying notes are an integral part of the Consolidated Financial Statements.

1 to 61

As per our report of even date attached

For Dhiraj & Dheeraj
Chartered Accountants
ICAI Firm Registration Number: 102454W

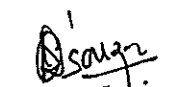

Shaileendra Dadhich
Partner
Membership No: 425098

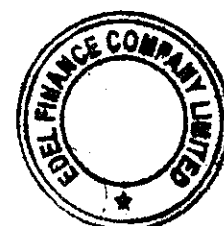


For and on behalf of the Board of Directors


Ananya Suneja
Executive Director & CFO
DIN: 01297081


Vidya Shah
Executive Director
DIN : 00274831


Christina D'souza
Company Secretary
May 10, 2024



Mumbai, May 10, 2024

Edel Finance Company Limited
Consolidated Statement of Cash flows

| (Currency: Indian rupees in millions) | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| A Cash flow from operating activities | | |
| Profit / (Loss) before tax | (1,679.08) | (1,492.83) |
| Adjustments for: | | |
| Depreciation and amortisation | 407.73 | 366.14 |
| (Profit) / loss on sale of investments | - | 838.00 |
| Impairment on financial instruments (net) | 239.90 | (245.93) |
| Fair value of financial instruments (net) | 9,803.55 | 1,905.84 |
| Provision for gratuity and compensated absences | 52.64 | 3.38 |
| (Profit) / loss on sale of fixed assets (net) | 0.19 | - |
| Operating cash flow before working capital changes | 8,824.93 | 1,374.60 |
| Adjustments for: | | |
| Decrease / (increase) in trade and other receivables | (4,879.85) | (487.47) |
| Decrease / (increase) in other financial assets | (1,688.18) | 13.08 |
| Decrease / (increase) in loans | (27,391.87) | 738.64 |
| Sale / (purchase) of Investments (net) | (97,967.24) | (4,659.88) |
| Decrease / (increase) in other non financial assets | (852.54) | (44.77) |
| Increase / (decrease) in trade payables | 9,744.22 | 73.30 |
| Increase / (decrease) in non financial liabilities | (10,601.95) | 18.56 |
| Increase / (decrease) in other financial liabilities | 3,872.47 | 2,710.51 |
| | (1,20,940.02) | (263.42) |
| Income taxes paid (net of refund) | 911.18 | (294.46) |
| Net cash used in operating activities - A | (1,20,028.84) | (557.88) |
| B Cash flow from investing activities | | |
| Proceeds from sale of property, plant and equipment and intangible assets (net) | (1,635.14) | 303.87 |
| Net cash (used in) / generated from investing activities - B | (1,635.14) | 303.87 |
| C Cash flow from financing activities | | |
| Proceeds from issuance of share capital | 10,000.00 | 2,000.00 |
| Proceeds / (repayment) from debt securities (refer note 1 below) | 60,481.46 | 7,360.83 |
| Proceeds / (repayment) from borrowings (other than debt securities) (refer note 1 below) | 46,944.58 | (9,668.35) |
| Proceeds / (repayment) from deposits (refer note 1 below) | 16.98 | - |
| Proceeds / (repayment) from subordinated liabilities (refer note 1 below) | 12,821.92 | (1,806.06) |
| Changes in non-controlling interest | 3,617.10 | - |
| Effect of change in group's interest | (3,302.51) | 576.04 |
| Net cash generated from / (used in) financing activities - C | 1,30,579.53 | (1,537.55) |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | 8,915.55 | (1,791.56) |
| Cash and cash equivalent as at the beginning of the year | 1,289.22 | 3,080.78 |
| Cash and cash equivalent as at the end of the year | 10,204.77 | 1,289.22 |



Edel Finance Company Limited
Consolidated Statement of Cash flows (continued)

Notes:

- 1 Net figures have been reported on account of volume of transactions.
- 2 Above Cash Flow Statement has been prepared under indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the companies Act ,2013.

The accompanying notes are an integral part of the Consolidated Financial Statements.

1 to 61

As per our report of even date attached

For Dhiraj and Dheeraj

Chartered Accountants

ICAI Firm Registration Number: 102454W


Shalendra Dadhich

Partner

Membership No: 425098



For and on behalf of the Board of Directors



Ananya Suneja

Executive Director & CFO

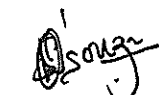
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Vidya Shah

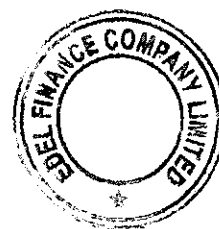
Executive Director

DIN : 00274831



Christina D'souza

Company Secretary



Mumbai, May 10, 2024

May 10, 2024

Edel Finance Company Limited

Consolidated Statement of Changes in Equity

(Currency: Indian rupees in millions)

A.1 Equity Share Capital

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|--------------------------------|---------------------------------|------------------------|----------------------------------|---------------------------------|------------------------|----------------------------------|
| | Outstanding as on April 1, 2023 | Issued during the year | Outstanding as on March 31, 2024 | Outstanding as on April 1, 2022 | Issued during the year | Outstanding as on March 31, 2023 |
| Issued, subscribed and paid up | 7,566.75 | 2,000.00 | 9,566.75 | 5,566.75 | 2,000.00 | 7,566.75 |

A.2 Instruments entirely equity in nature

Compulsorily Convertible Preference Shares (CCPS)

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|--------------------------------|---------------------------------|------------------------|----------------------------------|---------------------------------|------------------------|----------------------------------|
| | Outstanding as on April 1, 2023 | Issued during the year | Outstanding as on March 31, 2024 | Outstanding as on April 1, 2022 | Issued during the year | Outstanding as on March 31, 2023 |
| Issued, subscribed and paid up | 1,650.00 | - | 1,650.00 | 1,650.00 | - | 1,650.00 |

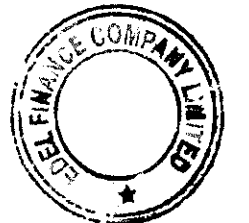
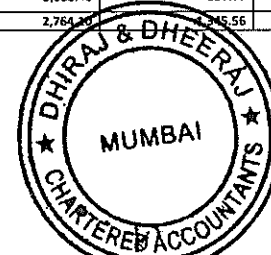
Compulsorily Convertible Debentures (CCD)

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|--------------------------------|---------------------------------|------------------------|----------------------------------|---------------------------------|------------------------|----------------------------------|
| | Outstanding as on April 1, 2023 | Issued during the year | Outstanding as on March 31, 2024 | Outstanding as on April 1, 2022 | Issued during the year | Outstanding as on March 31, 2023 |
| Issued, subscribed and paid up | - | 8,000.00 | 8,000.00 | - | - | - |

| | | | | | | |
|--|----------|----------|----------|----------|---|----------|
| Total of Instruments entirely equity in nature | 1,650.00 | 8,000.00 | 9,650.00 | 1,650.00 | - | 1,650.00 |
|--|----------|----------|----------|----------|---|----------|

B. Other Equity

| Particulars | Reserves and Surplus | | | | | | | | | Other Comprehensive Income | | Total attributable to owners of the parent | Non-Controlling Interest |
|--|----------------------|----------------------------|----------------------------|--|--|-------------------|--------------------------------------|--------------------|------------------------------|--|--|--|--------------------------|
| | Capital Reserve | Capital Redemption Reserve | Securities Premium Account | Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934 | Reserve under section 29C of the National Housing Bank Act, 1987 | Retained Earnings | Deemed Capital Contribution - Equity | Impairment Reserve | Debenture Redemption Reserve | Revaluation Reserve through Other Comprehensive Income | Financial Instruments through Other Comprehensive Income | | |
| Balance as at April 1, 2022 | (3,596.26) | 114.34 | 4,269.44 | 1,414.01 | 575.42 | (10,007.99) | 52.55 | 32.27 | 1,458.31 | 915.44 | - | (4,772.47) | 757.97 |
| Loss for the year | - | - | - | - | - | (2,015.10) | - | - | - | - | - | (2,015.10) | 18.32 |
| Other comprehensive loss | - | - | - | - | - | (0.72) | - | - | - | - | - | (0.72) | 0.12 |
| Total Comprehensive Income/(Loss) for the year | (3,596.26) | 114.34 | 4,269.44 | 1,414.01 | 575.42 | (12,023.81) | 52.55 | 32.27 | 1,458.31 | 915.44 | - | (6,788.29) | 776.41 |
| Transfer Under 29C NHB | - | - | - | - | 32.13 | (32.13) | - | - | - | - | - | - | - |
| Transfer Under 45 -IC RBI | - | - | - | 130.81 | - | (130.81) | - | - | - | - | - | - | - |
| Transfer from Debenture Redemption Reserve | - | - | - | - | - | 1,239.24 | - | - | (1,239.24) | - | - | - | - |
| Transfer from Revaluation reserve | - | - | - | - | - | 51.12 | - | - | - | (51.12) | - | - | - |
| Reversal on account of lapses of ESOP/SAR | - | - | - | - | - | 27.52 | - | - | - | - | - | 27.52 | - |
| Effect of changes in group's interest | - | - | - | - | - | 584.39 | - | - | - | - | - | 584.39 | (35.87) |
| Balance as at March 31, 2023 | (3,596.26) | 114.34 | 4,269.44 | 1,544.82 | 607.55 | (10,284.48) | 52.55 | 32.27 | 219.07 | 864.32 | - | (6,176.38) | 740.54 |
| Loss for the year | - | - | - | - | - | (559.78) | - | - | - | - | - | (559.78) | (52.29) |
| Other comprehensive loss | - | - | - | - | - | (120.12) | - | - | - | - | (417.53) | (537.65) | (0.31) |
| Total Comprehensive Income/(Loss) for the year | (3,596.26) | 114.34 | 4,269.44 | 1,544.82 | 607.55 | (10,964.38) | 52.55 | 32.27 | 219.07 | 864.32 | (417.53) | (7,273.81) | 687.94 |
| Transfer Under 29C NHB | - | - | - | - | 38.60 | (38.60) | - | - | - | - | - | - | - |
| Transfer Under 45 -IC RBI | - | - | - | 482.62 | - | (482.62) | - | - | - | - | - | - | - |
| Transfer to Debenture Redemption Reserve | - | - | - | - | - | 543.37 | - | - | (543.37) | - | - | - | - |
| Transfer from Revaluation reserve | - | - | - | - | - | 116.53 | - | - | - | (116.53) | - | - | - |
| Reversal on account of lapses of ESOP/SAR | - | - | - | - | - | 94.69 | - | - | - | - | - | 94.69 | - |
| Effect of changes in group's interest | 3,412.67 | 167.00 | 2,608.82 | 5,824.90 | - | (18,766.61) | 182.04 | - | 3,088.40 | 597.77 | - | (2,885.01) | 3,617.10 |
| Balance as at March 31, 2024 | (183.59) | 281.34 | 6,878.26 | 7,852.34 | 646.15 | (29,497.62) | 234.59 | 32.27 | 2,764.20 | 1,462.56 | (417.53) | (10,064.13) | 4,305.04 |



Edel Finance Company Limited
Consolidated Statement of Changes in Equity (continued)

The accompanying notes are an integral part of the Consolidated Financial Statements.

1 to 61

As per our report of even date attached.

For Dhiraj & DheeraJ
Chartered Accountants
ICAI Firm Registration Number: 102454W

Shallendra Dadhich
Partner
Membership No: 425098



Mumbai, May 10, 2024

For and on behalf of the Board of Directors


Apinva Suneja
Executive Director & CFO
DIN: 07297081

Vidya Shah
Executive Director
DIN : 00274831


Christina D'souza
Company Secretary

May 10, 2024



1. Background

Edel Finance Company Limited ('the Company') a public limited company domiciled and incorporated under the provisions applicable in India under the Companies Act, 1956. The Company was incorporated on October 16, 1989 and is a wholly owned subsidiary of Edelweiss Financial Services Limited.

The Company was primarily engaged in the business of lending and investment and is registered with the Reserve Bank of India ('RBI') as a Systematically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI). Company got converted to Core Investment Company ('CIC') as NBFC-CIC-ND-SI on 09th October 2018.

2. Basis of preparation of consolidated financial statements

The consolidated financial statements relate to Edel Finance Company Limited ('the Company') and its subsidiaries (together 'the Group') and associates. The Group is primarily engaged in (a) agency business, which includes advisory and other fee based services; (b) Capital business which includes lending business and investment activities; and (c) Treasury business includes income from trading activities.

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 10 May 2024.

These consolidated financial statements have been prepared on a historical cost basis, except for entities under liquidation/dissolution and certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, fair value through Profit or Loss and other financial assets held for trading, certain property plant and equipment which have been measured at fair value. The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

3. Presentation of financial statements

The Group presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current).

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

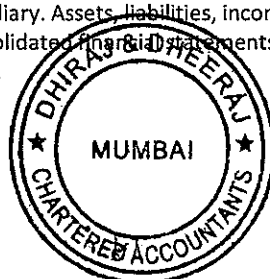
- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the company and or its counterparties

4. Basis of consolidation

The consolidated financial statements as on 31 March 2024, comprise the financial statements of the Company and its subsidiaries as at 31 March 2024 including any controlled structured entities. The Company consolidates a subsidiary when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.



4. Basis of consolidation (Continued)

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. However, no subsidiaries, associates and consolidated structure entities have followed different accounting policies than those followed by the Group for the preparation of these consolidated financial statements.

Consolidation procedure:

- a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. With respect to put options granted by the Group to the holders of non-controlling interests in a subsidiary, where the Group does not have a present ownership interest in the shares subject to put, till the put remains unexercised, non-controlling continues to be recognised including allocation of profit or loss, other comprehensive income and other changes in equity of the subsidiary. However, at each reporting date, the non-controlling interest is derecognised as if it were acquired at that date and a financial liability is recognised and measured at its fair value. The difference between these two amounts is recognised as an equity transaction and attributed to owners of the parent.

Given the level of judgement required regarding consolidation of structured entities, these considerations are described further in the significant accounting judgements. Disclosures for investment in subsidiaries, and structured entities are provided in notes to the consolidated financial statements.

Investment in associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decision of the investee, but it's not control or joint control over those policies.

The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. The Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.



5. Material accounting policies

5.1 Recognition of Interest income and Dividend income

5.1.1 Effective interest rate (EIR)

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

The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial asset. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.

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

5.1.2 Interest Income

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

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

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

5.1.3 Dividend Income

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

5.1.4 Fee and Commission Income

Fee and commission income include fees other than those that are an integral part of EIR. The Group recognises the fee and commission income in accordance with the terms of the relevant contracts / agreement and when it is probable that the Group will collect the consideration.

5.1.5 Other Income

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

5.1.6 Brokerage Income

Brokerage income is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date and is reflected net of related sub-brokerage expenses, Goods and Service Tax ("GST"), transaction charges and stock exchange expenses.



5. Significant accounting policies (Continued)

5.1 Recognition of Interest income and Dividend income (Continued)

5.1.7 Business support services Income

Business support services including web based services are accounted on accrual basis in accordance with the terms and contracts entered into between the Group and the counterparty.

5.1.8 Profit / loss on sale of investments is recognised on trade date basis.

5.1.9 Commodities sales are accounted when all obligations connected with the transfer of risks and rewards to the buyer have been fulfilled after the price has been determined and collection of the receivable is reasonably certain

5.1.10 Warehouse income is recognised on accrual basis by reference to the agreements entered with customers.

5.1.11 Interests on delayed payments, warehousing charges and rental income are recognised on accrual basis by reference to the agreements entered.

5.1.12 Profit / (loss) from share in partnership firm is accounted once the amount of the share of profit/ (loss) is ascertained and credited / debited to the Group's account in the books of the partnership firm.

5.1.13 Real estate advisory income is recognised basis the terms and conditions mentioned in the agreement.

5.1.14 Revenue from Investment management services

Revenue from Investment management services is recognised over the tenure in accordance with the terms and conditions of the investment management agreement with group companies. The investment manager, in addition to management fee, also receives a performance profit allocation in respect of all classes of units. The incentive fee is calculated at the end of every performance period on a unit-by-unit basis so that each class of unit is charged an incentive fee, which equates fairly with that unit's performance. At the end of each performance period, the incentive fee is calculated as a % of the appreciation in the NAV per class of unit (before accrual or deduction of the incentive fee) over the reference price per class of unit and after accounting for the hurdle rate.

Portfolio management fees are recognised over the tenure in accordance with portfolio management agreement entered with respective clients.

Revenue from fund management services (excluding mutual fund business) is recognised over the tenure in accordance with the terms and conditions of the investment management agreement between the Group and the Fund for which the Group acts as a fund manager.

5.1.15 The trusteeship fee is recognised as mutually agreed between the trustee and the settler.

5.1.16 Revenue from contracts with customers

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

- I. Identification of contract
- II. Identification of the separate performance obligation in the contract
- III. Determination of transaction price
- IV. Allocation of transaction price to separate performance obligation and
- V. Recognition of revenue when (or as) each performance obligation is satisfied.



5.2 Financial Instruments

5.2.1 Date of recognition

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

5.2.2 Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

5.2.3 Day 1 profit and loss

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

5.2.4 Classification & measurement categories of financial assets and liabilities

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

Financial assets carried at amortised cost (AC)

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

Sale that occur for below reason are considered as consistent with business model whose objective is to hold financial assets in order to collect contractual cash flows.

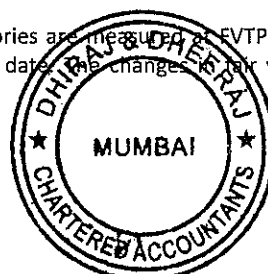
- If those sales are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).
- If such sales are made close to maturity of financial asset and proceeds from sale approximate the collection of the remaining contractual cash flow
- Selling a financial asset because of significant increase in credit risk.

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

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

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

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



5.3 Financial assets and liabilities

5.3.1 Amortized cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

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

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

5.3.2 Financial assets held for trading

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

Financial assets measured at FVOCI - Loans

Unrealised gains or losses on debt instruments measured at FVOCI are recognised in other comprehensive income, and on derecognition of such instrument accumulated gains or losses are recycled to profit and loss statement. Interest income on such instrument is recognised in profit and loss statement using EIR method.

5.3.3 Investment in equity instruments

The Group subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to irrevocably classify some of its strategic equity investments to be measured at FVTOCI. Such classification is determined on an instrument-by-instrument basis. Investments in subsidiaries and associates are carried at cost as permitted under Ind AS 27 (Consolidated and Separate Financial Statements). The investment in other group companies are carried at cost less provision for impairment. (subsidiaries, associates, and other group companies).

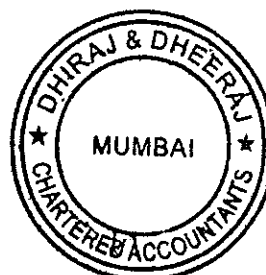
5.3.4 Financial liabilities

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

5.3.5 Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.



5.3.5 Derivative financial instruments (continued)

Initial recognition and subsequent measurement (continued)

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

The Group issues non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Group enters into derivative contracts to effectively mitigate the risk on such exposure by either minimising the loss or earn a minimum committed income (say for example purchased call and put options) with a wide range of strike prices. This risk mitigation plan has been approved by the risk committee.

Derivatives are initially recognised at fair value and are subsequently re-measured at fair value and the resulting gain or loss is recognised in profit or loss immediately.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, foreign exchange rate, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Forward Rate Agreement (FRA) and Interest Rate Futures (IRF)

The Group enters into interest rate derivative transactions i.e. Forward Rate Agreement (FRA) and Interest Rate Futures (IRF) to hedge the interest rate risk arising out of highly probable forecasted future cash inflows.

A Forward Rate Agreement ("FRA") is a forward contract to hedge the risk of movements in interest rates. In FRA contract, Group fixes the yield on the government bond for the period till the maturity of the contract. The Group has entered into FRA to hedge interest rate risk on forecasted premium receivable from already written policies at future dates.

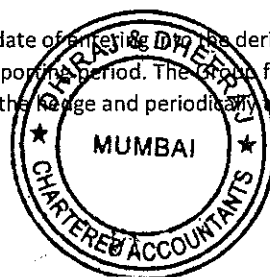
Forward Rate Agreement derivative contracts are over-the-counter (OTC) transactions, agreeing to buy notional value of a debt security at a specified future date, at a price determined at the time of the contract with an objective to lock in the price of an interest bearing security at a future date.

The Forward Rate Agreement (FRA) contract is valued at the difference between the market value of underlying bond at the spot reference yield taken from the SEBI approved rating agency and present value of contracted forward price of underlying bond including present value of intermediate coupon inflows from valuation date till FRA contract settlement date, at applicable INR-OIS rate curve.

Interest rate futures are standardized interest rate derivative contracts which are permitted by IRDAI to hedge risks on forecasted transactions. These are traded on a recognized stock exchange to buy or sell a notional security or any other interest-bearing instrument or an index of such instruments or interest rates at a specified future date, at a price determined at the time of the contract.

The instrument is classified as FVTPL securities and the net gain on fair value change is recognized in the Statement of Profit and Loss.

Derivatives Instruments are initially recognized at fair value at the date of entering into the derivative contracts and are subsequently re-measured to their fair value at the end of each reporting period. The Group follows Cash Flow Hedge accounting. Hedge effectiveness is ascertained at the inception of the hedge and periodically thereafter.



5.3.5 Derivative financial instruments (continued)

At the inception of the hedge, the Company documents the relationship between the hedging instrument and the hedged item, the risk management objective, strategy for undertaking the hedge and the methods used to assess the hedge effectiveness. Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the fair value or cash flows of the hedging instrument. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter at Balance Sheet date.

The portion of fair value gain/loss on the IRD that is determined to be an effective hedge is recognized directly in appropriate account i.e. 'Fair value gain/loss on derivatives' under the head Other Comprehensive Income and accumulated under the head of Cash Flow Hedge Reserve in the Balance Sheet and the portion of IRD fair value gain/loss that gets determined as ineffective hedge or ineffective portion of effective hedge, basis the hedge effectiveness assessment is recognized in the Statement of Profit and Loss.

The accumulated gains or losses that were recognised directly in the Hedge Reserve are reclassified into Statement of Profit and Loss, in the same period during which the income from hedged forecasted cash flows affect the Statement of Profit and Loss (such as in the periods that income on the investments acquired from underlying forecasted cashflow is recognized in the Statement of Profit and Loss). In the event that all or any portion of loss or gain, recognised directly in the Hedge Reserve is not expected to be recovered in future periods, the amount that is not expected to be recovered is reclassified to the Statement of Profit and Loss. Gains or losses arising from hedge ineffectiveness, if any, are recognised in the Statement of Profit and Loss. Costs associated with derivative contracts are considered as at a point in time cost.

5.3.6 Debt securities and other borrowed funds

After initial measurement, debt issued, and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the instrument.

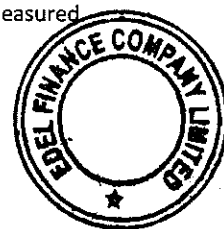
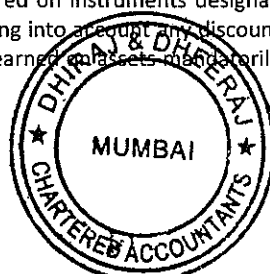
The Group has issued certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

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

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis.

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or
- The liabilities are part of a group of financial liabilities, which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; Or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.



5.3.8 Financial guarantee

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

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

5.3.9 Loan commitment

Undrawn loan commitments are commitments under which, the Group is required to provide a loan with pre-specified terms to the customer during the duration of commitment

5.3.10 Financial liabilities and equity instruments

Financial instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

5.3.11 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial Liabilities are never reclassified.

5.3.12 Derecognition of financial Instruments

5.3.12.1 Derecognition of financial asset

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

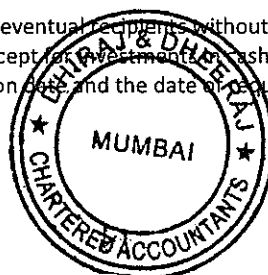
The Group has transferred the financial asset if, and only if, either.

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

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

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients.

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



eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

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

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

5.3.12.2 Derecognition of financial liabilities

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

5.4 Impairment of financial assets

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

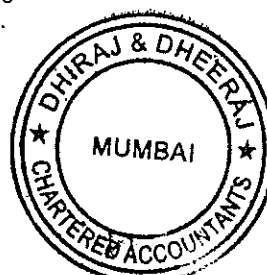
ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because ECL consider the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

Simplified approach

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

General approach

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



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

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

For financial assets, ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The Group recognises an impairment loss or reversal of impairment loss in the reformatted consolidated statement of profit and loss with a corresponding adjustment to their carrying amount through a loss allowance account.

If a financial instrument includes both a loan (i.e., financial asset) and an undrawn commitment (i.e. loan commitment) component and the Group cannot separately identify the ECL on the loan commitment component from those on the financial asset component, the ECL on the loan commitment have been recognised together with the loss allowance for the financial asset. To the extent that the combined ECL exceed the gross carrying amount of the financial asset, the ECL have been recognised as a provision. Also, for other loan commitments and all financial guarantee contracts, the loss allowance has been recognised as a provision.

5.5 Collateral valuation

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

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models.

5.6 Write-offs

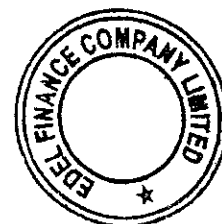
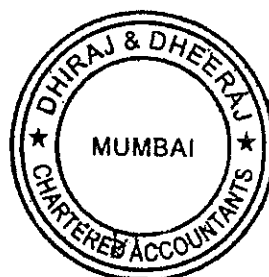
Financial assets are written off either partially or in their entirety only when the Group has no reasonable expectation of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

5.7 Redeemable preference shares

Redeemable preference shares issued are classified as financial liabilities and are measured at fair value at inception and at amortised cost subsequently.

Where the transaction price for the preference shares issued differs from the fair value, the difference is recognized in profit or loss unless the difference is a deemed capital contribution from the Group, in which case, the said difference is recognized in equity.

In accounting for these preference shares at amortised cost subsequent to initial recognition, interest expense based on the effective interest rate is recognized in profit or loss. This effective interest rate is based on the initial measurement of the preference shares (fair value) and the maturity amount. Any gain or loss on derecognition is recognized in profit or loss unless the difference is due to a transaction with a related party, in which case, the same is recognized as a deemed distribution or return of deemed capital contribution, as the case may be.



5.8 Compulsory Convertible Instruments

Compulsory Convertible Debentures/ Preference shares are separated into liability and equity components based on the terms of the contract. At the inception of the Compulsory Convertible Instruments, the following two elements will be separated:

- (a) a liability component arising from the interest payments; and
- (b) an equity component representing the delivery of fixed number of equity shares in future.

On issuance of the Compulsory Convertible Instrument, the fair value of the liability portion is determined using a market interest rate for an equivalent non convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument since it meets Ind AS 32, Financial Instruments: Presentation, criteria for fixed to fixed classification. The carrying amount of the equity component is not subsequently re-measured.

5.9 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

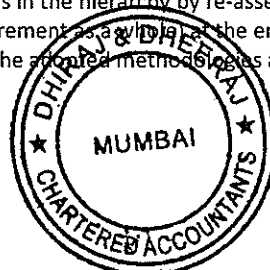
Determination of fair value

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

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

- Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group periodically reviews its valuation techniques including the adopted methodologies and model calibrations.



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

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

5.10 Leases

Group as a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term lease

The Group has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Group recognises lease payment associated with these leases as an expense on a straight-line basis over lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.



5.11 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

5.12 Foreign currency transactions

The consolidated financial statements are presented in Indian Rupees which is also functional currency of the Group. Transactions in currencies other than Indian Rupees (i.e., foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

5.13 Retirement and other employee benefit

5.13.1 Provident fund and national pension scheme

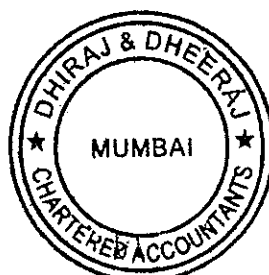
The Group contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

5.13.2 Gratuity

The Group's gratuity scheme is a defined benefit plan. The Group's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method. Benefits in respect of gratuity are funded with an insurance company approved by Insurance Regulatory and Development Authority (IRDA).

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.



5.13.3 Compensated Absences

The eligible employees of the Group are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Group recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

5.14 Share-based payment arrangements

Equity-settled share-based payments to employees are granted by the ultimate parent Group. These are measured by reference to the fair value of the equity instruments at the grant date. These includes Stock Appreciation Rights ("SAR"s) where the right to receive the difference between the SAR price and the market price of equity shares of the ultimate parent Group on the date of exercise, either by way of cash or issuance of equity shares of the ultimate parent Group, is at the discretion of the ultimate parent Group. These are classified as equity settled share based transaction.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'ESOP reserve'. In cases where the share options granted vest in instalments over the vesting period, the Group treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

Employee Stock Option Plans (ESOPs) / Stock Appreciation Rights (SARs)

The Holding Company (Edelweiss Financial Services Limited ("EFSL")) has Employee Stock Option Plans and Stock Appreciation Rights in force. Based on such schemes, parent entity has granted an ESOP/SAR option to acquire equity shares of EFSL that would vest in a graded manner to company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.

5.15 Property, plant and equipment and right – of – use assets

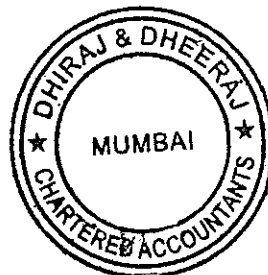
Property, Plant and Equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes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

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

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

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

As per the requirement of Schedule II of the Companies Act, 2013, the Group has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:



5.15 Property, plant and equipment and right – of – use assets (continued)

Estimated useful lives of the assets are as follows:

| Nature of assets | Estimated Useful Life |
|---|-----------------------|
| Building (Other than Factory Building) | 60 years |
| Plant and equipments | 15 years |
| Furniture and fittings | 10 years |
| Vehicles | 8 years |
| Office equipments | 5 years |
| Computers - Servers and networks | 6 years |
| Computers - End user devices, such as desktops, laptops, etc. | 3 years |

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

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

Land and buildings are subsequently shown at fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Valuations will be carried out on a regular basis, unless the management consider it appropriate to have an earlier revaluation, such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

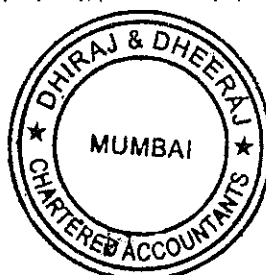
Subsequent measurement of land and building under revaluation model

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in shareholders' equity. An exception is a gain on revaluation that reverses a revaluation decrease (impairment) on the same asset previously recognised as an expense. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve directly in equity; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Right-of-use assets are presented together with property and equipment in the statement of financial position. Right-of-use assets are depreciated on a straight-line basis over the lease term.

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

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



5.16 Intangible assets:

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

Intangible assets under development are recorded at the consideration paid for the acquisition of such assets.

5.17 Impairment of non-financial assets:

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

5.18 Provisions and other contingent liabilities:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

5.19 Income tax expenses:

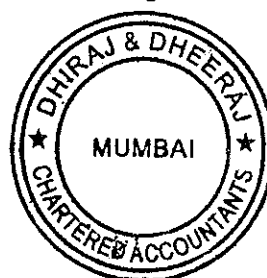
Income tax expense represents the sum of the tax currently payable and deferred tax.

5.19.1 Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

5.19.2 Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.



5.19.2 Deferred tax (continued):

Deferred tax assets are also recognised with respect to carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

It is probable that taxable profit will be available against which a deductible temporary difference, unused tax loss or unused tax credit can be utilised when there are sufficient taxable temporary differences which are expected to reverse in the period of reversal of deductible temporary difference or in periods in which a tax loss can be carried forward or back. When this is not the case, deferred tax asset is recognised to the extent it is probable that:

- the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or
- tax planning opportunities are available that will create taxable profit in appropriate periods.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

5.19.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

5.20 Cash and cash equivalents

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

5.21 Investment property

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs.

Depreciation is recognised using written down value method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

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



6 Significant accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 5, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

6.1. Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

a. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

a. Significant increase in credit risk

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

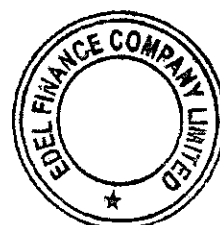
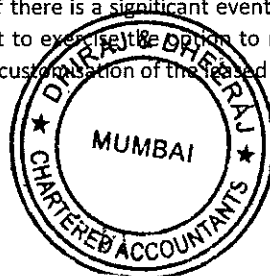
b. Consolidation of structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. In the context of the Group, structured entities comprise securitisation trusts in asset reconstruction business, mutual fund schemes and alternative investment funds / schemes thereof. The Group consolidates the structured entities that it controls. When making this judgement, the Group also considers voting and similar rights available to itself and other parties, who may limit the Group's ability to control, including rights to appoint, reassign or remove members of the structured entity's key management personnel who have the ability to direct the relevant activities, the exposure to variability of returns and whether the Group has the ability to use its power to affect the amount of the Group's returns i.e. the variability of returns in relation to the total returns of the investee entity.

c. Determining lease term for lease contracts with renewal and termination option

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain, whether or not, to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).



6.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

For Investments made into Security receipts (SRs), Group uses discounted cash flow model, given that the SRs are less liquid instruments. Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, nature and value of collaterals, manner of resolution and other economic drivers. For any valuation which are based on models, Judgements and estimates are applied, which include considerations of liquidity, credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

b. Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

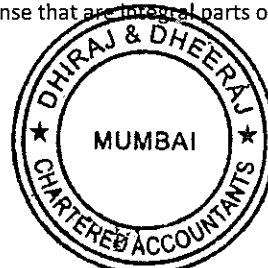
- PD calculation includes historical data, assumptions and expectations of future conditions.
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

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

c. Effective interest rate method

The Group's EIR methodology, as explained in Note 5, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes in fee income/expense that are integral parts of the instrument.



6.2 Key sources of estimation uncertainty (Continued)

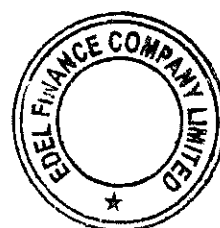
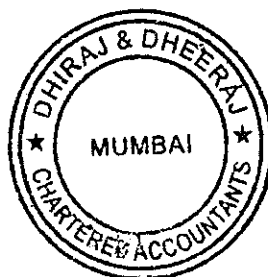
d. Accounting for deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has recognised deferred tax assets on carried forward tax losses with respect to certain subsidiaries where the Group believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried forward to the years in which the Group expects that there will be sufficient taxable profits to offset these losses.

e. Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency: Indian rupees in millions)

7. Cash and cash equivalents

| Particulars | March 31, 2024 | March 31, 2023 |
|---|------------------|-----------------|
| Cash in hand | 0.01 | - |
| Balances with banks | | |
| - in current accounts | 8,803.90 | 1,178.07 |
| - in fixed deposits with original maturity less than 3 months | 1,400.86 | 111.15 |
| Total | 10,204.77 | 1,289.22 |

8. Bank balances other than cash and cash equivalents

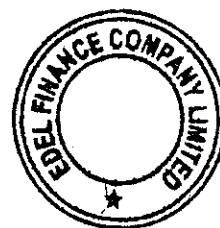
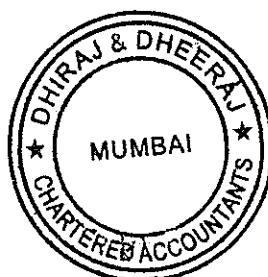
| Particulars | March 31, 2024 | March 31, 2023 |
|---|-----------------|-----------------|
| Fixed deposits at amortised cost (refer Note 1 below) | 2,512.49 | 2,430.22 |
| Other bank balances (refer Note 2 below) | 440.54 | 28.73 |
| Total | 2,953.03 | 2,458.95 |

Note 1:

- Pledged fixed deposit aggregating to ₹ 1,944.69 million (previous year ₹ 1,502.65 million) with bank for securing credit facilities, obtaining bank guarantees, securitisation/ assignment under partial credit guarantee scheme.
- Pledged fixed deposit aggregating to ₹ 63.98 million (previous year ₹ 4 million) with exchange and banks to meet margin requirement.
- Pledged fixed deposit aggregating to ₹ 81.89 million (previous year ₹ 65.84 million) with VAT, Sales Tax and Custom authorities.
- Pledged fixed deposit aggregating to ₹ Nil million (previous year ₹ 13.09 million) with agriculture produce market committee for obtaining Mandi license.

Note 2:

- Bank Balance aggregating to ₹ 440.54 million (Previous year: ₹ 28.73 million) have been held in Escrow account is charged against debt securities



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency: Indian rupees in millions)

9. Derivative financial instruments

| March 31, 2024 | Notional amount (units) | Fair value of asset (₹) | Notional amount (units) | Fair value of liability (₹) |
|---|----------------------------|----------------------------|----------------------------|--------------------------------|
| (i) Commodity linked derivatives | | | | |
| Futures | 27,000 | 2.32 | - | - |
| Less: amounts offset (refer note 9.A) | - | (2.32) | - | - |
| | | - | | - |
| (ii) Interest rate derivatives | | | | |
| Interest rate swaps | 17,750 | 91.28 | 7,800 | 21.98 |
| Interest rate futures | - | - | 4,33,46,000 | 8.02 |
| Less: amounts offset (refer note 9.A) | - | - | - | (8.02) |
| Subtotal (ii) | | 91.28 | | 21.98 |
| (iii) Index linked derivatives | | | | |
| Index Futures | 1,76,590 | 15.93 | 47,895 | 3.40 |
| Options purchased | 15,83,110 | 312.57 | - | - |
| Options sold (written) | - | - | 8,38,915 | 249.79 |
| Less: amounts offset (refer note 9.A) | - | (15.93) | - | (3.40) |
| Subtotal (iii) | | 312.57 | | 249.79 |
| (iv) Embedded derivatives | | | | |
| In market linked debentures | - | 299.64 | - | 652.91 |
| Subtotal (iv) | | 299.64 | | 652.91 |
| (v) Equity linked derivatives | | | | |
| Stock Futures | 1,25,79,286 | 139.06 | 62,69,122 | 34.29 |
| Options | 93,26,378 | 327.90 | 93,26,753 | 231.15 |
| Less: amounts offset (refer note 9.A) | - | (139.06) | - | (34.29) |
| Subtotal (v) | | 327.90 | | 231.15 |
| Total | | 1,031.38 | | 1,155.83 |
| March 31, 2023 | | | | |
| (i) Currency derivatives | | | | |
| Currency Futures | 10,93,000 | 89.97 | - | - |
| Less: amounts offset (refer note 9.A) | - | (89.97) | - | - |
| Subtotal (i) | | - | | - |
| (ii) Index linked derivatives | | | | |
| Index Futures | - | - | - | - |
| Options purchased | - | - | - | - |
| Options sold (written) | - | - | - | - |
| Less: amounts offset (refer note 9.A) | - | - | - | - |
| Subtotal (ii) | | - | | - |
| (iii) Equity linked derivatives | | | | |
| Stock Futures | - | - | - | - |
| Less: amounts offset (refer note 9.A) | - | - | - | - |
| Subtotal (iii) | | - | | - |
| Total | | - | | - |

Note:

Notional amount in the above tables refer to number of underlying equity shares in case of stock futures and options, number of underlying index units in case of index-linked derivatives, number of underlying currency units in case of currency derivatives, number of underlying government securities / bonds in case of interest rate future, amount of notional currency in case of interest rate swaps.



9.A Offsetting

The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet:

March 31, 2024:

| Financial assets subject to offsetting | Offsetting recognised in balance sheet | | | Netting potential not recognised in balance sheet | | | Assets not subject to netting arrangements | Total Assets | Maximum Exposure to Risk |
|--|--|---------------|---|---|------------------|---|--|---------------------------------|--|
| | Gross asset before offset | Amount offset | Net asset recognised on the balance sheet | Financial assets | Collaterals paid | Assets after consideration of netting potential | Assets recognised on the balance sheet | Recognised in the balance sheet | After consideration of netting potential |
| Derivative Assets | 157.31 | (157.31) | - | - | - | - | - | - | - |

| Financial liabilities subject to offsetting | Offsetting recognised in balance sheet | | | Netting potential not recognised in balance sheet | | | Liabilities not subject to netting arrangements | Total Liabilities | Maximum Exposure to Risk |
|---|--|---------------|---|---|------------------|--|---|---------------------------------|--|
| | Gross Liabilities before offset | Amount offset | Net Liabilities recognised on the balance sheet | Financial Assets | Collaterals Paid | Liabilities after consideration of netting potential | Liabilities recognised on the balance sheet | Recognised in the balance sheet | After consideration of netting potential |
| Derivative Liabilities | 45.71 | (45.71) | - | - | - | - | - | - | - |

March 31, 2023:

| Financial assets subject to offsetting | Offsetting recognised in balance sheet | | | Netting potential not recognised in balance sheet | | | Assets not subject to netting arrangements | Total Assets | Maximum Exposure to Risk |
|--|--|---------------|---|---|------------------|---|--|---------------------------------|--|
| | Gross asset before offset | Amount offset | Net asset recognised on the balance sheet | Financial assets | Collaterals paid | Assets after consideration of netting potential | Assets recognised on the balance sheet | Recognised in the balance sheet | After consideration of netting potential |
| Derivative Assets | 89.97 | (89.97) | - | - | - | - | - | - | - |

| Financial liabilities subject to offsetting | Offsetting recognised in balance sheet | | | Netting potential not recognised in balance sheet | | | Liabilities not subject to netting arrangements | Total Liabilities | Maximum Exposure to Risk |
|---|--|---------------|---|---|------------------|--|---|---------------------------------|--|
| | Gross Liabilities before offset | Amount offset | Net Liabilities recognised on the balance sheet | Financial Assets | Collaterals Paid | Liabilities after consideration of netting potential | Liabilities recognised on the balance sheet | Recognised in the balance sheet | After consideration of netting potential |
| Derivative Liabilities | - | - | - | - | - | - | - | - | - |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency: Indian rupees in millions)

10. Trade receivables

| Particulars | March 31, 2024 | March 31, 2023 |
|---|-----------------|----------------|
| Trade receivables | | |
| Receivables considered good - secured | - | - |
| Receivables considered good - unsecured | 5,269.77 | 392.44 |
| Receivables which have significant increase in credit risk | 10.65 | 6.52 |
| Receivables - credit impaired | 385.83 | 362.75 |
| Gross Receivables | 5,666.25 | 761.71 |
| Allowance for expected credit losses - Receivables considered good - Unsecured | (5.17) | (0.56) |
| Allowance for expected credit losses - Receivables which have significant increase in credit risk | (9.90) | (6.52) |
| Allowance for expected credit losses - Credit impaired | (382.95) | (362.75) |
| Total receivables net of provision | 5,268.23 | 391.88 |



Edel Finance Company Limited
Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency: Indian rupees in millions)

10. Trade receivables (Continued)
10.1 Trade receivables ageing schedule

As at March 31, 2024

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-------------------|-----------|-----------|-------------------|----------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good-Gross | 5,230.20 | 39.57 | - | - | - | 5,269.77 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk-Gross | - | 1.18 | 2.94 | 6.53 | - | 10.65 |
| (iii) Undisputed Trade Receivables – credit impaired-Gross | 7.84 | 0.11 | 1.32 | - | 376.56 | 385.83 |
| Gross receivables (A) | 5,238.04 | 40.86 | 4.26 | 6.53 | 376.56 | 5,666.25 |
| (i) Undisputed Trade receivables – considered good-ECL | (4.54) | (0.63) | - | - | - | (5.17) |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk-ECL | - | (0.43) | (2.94) | (6.53) | - | (9.90) |
| (iii) Undisputed Trade Receivables – credit impaired-ECL | (4.96) | (0.11) | (1.32) | - | (376.56) | (382.95) |
| Total ECL provision on receivables (B) | (9.50) | (1.17) | (4.26) | (6.53) | (376.56) | (398.02) |
| Total receivables net of provision = (A)+(B) | 5,228.54 | 39.69 | - | - | (0.00) | 5,268.23 |

As at March 31, 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-------------------|-----------|-----------|-------------------|----------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good-Gross | 392.44 | - | - | - | - | 392.44 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk-Gross | - | - | 6.52 | - | - | 6.52 |
| (iii) Undisputed Trade Receivables – credit impaired-Gross | 1.52 | - | 4.86 | 12.31 | 344.06 | 362.75 |
| Gross receivables (A) | 393.96 | - | 11.38 | 12.31 | 344.06 | 761.71 |
| (i) Undisputed Trade receivables – considered good-ECL | (0.56) | - | - | - | - | (0.56) |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk-ECL | - | - | (6.52) | - | - | (6.52) |
| (iii) Undisputed Trade Receivables – credit impaired-ECL | (1.52) | - | (4.86) | (12.31) | (344.06) | (362.75) |
| Total ECL provision on receivables (B) | (2.08) | - | (11.38) | (12.31) | (344.06) | (369.83) |
| Total receivables net of provision = (A)+(B) | 391.88 | - | - | - | - | 391.88 |

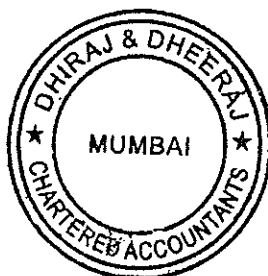
There are no unbilled or not due trade receivables as at 31 March 2024 and 31 March 2023.

10.2. Reconciliation of impairment allowance on trade receivables:

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Impairment allowance measured as per simplified approach | | |
| Impairment allowance - opening balance | 369.83 | 392.97 |
| Add/ (less): asset originated or acquired (net) | 28.19 | (23.14) |
| Impairment allowance - closing balance | 398.02 | 369.83 |

Notes:

- 1) No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person
- 2) No trade or other receivables are due from firms or private companies in which directors is partner, a director or a member.



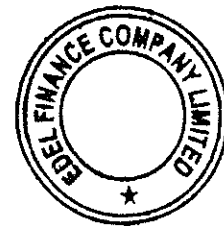
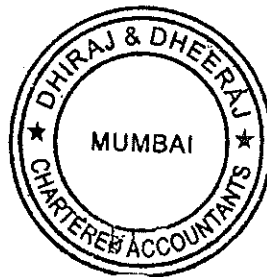
Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency: Indian rupees in millions)

11. Loans

| Particulars | March 31, 2024 | | | | March 31, 2023 | | | |
|--|-------------------|-----------------|-----------------|------------------|-------------------|-----------------|----------|------------------|
| | at amortised cost | at FVTPL | at FVOCI | Total | at amortised cost | at FVTPL | at FVOCI | Total |
| A Term Loans | | | | | | | | |
| Corporate and Retail Credit | 75,187.31 | 2,641.84 | 3,962.40 | 81,791.55 | 47,085.67 | 2,645.09 | - | 49,730.76 |
| Total gross (A) | 75,187.31 | 2,641.84 | 3,962.40 | 81,791.55 | 47,085.67 | 2,645.09 | - | 49,730.76 |
| Less: Impairment loss allowance | (12,336.99) | - | (356.88) | (12,693.87) | (8,043.59) | - | - | (8,043.59) |
| Total (Net) (A) | 62,850.32 | 2,641.84 | 3,605.52 | 69,097.68 | 39,042.08 | 2,645.09 | - | 41,687.17 |
| B Collateral : | | | | | | | | |
| Secured by tangible assets | 35,678.07 | 907.48 | 3,034.66 | 39,620.21 | 29,241.43 | 425.88 | - | 29,667.31 |
| Secured by inventories, unlisted securities, project receivables & other marketable securities | 778.52 | - | 870.25 | 1,648.77 | - | - | - | - |
| Unsecured | 38,730.72 | 1,734.36 | 57.49 | 40,522.57 | 17,844.24 | 2,219.21 | - | 20,063.45 |
| Total gross (B) | 75,187.31 | 2,641.84 | 3,962.40 | 81,791.55 | 47,085.67 | 2,645.09 | - | 49,730.76 |
| Less: Impairment loss allowance | (12,336.99) | - | (356.88) | (12,693.87) | (8,043.59) | - | - | (8,043.59) |
| Total (Net) (B) | 62,850.32 | 2,641.84 | 3,605.52 | 69,097.68 | 39,042.08 | 2,645.09 | - | 41,687.17 |
| C Loans in India | | | | | | | | |
| Public sector | - | - | - | - | - | - | - | - |
| Others | 75,187.31 | 2,641.84 | 3,962.40 | 81,791.55 | 47,085.67 | 2,645.09 | - | 49,730.76 |
| Total gross (C) | 75,187.31 | 2,641.84 | 3,962.40 | 81,791.55 | 47,085.67 | 2,645.09 | - | 49,730.76 |
| Less: Impairment loss allowance | (12,336.99) | - | (356.88) | (12,693.87) | (8,043.59) | - | - | (8,043.59) |
| Total (Net) (C) (I) | 62,850.32 | 2,641.84 | 3,605.52 | 69,097.68 | 39,042.08 | 2,645.09 | - | 41,687.17 |
| Loans outside India | | | | | | | | |
| Less: Impairment loss allowance | - | - | - | - | - | - | - | - |
| Total (Net) (C) (II) | - | - | - | - | - | - | - | - |
| Total (C) (I) and (C) (II) | 62,850.32 | 2,641.84 | 3,605.52 | 69,097.68 | 39,042.08 | 2,645.09 | - | 41,687.17 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency: Indian rupees in millions)

11. Loans (Continued)

11.1 Credit quality

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading for stage classification are explained in Note 55.D.1 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 55.D.1

Loans at amortised cost

| Particulars | As at March 31, 2024 | | | | As at March 31, 2023 | | | |
|-----------------------|----------------------|-----------------|------------------|------------------|----------------------|-----------------|-----------------|------------------|
| | Stage I | Stage II | Stage III | Total | Stage I | Stage II | Stage III | Total |
| Performing | | | | | | | | |
| High grade | 58,921.84 | - | - | 58,921.84 | 35,471.90 | - | - | 35,471.90 |
| Standard grade | - | 3,357.13 | - | 3,357.13 | - | 3,420.74 | - | 3,420.74 |
| Non-Performing | | | | | | | | |
| Impaired | - | - | 12,908.34 | 12,908.34 | - | - | 8,193.03 | 8,193.03 |
| Total | 58,921.84 | 3,357.13 | 12,908.34 | 75,187.31 | 35,471.90 | 3,420.74 | 8,193.03 | 47,085.67 |

Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances to corporate and retail customers:

The following disclosure provides stage wise reconciliation of the Group's gross carrying amount and ECL allowances for loans and advances to corporates and retail customers. The transfers of financial assets represents the impact of stage transfers upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers.

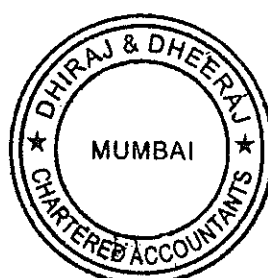
The 'New assets originated /repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions within the Group's lending portfolio.

Gross carrying amount and corresponding ECL reconciliation – Loans

| Particulars | Non Credit Impaired | | | | Credit Impaired | | Total | |
|--|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|
| | Stage I | | Stage II | | Stage III | | Gross carrying Amount | Allowance for ECL |
| | Gross Carrying Amount | Allowance for ECL | Gross carrying Amount | Allowance for ECL | Gross carrying Amount | Allowance for ECL | | |
| Balance as at 31 March 2023 | 35,471.90 | 299.61 | 3,420.74 | 243.20 | 8,193.03 | 7,500.78 | 47,085.67 | 8,043.59 |
| Assets originated due to consolidation | 14,627.32 | 177.49 | 1,639.76 | 158.04 | 4,936.44 | 3,872.46 | 21,203.52 | 4,207.99 |
| Transfers: | | | | | | | | |
| Transfers to 12 Month ECL (Stage 1) | 1,111.87 | 60.18 | (1,086.99) | (56.16) | 76.89 | (2.55) | 101.77 | 1.47 |
| Transfers to lifetime ECL (Stage 2) | (507.55) | (3.31) | 523.06 | 6.11 | 6.29 | 11.70 | 21.80 | 14.50 |
| Transfers to lifetime ECL- Credit impaired (Stage 3) | (316.42) | (2.41) | (164.87) | (30.54) | 357.71 | 16.98 | (123.58) | (15.97) |
| Remeasurement of ECL arising from transfer of stage (net) | - | (57.38) | - | 22.56 | - | 336.12 | - | 301.30 |
| Net new and further lending/(repayments) (including write-off) and sale to ARC / AIF | 8,538.53 | (14.53) | (970.16) | (31.82) | (824.53) | (146.94) | 6,743.84 | (193.29) |
| Loans sold to assets reconstruction | - | - | - | - | 239.24 | 60.61 | 239.24 | 60.61 |
| Amounts written off | (3.81) | (1.72) | (4.41) | (5.75) | (76.73) | (75.74) | (84.95) | (83.21) |
| Balance as at 31 March 2024 | 58,921.84 | 457.93 | 3,357.13 | 305.64 | 12,908.34 | 11,573.42 | 75,187.31 | 12,336.99 |

Gross carrying amount and corresponding ECL reconciliation – Loans

| Particulars | Non Credit Impaired | | | | Credit Impaired | | Total | |
|--|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|
| | Stage I | | Stage II | | Stage III | | Gross carrying Amount | Allowance for ECL |
| | Gross Carrying Amount | Allowance for ECL | Gross carrying Amount | Allowance for ECL | Gross carrying Amount | Allowance for ECL | | |
| Balance as at 31 March 2022 | 33,243.65 | 302.25 | 5,440.81 | 475.71 | 3,138.05 | 2,542.82 | 41,822.51 | 3,320.78 |
| Transfers: | | | | | | | | |
| Transfers to 12 Month ECL (Stage 1) | (253.08) | 54.48 | (561.24) | (28.17) | (168.83) | (26.31) | (983.15) | - |
| Transfers to lifetime ECL (Stage 2) | (820.78) | (5.05) | 906.13 | 18.29 | (85.35) | (13.24) | - | - |
| Transfers to lifetime ECL- Credit impaired (Stage 3) | (319.33) | (1.60) | (388.07) | (30.11) | 707.40 | 31.71 | - | - |
| Net re-measurement of ECL arising from transfer of stage | - | (50.39) | - | 30.65 | - | 52.64 | - | 32.90 |
| Loans sold to assets reconstruction | - | - | - | - | (410.09) | (28.56) | (410.09) | (28.56) |
| New assets originated / (repayments) received (net) | 3,622.43 | - | (1,971.78) | (220.10) | 5,035.65 | 4,950.53 | 6,686.30 | 4,730.43 |
| Amounts written off | (0.99) | (0.08) | (5.11) | (3.07) | (23.80) | (8.81) | (29.90) | (11.96) |
| Balance as at 31 March 2023 | 35,471.90 | 299.61 | 3,420.74 | 243.20 | 8,193.03 | 7,500.78 | 47,085.67 | 8,043.59 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency: Indian rupees in millions)

12. Investments

| | Amortised cost | Through OCI | FVTPL | At Cost (Associates & Others) | Total |
|--|-----------------|------------------|------------------|-------------------------------------|--------------------|
| March 31, 2024 | | | | | |
| Equity instruments | - | - | 22,296.07 | 10,069.61 | 32,365.68 |
| Debt Securities | 750.00 | - | 31,174.12 | - | 31,924.12 |
| Preference Shares | - | - | 863.53 | - | 863.53 |
| Security Receipt | - | 39,768.21 | 1,432.30 | - | 41,200.51 |
| Warrant | - | - | 164.43 | - | 164.43 |
| Units of AIF | - | - | 7,646.47 | - | 7,646.47 |
| Mutual Fund | - | - | 3,065.62 | - | 3,065.62 |
| Others | 356.80 | - | 280.82 | - | 637.62 |
| Investment in compulsory convertible instruments | - | - | 106.63 | - | 106.63 |
| Total | 1,106.80 | 39,768.21 | 67,029.99 | 10,069.61 | 1,17,974.61 |
| (i) Investments outside India | - | - | 730.13 | - | 730.13 |
| (ii) Investment in India | 1,106.80 | 39,768.21 | 66,299.86 | 10,069.61 | 1,17,244.48 |
| Total | 1,106.80 | 39,768.21 | 67,029.99 | 10,069.61 | 1,17,974.61 |
| Less: Allowance for impairment | - | - | (453.11) | (0.10) | (453.21) |
| Total | 1,106.80 | 39,768.21 | 66,576.88 | 10,069.51 | 1,17,521.41 |

Note: During the quarter ended March 31, 2024, one of the subsidiary of the Group and EFSL, the ultimate holding company has agreed to discontinue risk and reward agreement in respect of security receipts (SRs).

| | Amortised cost | Through OCI | FVTPL | At Cost (Associates & Others) | Total |
|--|-----------------|-------------|------------------|-------------------------------------|------------------|
| March 31, 2023 | | | | | |
| Equity instruments | - | - | 4,103.26 | 6,045.51 | 10,148.77 |
| Debt Securities | - | - | 4,879.70 | - | 4,879.70 |
| Preference Shares | - | - | - | 858.92 | 858.92 |
| Security Receipt | - | - | 2,155.73 | - | 2,155.73 |
| Warrant | - | - | - | - | - |
| Units of AIF | - | - | 3,667.28 | - | 3,667.28 |
| Mutual Fund | - | - | 244.98 | - | 244.98 |
| Others | 502.37 | - | - | 3.16 | 505.53 |
| Investment in compulsory convertible instruments | 1,000.10 | - | - | 6,600.00 | 7,600.10 |
| Total | 1,502.47 | - | 15,050.95 | 13,507.59 | 30,061.01 |
| (i) Investments outside India | - | - | - | - | - |
| (ii) Investment in India | 1,502.47 | - | 15,050.95 | 13,507.59 | 30,061.01 |
| Total | 1,502.47 | - | 15,050.95 | 13,507.59 | 30,061.01 |
| Less: Allowance for impairment | - | - | (86.81) | - | (86.81) |
| Total | 1,502.47 | - | 14,964.14 | 13,507.59 | 29,974.20 |

12.1 Investments measured at amortised cost:

i) Credit quality of assets:

The table below shows the gross carrying amount of the Group's investments measured at amortised cost by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in the notes to the consolidated financial statements.

March 31, 2024

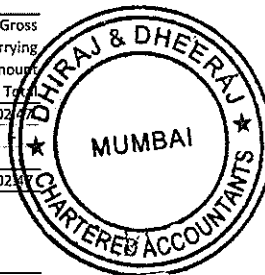
| Particulars | Gross carrying amount (Stage I) | Gross carrying amount (Stage II) | Gross carrying amount (Stage III) | Gross carrying amount Total |
|--------------|--|---|--|--------------------------------------|
| Performing | 1,106.80 | - | - | 1,106.80 |
| High grade | - | - | - | - |
| Total | 1,106.80 | - | - | 1,106.80 |

March 31, 2023

| Particulars | Gross carrying amount (Stage I) | Gross carrying amount (Stage II) | Gross carrying amount (Stage III) | Gross carrying amount Total |
|--------------|--|---|--|--------------------------------------|
| Performing | 1,502.47 | - | - | 1,502.47 |
| High grade | - | - | - | - |
| Total | 1,502.47 | - | - | 1,502.47 |

ii) Reconciliation of gross carrying amount for investments measured at amortised cost

| | March 31, 2024 | | March 31, 2023 | |
|---|--|--|--|--|
| Particulars | Gross Carrying Amount (Stage I) | 12 months ECL allowance (Stage I) | Gross Carrying Amount (Stage I) | 12 months ECL allowance (Stage I) |
| Gross carrying amount - opening balance | 1,502.47 | - | 2,126.26 | (5.67) |
| Assets acquired or recognised | 1,106.80 | - | 1,502.47 | - |
| Unwinding of discount (recognised in interest income) | - | - | - | - |
| Changes to contractual cash flows due to modifications not resulting in derecognition | - | - | - | - |
| Assets derecognised or matured | (1,502.47) | - | (2,126.26) | 5.67 |
| Closing balance | 1,106.80 | - | 1,502.47 | - |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency: Indian rupees in millions)

13. Other financial assets

| Particulars | March 31, 2024 | March 31, 2023 |
|---|-----------------|-----------------|
| Deposits placed with/ for exchange/ depositories | 209.92 | 14.42 |
| Deposits- others | 105.75 | 72.34 |
| Rental deposits | 7.68 | 5.19 |
| Margin placed with broker | 791.15 | 1.23 |
| Advances recoverable in cash or in kind or for value to be received | 1,489.72 | 1,335.72 |
| Others | 81.96 | 0.67 |
| Total | 2,686.18 | 1,429.57 |

14. Current tax assets (net)

| Particulars | March 31, 2024 | March 31, 2023 |
|--|-----------------|-----------------|
| Advance income taxes (Net of provision for tax) | 5,205.23 | 2,232.13 |
| Total | 5,205.23 | 2,232.13 |

15. Deferred tax assets and liabilities

| Deferred tax assets | March 31, 2024 | March 31, 2023 |
|---|-----------------|-----------------|
| Provision for expected credit losses | 1,106.51 | 696.39 |
| Unused tax losses / credits | 12,470.14 | 1,810.62 |
| Employee benefits obligations | 78.22 | 2.26 |
| Fair valuation of Financial Assets | (3,104.60) | (638.59) |
| Property, Plant and Equipment and Intangible assets | (894.66) | (508.12) |
| Adjustment of effective interest rate on Borrowings | (137.19) | (47.85) |
| Special Reserve u/s 36(1)(viii) | - | - |
| Total | 9,518.42 | 1,314.71 |

| Deferred tax liabilities | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Provision for expected credit losses | (88.88) | (116.32) |
| Employee benefits obligations | (10.28) | (9.60) |
| Fair valuation of Financial Assets | (27.15) | 35.62 |
| Property, Plant and Equipment and Intangible assets | 54.44 | 124.20 |
| Adjustment of effective interest rate on Borrowings | 8.83 | 7.36 |
| Special Reserve u/s 36(1)(viii) | 112.50 | 2.33 |
| Total | 49.46 | 43.59 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency: Indian rupees in millions)

16. Investment property

| Particulars | Investment Property | | |
|---|---------------------|-------------|------------|
| | Land | Real Estate | Total |
| as at March 31, 2022 | 137.43 | 4,577.60 | 4,715.03 |
| Additions | - | 44.06 | 44.06 |
| Disposals | - | (438.74) | (438.74) |
| as at March 31, 2023 | 137.43 | 4,182.92 | 4,320.35 |
| Additions | 228.35 | 1,145.02 | 1,373.37 |
| Disposals | (36.93) | (1,064.06) | (1,100.99) |
| as at March 31, 2024 | 328.85 | 4,263.88 | 4,592.73 |
| Depreciation and amortisation: | | | |
| as at March 31, 2022 | - | 1,176.02 | 1,176.02 |
| Impairment charge/ (reversals) for the year | - | - | - |
| Depreciation/amortisation for the year | - | 111.74 | 111.74 |
| Disposals | - | - | - |
| as at March 31, 2023 | - | 1,287.76 | 1,287.76 |
| Impairment charge/ (reversals) for the year | - | - | - |
| Depreciation/amortisation for the year | - | 111.58 | 111.58 |
| Addition / adjustments | - | 267.75 | 267.75 |
| Disposals | - | (402.21) | (402.21) |
| as at March 31, 2024 | - | 1,264.88 | 1,264.88 |
| Net Book Value | | | |
| As at March 31, 2024 | 328.85 | 2,999.00 | 3,327.85 |
| As at March 31, 2023 | 137.43 | 2,895.17 | 3,032.60 |

Fair value of investment properties

| Property | March 31, 2024 | March 31, 2023 |
|----------------------|------------------|------------------|
| Land | 1,327.43 | 1,327.43 |
| Real estate property | 9,425.52 | 9,913.31 |
| Total | 10,752.95 | 11,240.74 |

Note:

During the current financial year, one of the subsidiary of the Group reclassified certain assets that were previously categorized under Property, Plant and Equipment (PPE) to Investment Property. As a result of this reclassification, assets with net block value of ₹ 206.09 million were transferred from PPE to Investment Property.



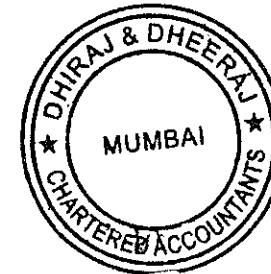
Ede! Finance Company Limited
Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency: Indian rupees in millions)

17. Property, plant and equipment and intangible assets

| Particulars | Property, plant and equipment | | | | | | | | | | | | | Intangible Assets | | | |
|--|-------------------------------|--------|------------------------|---------------------|---------------------------------|------------------------|----------|------------------|---------------|-----------|-----------|--------------------------|-------------|-------------------|----------|--------|----------|
| | Building (Flat)* | Land* | Leasehold improvements | Plant and Equipment | Plant and Machinery-Solar power | Furniture and Fixtures | Vehicles | Office equipment | Vessel (Boat) | Computers | Total PPE | Right-of-use Asset (ROU) | Grand Total | Computer Software | Goodwill | Total | Total |
| as at March 31, 2022 | 2,329.67 | 164.23 | 18.73 | 0.50 | 62.05 | 78.24 | 3.29 | 69.29 | - | 157.38 | 2,883.38 | 329.09 | 3,212.47 | 129.64 | 18.68 | 148.32 | 3,360.79 |
| Additions | - | - | 2.12 | - | - | 1.37 | - | 3.72 | - | 10.16 | 17.37 | 33.34 | 50.71 | 63.13 | - | 63.13 | 113.84 |
| Disposals | - | - | (0.05) | - | - | (0.83) | (1.41) | (23.25) | - | (86.65) | (112.19) | (8.10) | (120.29) | (9.10) | - | (9.10) | (129.38) |
| as at March 31, 2023 | 2,329.67 | 164.23 | 20.80 | 0.50 | 62.05 | 78.78 | 1.88 | 49.76 | - | 80.89 | 2,788.55 | 354.33 | 3,142.90 | 183.67 | 18.68 | 202.35 | 3,345.25 |
| Adjustment | | | | | | | | 0.96 | | | 0.96 | | 0.96 | | | | 0.96 |
| Additions | 1,767.43 | 41.42 | 12.49 | 12.31 | - | 138.67 | 6.54 | 90.18 | 4.84 | 201.73 | 2,275.61 | 732.01 | 3,007.62 | 317.33 | - | 317.33 | 3,324.95 |
| Disposals | (288.18) | - | (2.95) | - | (1.97) | (3.32) | (2.32) | (4.21) | - | (47.87) | (350.82) | (39.49) | (390.31) | - | - | - | (390.31) |
| as at March 31, 2024 | 3,808.92 | 205.65 | 30.34 | 12.81 | 60.08 | 214.13 | 6.10 | 136.69 | 4.84 | 234.75 | 4,714.30 | 1,046.85 | 5,761.17 | 501.00 | 18.68 | 519.68 | 6,280.85 |
| Depreciation : | | | | | | | | | | | | | | | | | |
| as at March 31, 2022 | 284.76 | - | 13.12 | 0.31 | 39.20 | 45.04 | 1.46 | 54.73 | - | 129.29 | 567.91 | 214.65 | 782.56 | 115.60 | 18.68 | 134.28 | 916.84 |
| Depreciation/amortisation for the year | 181.19 | - | 3.39 | 0.03 | 4.14 | 7.91 | 1.30 | 7.18 | - | 10.64 | 215.78 | 30.98 | 246.76 | 7.65 | - | 7.65 | 254.41 |
| Disposals | - | - | (0.05) | - | - | (0.54) | (0.97) | (22.59) | - | (80.87) | (105.02) | (0.39) | (105.41) | (5.90) | - | (5.90) | (111.31) |
| as at March 31, 2023 | 465.95 | - | 16.46 | 0.34 | 43.34 | 52.41 | 1.79 | 39.32 | - | 59.06 | 678.68 | 245.24 | 923.91 | 117.35 | 18.68 | 136.03 | 1,059.94 |
| Adjustment | 255.44 | | 9.76 | 3.31 | | 55.63 | 4.28 | 70.98 | 2.77 | 114.38 | 516.55 | 339.67 | 856.22 | 139.02 | | 139.02 | 995.24 |
| Depreciation/amortisation for the year | 131.08 | - | 2.04 | 1.00 | 3.38 | 24.82 | 0.08 | 6.39 | 0.35 | 33.92 | 203.06 | 47.24 | 250.30 | 45.85 | - | 45.85 | 296.15 |
| Disposals | 407.53 | - | (1.96) | - | (1.47) | (1.68) | (0.51) | (2.28) | - | (30.95) | 368.69 | - | 368.69 | - | - | - | 368.69 |
| as at March 31, 2024 | 1,260.00 | - | 26.30 | 4.65 | 45.25 | 131.18 | 5.65 | 114.41 | 3.12 | 176.41 | 1,766.97 | 632.15 | 2,399.12 | 302.22 | 18.68 | 320.90 | 2,720.02 |
| Net Book Value | | | | | | | | | | | | | | | | | |
| As at March 31, 2024 | 2,548.92 | 205.65 | 4.04 | 8.16 | 14.83 | 82.95 | 0.45 | 22.28 | 1.72 | 58.34 | 2,947.34 | 414.71 | 3,362.05 | 198.78 | - | 198.78 | 3,560.83 |
| As at March 31, 2023 | 1,863.72 | 164.23 | 4.34 | 0.16 | 18.71 | 26.37 | 0.08 | 10.44 | - | 21.83 | 2,109.89 | 109.09 | 2,218.98 | 66.32 | - | 66.32 | 2,285.31 |

*Pledged against issuance of NCDs and Corporate Guarantee.



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency: Indian rupees in millions)

18. Capital Work in Progress (CWIP) and Intangible Assets Under Development

a. Capital Work in Progress (CWIP)

| Description of assets | CWIP | | | |
|-----------------------|----------------------|----------|----------------|----------------------|
| | As at 01-Apr-2023 | Addition | Capitalisation | As at 01-Apr-2024 |
| CWIP | - | 5.71 | - | 5.71 |
| Total | - | 5.71 | - | 5.71 |

| Description of assets | CWIP | | | |
|-----------------------|----------------------|----------|----------------|----------------------|
| | As at 01-Apr-2022 | Addition | Capitalisation | As at 01-Apr-2023 |
| CWIP | - | - | - | - |
| Total | - | - | - | - |

CWIP ageing schedule

As at 31 March 2024

| Particulars | Amount in Intangible Assets Under Development for a period of | | | | Total |
|---------------------|---|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years | |
| Project in progress | 5.71 | - | - | - | 5.71 |
| Total | 5.71 | - | - | - | 5.71 |

As at 31 March 2023

| Particulars | Amount in Intangible Assets Under Development for a period of | | | | Total |
|---------------------|---|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years | |
| Project in progress | - | - | - | - | - |
| Total | - | - | - | - | - |

b. Intangible assets under development aging schedule

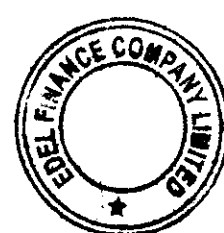
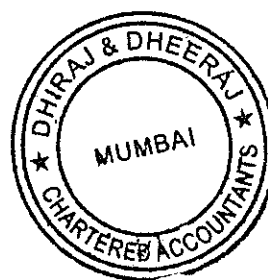
As at 31 March 2024

| Particulars | Amount in Intangible Assets Under Development for a period of | | | | Total |
|---------------------|---|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years | |
| Project in progress | 23.50 | - | - | - | 23.50 |
| Total | 23.50 | - | - | - | 23.50 |

As at 31 March 2023

| Particulars | Amount in Intangible Assets Under Development for a period of | | | | Total |
|---------------------|---|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years | |
| Project in progress | 12.40 | - | - | - | 12.40 |
| Total | 12.40 | - | - | - | 12.40 |

- c. There are no Intangible Assets Under Development, whose completion is overdue or has exceeded its cost compared to its original plan.



Edel Finance Company Limited
Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency: Indian rupees in millions)

19. Other non-financial assets

| Particulars | March 31, 2024 | March 31, 2023 |
|-----------------------|-----------------|----------------|
| Input tax credit | 675.81 | 329.84 |
| Prepaid expenses | 185.77 | 45.96 |
| Vendor Advances | 53.36 | 49.46 |
| Advances to employees | 7.37 | 4.19 |
| Deposits | 18.55 | 18.83 |
| Others | 389.83 | 29.87 |
| Total | 1,330.69 | 478.15 |

20. Trade Payables

| Particulars | March 31, 2024 | March 31, 2023 |
|--|------------------|----------------|
| Total outstanding dues of micro enterprises and small enterprises (MSME) | 10.27 | 8.47 |
| Total outstanding dues to creditors other than micro enterprises and small enterprises | 10,238.55 | 393.41 |
| Total | 10,248.82 | 401.88 |

20.A Details of dues to micro and small enterprises

Trade Payables includes ₹ 10.27 million (Previous Year ₹ 8.47 million) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. Interest paid by the Group during the year to "Suppliers" registered under this Act is ₹ NIL million (Previous year: ₹ NIL million). The aforementioned is based on the responses received by the Group to its inquiries with suppliers with regard to applicability under the said Act.

20.B Trade Payables ageing schedule

| As at March 31, 2024 | | Outstanding for following periods from due date of payment | | | | | | Total |
|----------------------|----------|--|------------------|-----------|-----------|-------------------|-----------|-------|
| Particulars | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 Years | More than 3 years | | |
| (i) MSME | 0.24 | - | 10.03 | - | - | - | 10.27 | |
| (ii) Others | 114.06 | - | 10,084.25 | 18.29 | 3.96 | 17.99 | 10,238.55 | |
| Total | 114.30 | - | 10,094.28 | 18.29 | 3.96 | 17.99 | 10,248.82 | |

| As at March 31, 2023 | | Outstanding for following periods from due date of payment | | | | | |
|----------------------|----------|--|------------------|-----------|-----------|-------------------|--------|
| Particulars | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 Years | More than 3 years | Total |
| (i) MSME | 0.30 | - | 8.17 | - | - | - | 8.47 |
| (ii) Others | 22.53 | - | 365.28 | 2.60 | 0.74 | 2.26 | 393.41 |
| Total | 22.83 | - | 373.45 | 2.60 | 0.74 | 2.26 | 401.88 |

21. Debt securities

| Particulars | March 31, 2024 | March 31, 2023 |
|---------------------------------------|--------------------|------------------|
| At amortised cost | | |
| Secured | | |
| Non-convertible redeemable debentures | 77,228.41 | 21,789.44 |
| Unsecured | | |
| Non-convertible redeemable debentures | 11,524.75 | 11,378.02 |
| Commercial Paper | 11,795.59 | 6,899.83 |
| Total (refer Note below) | 1,00,548.75 | 40,067.29 |
| Debt Securities in India | 1,00,548.75 | 40,067.29 |
| Debt Securities outside India | - | - |
| Total | 1,00,548.75 | 40,067.29 |

Note:

For secured debt, the Group has provided collateral in the nature of Pari Passu charge of immovable property, receivable from financing business, securities held for trading, investments, property (excluding intangible assets) and other assets.

Debt Securities as at March 31, 2024

| Maturities | <1 Years | 1-3 Years | >3 Years | Total |
|---|------------------|------------------|------------------|------------------|
| Rate of Interest | | | | |
| 8.00 - 8.99% | - | 3,406.96 | 3,381.29 | 6,788.25 |
| 9.00 - 9.99% | 12,245.15 | 6,978.00 | 7,851.09 | 27,074.24 |
| 10.00 - 10.99% | 1,526.99 | 4,028.14 | 6,320.03 | 11,875.17 |
| 11.00 - 15.00% | - | 1,707.41 | 1,027.17 | 2,734.58 |
| 16.00 - 18.00% | 22.35 | 2,572.32 | - | 2,594.67 |
| Zero Coupon Debentures | 243.52 | - | - | 243.52 |
| Provision for redemption premium on NCD | - | - | - | - |
| Various (benchmark linked) | 5,061.59 | 32,355.22 | 7,657.80 | 45,074.61 |
| Accrued Interest and EIR | 1,562.18 | - | - | 1,562.18 |
| Total* | 20,661.78 | 51,048.05 | 26,237.38 | 97,947.22 |

* Compulsory Convertible Debentures amounting to ₹ 2601.53 million not considered for maturity pattern.

Debt Securities as at March 31, 2023

| Maturities | <1 Years | 1-3 Years | >3 Years | Total |
|----------------------------|-----------------|------------------|------------------|------------------|
| Rate of Interest | | | | |
| 8.00 - 8.99% | 1,070.00 | 815.12 | - | 1,885.12 |
| 9.00 - 9.99% | 5,939.74 | 4,756.17 | 6,295.93 | 16,991.84 |
| 10.00 - 10.99% | - | 5,144.18 | 7,838.17 | 12,982.35 |
| 11.00 - 15.00% | - | - | - | - |
| 16.00 - 18.00% | - | - | - | - |
| Zero Coupon Debentures | - | - | - | - |
| Various (benchmark linked) | 1,974.40 | 3,390.05 | 2,106.15 | 7,470.60 |
| Accrued Interest and EIR | - | - | - | 737.38 |
| Total | 8,984.14 | 14,105.52 | 16,240.25 | 40,067.29 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency: Indian rupees in millions)

22. Borrowings (other than debt securities)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| At amortised cost | | |
| Secured | | |
| Term Loans | | |
| - From Banks | 12,783.69 | 9,049.91 |
| - National Housing Bank | 1,096.53 | 917.05 |
| - Financial Institutions | 3,782.89 | - |
| [Secured by charge on receivable, cash and cash equivalents, immovable property / Fixed Assets, investments, other assets from financing business and corporate guarantee from group company] | | |
| Bank Overdraft | 1,377.30 | - |
| [Secured by charge on receivable from financing business and fixed deposit] | | |
| Bank overdraft is in nature of Committed Cash Credit Lines repayable on demand. | | |
| Working Capital demand loan (WC DL) | 5,000.01 | - |
| [Secured by charge on receivable from financing business] | | |
| Tri party REPO | 19,799.66 | - |
| [Secured by pledge of government securities] | | |
| Unsecured | | |
| Loan and advances from related parties | 31,854.94 | 18,783.48 |
| (Interest rate 11.00% to 14.50%) (11.00% to 14.50%) | | |
| | 75,695.02 | 28,750.44 |
| Borrowings in India | 75,695.02 | 28,750.44 |
| Borrowings outside India | - | - |
| Total | 75,695.02 | 28,750.44 |

Following is the repayment terms of term loans:

Term loans from Banks - Secured as at 31 March 2024

| Maturities | <1 Years | 1-3 Years | >3 Years | Total |
|--------------------------|----------|-----------|----------|-----------|
| Rate of Interest | | | | |
| 7.00 - 7.99% | - | - | - | - |
| 8.00 - 8.99% | - | - | - | - |
| 9.00 - 9.99% | 2,593.40 | 2,604.98 | 1,362.43 | 6,560.81 |
| 10.00 - 10.99% | 2,372.73 | 2,405.00 | 1,420.50 | 6,198.23 |
| 11.00 - 11.99% | 947.72 | 100.02 | - | 1,047.74 |
| 12.00 - 12.99% | 3,000.00 | - | - | 3,000.00 |
| 14.00 - 14.99% | - | - | - | - |
| Accrued Interest and EIR | - | - | - | (240.20) |
| Total | 8,913.85 | 5,110.00 | 2,782.93 | 16,566.58 |

Term loans from Banks - Secured as at 31 March 2023

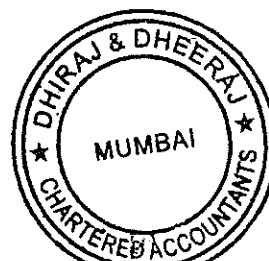
| Maturities | <1 Years | 1-3 Years | >3 Years | Total |
|--------------------------|----------|-----------|----------|----------|
| Rate of Interest | | | | |
| 7.00 - 7.99% | 451.00 | - | - | 451.00 |
| 8.00 - 8.99% | 554.10 | 547.25 | 187.50 | 1,288.85 |
| 9.00 - 9.99% | 1,838.88 | 2,526.04 | 993.53 | 5,358.45 |
| 10.00 - 10.99% | 2,081.78 | - | - | 2,081.78 |
| Accrued Interest and EIR | - | - | - | (130.17) |
| Total | 4,925.76 | 3,073.29 | 1,181.03 | 9,049.91 |

Term loans from Others - Secured as at 31 March 2024 (NHB)

| Maturities | <1 Years | 1-3 Years | >3 Years | Total |
|------------------|----------|-----------|----------|----------|
| Rate of Interest | | | | |
| 4.00 - 4.99% | - | - | - | - |
| 5.00 - 5.99% | - | - | - | - |
| 6.00 - 6.99% | 154.67 | 68.90 | 73.51 | 297.08 |
| 7.00 - 7.99% | - | - | - | - |
| 8.00 - 8.99% | 47.67 | 62.78 | - | 110.45 |
| 9.00 - 9.99% | 119.64 | 239.28 | 330.08 | 689.00 |
| Total | 321.98 | 370.96 | 403.59 | 1,096.53 |

Term loans from Others - Secured as at 31 March 2023 (NHB)

| Maturities | <1 Years | 1-3 Years | >3 Years | Total |
|------------------|----------|-----------|----------|--------|
| Rate of Interest | | | | |
| 4.00 - 4.99% | 159.04 | 157.32 | - | 316.36 |
| 5.00 - 5.99% | - | - | - | - |
| 6.00 - 6.99% | 5.80 | 3.85 | - | 9.65 |
| 7.00 - 7.99% | - | - | - | - |
| 8.00 - 8.99% | 132.78 | 255.35 | 202.91 | 591.04 |
| 9.00 - 9.99% | - | - | - | - |
| Total | 297.62 | 416.52 | 202.91 | 917.05 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency: Indian rupees in millions)

23. Deposits (at amortised cost)

| Unsecured | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Inter-corporate deposits | 12.46 | - |
| Repayable on demand (Interest rate 6.55% p.a.) (PY 6.55% p.a.) | - | - |
| Interest accrued - inter-corporate deposits | 4.52 | - |
| Total | 16.98 | - |
| Inter-corporate deposits in India | 16.98 | - |
| Inter-corporate deposits outside India | - | - |
| Total | 16.98 | - |

24. Subordinated Liabilities (at amortised cost)

| Unsecured | March 31, 2024 | March 31, 2023 |
|--|------------------|-----------------|
| Non-convertible subordinated debt | 13,892.05 | 643.03 |
| Preference share capital | - | 427.10 |
| Total | 13,892.05 | 1,070.13 |
| Subordinated liabilities in India | 13,892.05 | 1,070.13 |
| Subordinated liabilities outside India | - | - |
| Total | 13,892.05 | 1,070.13 |

24.A Maturity profile and rate of interest of subordinated liabilities are set out below:

Terms and condition related to subordinated liabilities:

Subordinated Liabilities – March 31, 2024

| Maturities | <1 Years | 1-3 Years | >3 Years | Total |
|--------------------------|---------------|-----------------|-----------------|------------------|
| Rate of Interest | | | | |
| 9.00 - 9.99% | - | 620.00 | 2,740.01 | 3,360.01 |
| 10.00 - 10.99% | - | 2,700.00 | 3,147.25 | 5,847.25 |
| 11.00 - 11.99% | - | 3,788.00 | - | 3,788.00 |
| 14.00 - 14.99% | - | - | - | - |
| Zero Coupon Debentures | - | - | - | - |
| Accrued Interest and EIR | 687.75 | - | 209.04 | 896.79 |
| Total | 687.75 | 7,108.00 | 6,096.30 | 13,892.05 |

Subordinated Liabilities – March 31, 2023

| Maturities | <1 Years | 1-3 Years | >3 Years | Total |
|--------------------------|----------|---------------|---------------|-----------------|
| Rate of Interest | | | | |
| 9.00 - 9.99% | - | - | 20.00 | 20.00 |
| 10.00 - 10.99% | - | 481.91 | - | 481.91 |
| 11.00 - 11.99% | - | 150.00 | - | 150.00 |
| 14.00 - 14.99% | - | - | 386.68 | 386.68 |
| Zero Coupon Debentures | - | - | 20.42 | 20.42 |
| Accrued Interest and EIR | - | - | - | 11.12 |
| Total | - | 631.91 | 427.10 | 1,070.13 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency: Indian rupees in millions)

25. Other financial liabilities (at amortised cost unless otherwise specified)

| Particulars | March 31, 2024 | March 31, 2023 |
|--------------------------------------|------------------|------------------|
| Book overdraft | 3.96 | - |
| Payable to employees | 84.31 | 58.62 |
| Lease liabilities | 550.88 | 134.24 |
| Payable on account of securitisation | 13,454.44 | 10,817.12 |
| Other Liabilities | 2,075.69 | 1,381.49 |
| Total | 16,169.28 | 12,391.47 |

26. Current tax liabilities (net)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Provision for taxation (Net of advance tax) | 210.25 | 33.44 |
| Total | 210.25 | 33.44 |

27. Provisions

| Particulars | March 31, 2024 | March 31, 2023 |
|---------------------------------|----------------|----------------|
| Provision for employee benefits | | |
| Gratuity | 93.68 | 35.77 |
| Compensated leave absences | 33.65 | 10.95 |
| Provision for expenses | 1.44 | - |
| Others | - | 11.70 |
| Total | 128.77 | 58.42 |

28. Other non-financial liabilities

| Particulars | March 31, 2024 | March 31, 2023 |
|----------------------------|----------------|----------------|
| Statutory liabilities | 213.37 | 67.27 |
| Income received in advance | 83.48 | 23.06 |
| Others | 75.02 | 45.19 |
| Total | 371.87 | 135.52 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2023 (Continued)

(Currency: Indian rupees in millions)

29. Equity share capital

| Particulars | March 31, 2024 | | March 31, 2023 | |
|--|---------------------|------------------|---------------------|------------------|
| | No. of shares | Amount | No. of shares | Amount |
| Authorised : | | | | |
| Equity Shares of ₹ 100 each | 22,85,00,000 | 22,850.00 | 22,85,00,000 | 22,850.00 |
| Preference shares of ₹ 100 each | 5,00,00,000 | 5,000.00 | 5,00,00,000 | 5,000.00 |
| | 27,85,00,000 | 27,850.00 | 27,85,00,000 | 27,850.00 |
| Issued, Subscribed and Paid up: | | | | |
| Equity Shares of ₹ 100 each | 9,56,67,388 | 9,566.75 | 7,56,67,388 | 7,566.75 |
| Total | 9,56,67,388 | 9,566.75 | 7,56,67,388 | 7,566.75 |

29.A Reconciliation of number of shares

| Particulars | March 31, 2024 | | March 31, 2023 | |
|---|--------------------|-----------------|--------------------|-----------------|
| | No. of shares | Amount | No. of shares | Amount |
| Outstanding at the beginning of the year | 7,56,67,388 | 7,566.75 | 5,56,67,388 | 5,566.75 |
| Additional equity shares issued during the year | 2,00,00,000 | 2,000.00 | 2,00,00,000 | 2,000.00 |
| Outstanding at the end of the year | 9,56,67,388 | 9,566.75 | 7,56,67,388 | 7,566.75 |

Notes:

During the financial year 2023-24 the Company has issued 2,00,00,000 fully paid-up equity shares of ₹ 100 each aggregating to ₹ 2,000 millions to Edelweiss Financial Services Limited.

29.B Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 100/-. Each holder of equity shares is entitled to one vote per share held.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

29.C Shares held by holding/ultimate holding company and/or their subsidiaries/associates

| Particulars | March 31, 2024 | | March 31, 2023 | |
|--|--------------------|----------------|--------------------|----------------|
| | No. of shares | % holding | No. of shares | % holding |
| Holding company | | | | |
| Edelweiss Financial Services Limited (EFSL)* | 9,56,67,388 | 100.00% | 7,56,67,388 | 100.00% |
| Total | 9,56,67,388 | 100.00% | 7,56,67,388 | 100.00% |

* including 6 shares held by Nominees of EFSL

29.D Details of shares held by promoters in the Company

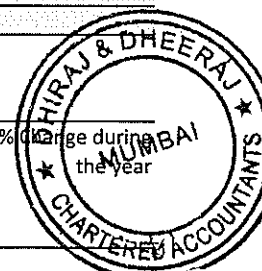
As at March 31, 2024

| Promoter name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % Change during the year |
|---------------------------------------|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Edelweiss Financial Services Limited* | 7,56,67,388 | 2,00,00,000 | 9,56,67,388 | 100.00% | - |
| Total | 7,56,67,388 | 2,00,00,000 | 9,56,67,388 | 100.00% | |

As at March 31, 2023

| Promoter name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % Change during the year |
|---------------------------------------|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Edelweiss Financial Services Limited* | 5,56,67,388 | 2,00,00,000 | 7,56,67,388 | 100.00% | |
| Total | 5,56,67,388 | 2,00,00,000 | 7,56,67,388 | 100.00% | |

* including 6 shares held by Nominees of EFSL



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2023 (Continued)

(Currency: Indian rupees in millions)

29. Equity share capital (Continued)

29.E Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Particulars | March 31, 2024 | | March 31, 2023 | |
|---------------------------------------|--------------------|----------------|--------------------|----------------|
| | No. of shares | % holding | No. of shares | % holding |
| Edelweiss Financial Services Limited* | 9,56,67,388 | 100.00% | 7,56,67,388 | 100.00% |
| Total | 9,56,67,388 | 100.00% | 7,56,67,388 | 100.00% |

* including 6 shares held by Nominees of EFSL

29.F There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

30. Instruments entirely equity in nature

| A. Particulars | March 31, 2024 | | March 31, 2023 | |
|--|--------------------|-----------------|--------------------|-----------------|
| | No. of shares | Amount | No. of shares | Amount |
| Compulsorily Convertible Preference Shares (CCPS) | | | | |
| (16,500,000 CCPS - 0.01% Compulsorily Convertible Preference Shares ("CCPS") of face value of ₹ 100/-) | 1,65,00,000 | 1,650.00 | 1,65,00,000 | 1,650.00 |
| Total | 1,65,00,000 | 1,650.00 | 1,65,00,000 | 1,650.00 |

The entire CCPS issued by the company of ₹ 1,650 millions is held by Edelweiss Financial Services Limited.

Reconciliation of number of CCPS

| Particulars | March 31, 2024 | | March 31, 2023 | |
|---|--------------------|-----------------|--------------------|-----------------|
| | No. of shares | Amount | No. of shares | Amount |
| Outstanding at the beginning of the year | 1,65,00,000 | 1,650.00 | 1,65,00,000 | 1,650.00 |
| Additional CCPS issued during the year | - | - | - | - |
| Outstanding at the end of the year | 1,65,00,000 | 1,650.00 | 1,65,00,000 | 1,650.00 |

Terms of Compulsorily Convertible Preference Shares ("CCPS")

The Company has issued and allotted 65,00,000 0.01% CCPS on March 9, 2021 convertible into Equity shares on March 8, 2026 at a ratio of 1:1.

The Company has issued and allotted 1,00,00,000 0.01% CCPS on March 20, 2021 convertible into Equity shares on March 19, 2026 at a ratio of 1:1.

| B. Particulars | March 31, 2024 | | March 31, 2023 | |
|---|------------------|-----------------|----------------|----------|
| | No. of shares | Amount | No. of shares | Amount |
| Compulsorily Convertible Debentures (CCD) | | | | |
| (80,00,000 CCD - 0.01% Compulsory Convertible Debentures ("CCD") of face value of ₹ 1000/-) | 80,00,000 | 8,000.00 | - | - |
| Total | 80,00,000 | 8,000.00 | - | - |

The entire CCD issued by the company of ₹ 8,000 millions is held by Edelweiss Financial Services Limited.

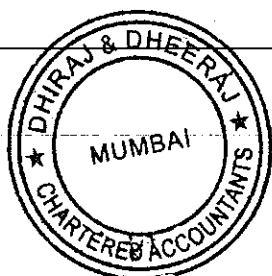
Reconciliation of number of CCD

| Particulars | March 31, 2024 | | March 31, 2023 | |
|---|------------------|-----------------|----------------|----------|
| | No. of shares | Amount | No. of shares | Amount |
| Outstanding at the beginning of the year | - | - | - | - |
| Additional CCD issued during the year | 80,00,000 | 8,000.00 | - | - |
| Outstanding at the end of the year | 80,00,000 | 8,000.00 | - | - |

Terms of Compulsorily Convertible Debentures ("CCD")

The Company has issued and allotted 80,00,000 0.01% CCDs on March 28, 2024 and CCDs will be converted into equity shares within period not exceeding 10 years from the date of allotment.

| | March 31, 2024 | March 31, 2023 |
|---|-----------------|-----------------|
| | Amount | Amount |
| Total of Instruments entirely equity in nature (A+B) | 9,650.00 | 1,650.00 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2023 (Continued)

(Currency: Indian rupees in millions)

31. Other Equity

| Particulars | March 31, 2024 | March 31, 2023 |
|--|--------------------|-------------------|
| Capital redemption reserve | 281.34 | 114.34 |
| Capital Reserve | (183.59) | (3,596.26) |
| Securities premium reserve | 6,878.26 | 4,269.44 |
| Statutory Reserve under Section 45-IC of the Reserve Bank of India Act, 1934 | 7,852.34 | 1,544.82 |
| Statutory Reserve under Section 29C of the Reserve Bank of India Act, 1934 | 646.15 | 607.55 |
| Retained earnings | (29,497.62) | (10,284.48) |
| Deemed capital contribution - Equity | 234.59 | 52.55 |
| Debenture Redemption Reserve | 2,764.10 | 219.07 |
| Revaluation Reserve through other comprehensive income | 1,345.56 | 864.32 |
| Impairment reserve | 32.27 | 32.27 |
| Financial instruments through Other Comprehensive Income | (417.53) | - |
| Total | (10,064.13) | (6,176.38) |

31.1 Capital redemption reserve

The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

31.2 Capital Reserve

Capital reserve represents the gains of capital nature which is not freely available for distribution.

31.3 Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

31.4 Statutory Reserve under Section 45-IC of the Reserve Bank of India Act, 1934

Reserve created under 45-IC(1) in The Reserve Bank of India Act, 1934 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

31.5 Statutory Reserve under Section 29C of the Reserve Bank of India Act, 1934

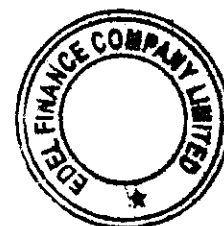
In terms of Section 29C of the National Housing Bank Act, 1987 every housing finance institution which is a company is required to create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account before any dividend is declared. Housing Finance Companies (HFCs), are permitted to withdraw from the said reserve fund, the excess amount credited (in excess of the statutory minimum of 20%) in the previous years for any business purposes subject to suitable disclosure in the balance sheet and in the case of HFCs which have transferred only the statutory minimum in the previous years to selectively permit them to withdraw from the reserve fund only for the purpose of provisioning for non-performing assets subject to the conditions that there is no debit balance in the profit and loss account and that the reason for such withdrawal are stated explicitly in the balance sheet.

31.6 Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

31.7 Deemed capital contribution - Equity

Deemed capital contribution relates to share options granted to eligible employees of the Company by the parent company under its employee share option plan.



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2023 (Continued)

(Currency: Indian rupees in millions)

31 Other Equity (Continued)

31.8 Debenture Redemption Reserve

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. Company being NBFS has to maintain Debenture Redemption reserve upto 25% of the value of debentures issued through public issue. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings.

31.9 Revaluation Reserve through other comprehensive income

Group has decided to change to revaluation model from cost model of accounting for a class of asset. Similarly, group entities have also changed their existing model for Flats and building to align with the Group policy.

31.10 Impairment reserve

As per the RBI circular RBI/2019-20/170 dated 13th March, 2020, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs (CICs) shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. Further, no withdrawals shall be permitted from this reserve without prior permission from the RBI.

31.11 Equity instruments through other comprehensive income

The Group has elected to recognise changes in the fair value of certain investments in financial instruments in other comprehensive income. These changes are accumulated within the FVOCI within equity. The Group transfers amounts from this reserve to retained earnings when the relevant financial instruments are derecognised.



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency: Indian rupees in millions)

32. Interest Income

| Particulars | March 31, 2024 | March 31, 2023 |
|--|-----------------|-----------------|
| on financial assets measured at amortised cost | | |
| Interest on loans | 5,133.76 | 5,101.04 |
| Interest income from Investments | 217.96 | (4.26) |
| Interest on fixed deposits with banks | 187.13 | 119.43 |
| Other interest Income | 168.33 | 91.45 |
| on financial assets measured at fair value through profit or loss | | |
| Interest on loans | - | 221.32 |
| Interest income from Investments | 1,018.79 | 470.71 |
| Total | 6,725.97 | 5,999.69 |

33. Dividend Income

| Particulars | March 31, 2024 | March 31, 2023 |
|------------------------|----------------|----------------|
| Dividend on Investment | 16.29 | 4.12 |
| Total | 16.29 | 4.12 |

34. Fee and commission income

| Particulars | March 31, 2024 | March 31, 2023 |
|--------------------------------|----------------|----------------|
| Advisory and other fees Income | 749.33 | 917.11 |
| Total | 749.33 | 917.11 |

Below is the disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in statement of profit and loss:

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Service transferred at a point in time | 7.00 | 205.66 |
| Service transferred over time | 742.33 | 711.45 |
| Total revenue from contract with customers | 749.33 | 917.11 |

35. Net gain / (loss) on fair value changes

| Particulars | March 31, 2024 | March 31, 2023 |
|---|-----------------|-----------------|
| Net gain/ (loss) on financial instruments at fair value through profit or loss | | |
| On trading portfolio | | |
| Investment at FVTPL | | |
| On investments and securities held for trading | 2,712.26 | 1,522.93 |
| On trading of securities (net) | 6,876.64 | 27.97 |
| On Sale of debt instruments | - | 0.10 |
| On security receipts | (1,006.40) | (4.65) |
| Derivatives at FVTPL | | |
| On derivatives financial instrument | 2,847.01 | 50.17 |
| Others | | |
| Other financial instruments | (1,625.96) | 309.33 |
| Total Net gain/(loss) on fair value changes | 9,803.55 | 1,905.84 |
| Fair value changes | | |
| Realised | 443.74 | 1,199.73 |
| Unrealised | 9,359.81 | 706.11 |
| Total | 9,803.55 | 1,905.84 |

36. Other operating income

| Particulars | March 31, 2024 | March 31, 2023 |
|-----------------------------|----------------|----------------|
| Rental income | 420.68 | 355.39 |
| Income from Training Centre | 55.35 | - |
| Total | 476.03 | 355.39 |

37. Other income

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Profit / (loss) on sale of investments | - | 838.00 |
| Interest on Income Tax Refund | 43.69 | 15.51 |
| Profit on sale of property, plant and equipment and tangible assets (net) | 0.19 | - |
| Miscellaneous income | 250.38 | 45.83 |
| Total | 294.26 | 899.34 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency: Indian rupees in millions)

38. Finance costs (at amortised cost unless otherwise stated)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|------------------|-----------------|
| Interest on borrowings other than debt securities | 4,605.19 | 4,223.05 |
| Interest on debt securities | 6,509.48 | 3,212.47 |
| Interest on subordinated liabilities | 283.79 | 265.35 |
| Other Interest Expense | 1,993.76 | 977.43 |
| Total | 13,392.23 | 8,678.30 |

39. Impairment on financial instruments

| Particulars | March 31, 2024 | March 31, 2023 |
|----------------------|----------------|-----------------|
| On loans | 337.27 | (999.07) |
| On investments | (163.46) | 510.13 |
| On trade receivables | 66.09 | 243.01 |
| Total | 239.90 | (245.93) |

40. Employee benefits expense

| Particulars | March 31, 2024 | March 31, 2023 |
|---|-----------------|-----------------|
| Salaries and wages | 2,485.46 | 950.83 |
| Contribution to provident and other funds | 88.32 | 53.75 |
| Expense on Employee Stock Option Scheme (ESOP) and SAR (refer note below) | 4.86 | 7.23 |
| Staff welfare expenses | 64.90 | 72.36 |
| Gratuity Expenses | 16.11 | 9.23 |
| Total | 2,659.65 | 1,093.40 |

Notes:

Edelweiss Financial Services Limited ("EFSL") the holding Company has granted an ESOP option to acquire equity shares of EFSL that would vest in a graded manner to Company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency: Indian rupees in millions)

41. Other expenses

| Particulars | March 31, 2024 | March 31, 2023 |
|--|-----------------|-----------------|
| Advertisement and business promotion | 11.29 | 8.74 |
| Auditors' remuneration (refer note 41.A) | 27.90 | 16.45 |
| Commission and brokerage | 39.37 | 4.08 |
| Communication expenses | 42.87 | 27.07 |
| Computer expenses | 283.10 | 236.60 |
| Contribution towards Corporate Social responsibility | 11.21 | 5.72 |
| Directors' sitting fees | 11.68 | 3.86 |
| Dematerialisation charges | 151.91 | 2.30 |
| Electricity charges | 54.13 | 41.14 |
| Insurance | 9.02 | 2.44 |
| Legal and professional fees | 933.87 | 679.29 |
| Loan origination costs amortised | 82.26 | 70.00 |
| Management fees | 404.36 | - |
| Office expenses | 116.43 | 95.33 |
| Rates and taxes | 562.33 | 216.17 |
| Rent | 49.17 | 5.57 |
| Repairs and maintenance | 54.58 | 14.17 |
| Stamp duty | 44.15 | 20.97 |
| Security transaction tax | 197.95 | 5.07 |
| Transportation and Freight Expenses | 69.59 | 42.70 |
| Housekeeping and security charges | 18.18 | - |
| Miscellaneous expenses | 203.43 | 78.42 |
| Total | 3,378.78 | 1,576.10 |

41.A Auditors' remuneration:

| Particulars | March 31, 2024 | March 31, 2023 |
|---------------------------|----------------|----------------|
| Audit fees | 17.83 | 13.57 |
| Tax Audit | 0.04 | - |
| Limited Review | 6.65 | 1.65 |
| Certification | 2.23 | 1.02 |
| Reimbursement of expenses | 1.15 | 0.21 |
| Total | 27.90 | 16.45 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

42. Income tax

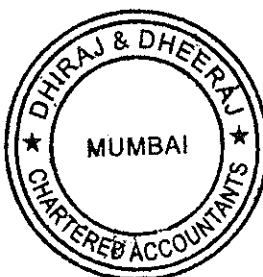
The components of income tax expense recognised in profit or loss for the years ended March 31, 2024 and March 31, 2023 are:

| Particulars | March 31, 2024 | March 31, 2023 |
|---|-------------------|----------------|
| Current tax | 132.09 | 84.58 |
| Adjustment in respect of current income tax of prior years | (15.33) | 5.53 |
| Deferred tax relating to origination and reversal of temporary differences | (2,371.26) | 413.84 |
| Deferred tax relating to unused tax losses and unused tax credits (including write-downs) (net) | 1,187.49 | - |
| Total tax expense | (1,067.01) | 503.95 |
| Total current tax | 116.76 | 90.11 |
| Total deferred tax | (1,183.77) | 413.84 |

42.1 Reconciliation of the total tax expense

The tax expense shown in the statement of profit and loss differs from the tax expense that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended, as follows:

| Particulars | March 31, 2024 | March 31, 2023 |
|--|-------------------|----------------|
| Profit / (Loss) before tax | (2,012.86) | (1,386.52) |
| Tax rate | 40.71% | 25.17% |
| Income tax expense calculated based on above tax rate | (819.41) | (348.96) |
| Adjustment in respect of income tax of prior years | (15.33) | 5.53 |
| Write-down / reversal of write down of deferred tax assets on unused tax credits and unused tax losses (net) | 17.66 | 215.46 |
| Effect of non-recognition of deferred tax asset on current-period losses | 960.74 | 805.71 |
| Effect of recognition of deferred tax asset on prior period losses - earlier not recognised | (150.22) | - |
| Impact of tax rate change | (1,396.30) | (171.49) |
| Others | 335.85 | (2.30) |
| Tax expense recognised in profit or loss | (1,067.01) | 503.95 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

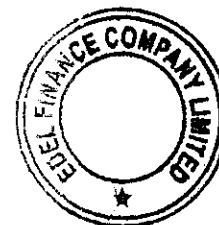
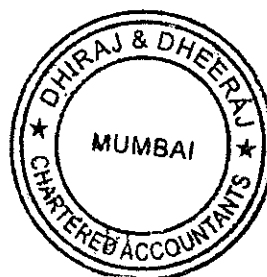
(Currency : Indian rupees in millions)

43. Components of deferred tax

The following table shows deferred tax recorded in the Balance sheet and changes recorded in the income tax expense:

| 31 March 2024 | Opening deferred tax asset/(liability) | Addition/Reduction on account of acquisition / divestment during the year | Recognised in profit or loss | Recognised in other comprehensive income (OCI) | Others | Total Movement | Closing deferred tax asset/(liability) |
|---|--|---|------------------------------|--|--------|----------------|--|
| Provision for expected credit losses | 727.93 | 431.63 | (26.70) | - | - | 404.93 | 1132.86 |
| Unused tax losses / credits | 1810.60 | 8385.00 | 2274.55 | - | - | 10659.55 | 12470.15 |
| Employee benefits obligations | 11.86 | 48.52 | 28.12 | (0.39) | - | 76.25 | 88.11 |
| Fair valuation of Financial Assets | (581.63) | (1415.50) | (997.59) | (0.04) | - | (2413.13) | (2994.76) |
| Property, Plant and Equipment and Intangible assets | (542.68) | (343.76) | (94.79) | - | - | (438.55) | (981.23) |
| Adjustment of effective interest rate on Borrowings | (48.30) | (91.39) | 6.02 | - | - | (85.37) | (133.67) |
| Special Reserve u/s 36(1)(viii) | (106.66) | 0.00 | (5.84) | - | - | (5.84) | (112.50) |
| Total | 1,271.12 | 7,014.50 | 1,183.77 | (0.43) | - | 8,197.84 | 9,468.96 |

| 31-Mar-23 | Opening deferred tax asset/(liability) | Addition/Reduction on account of acquisition / divestment during the year | Recognised in profit or loss | Recognised in other comprehensive income (OCI) | Others | Total Movement | Closing deferred tax asset/(liability) |
|---|--|---|------------------------------|--|--------|----------------|--|
| Provision for expected credit losses | 992.10 | - | (264.17) | - | - | (264.17) | 727.93 |
| Unused tax losses / credits | 1569.33 | - | 241.27 | - | - | 241.27 | 1,810.60 |
| Employee benefits obligations | 13.28 | - | (2.08) | 0.66 | - | (1.42) | 11.86 |
| Fair valuation of Financial Assets | (125.40) | - | (456.39) | - | 0.16 | (456.23) | (581.63) |
| Property, Plant and Equipment and Intangible assets | (546.94) | - | 4.26 | - | - | 4.26 | (542.68) |
| Adjustment of effective interest rate on Borrowings | (117.21) | - | 68.91 | - | - | 68.91 | (48.30) |
| Special Reserve u/s 36(1)(viii) | -101.02 | - | (5.64) | - | - | (5.64) | (106.66) |
| Total | 1684.14 | - | (413.84) | 0.66 | 0.16 | (413.02) | 1,271.12 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

43. Components of deferred tax (Continued)

43.1. Details of temporary differences where deferred tax assets have not been recognised in the balance sheet

As at March 31, 2024

| Financial Year to which the loss relates to | Deductible temporary differences | | Unused tax losses | | | | | | |
|---|----------------------------------|------------------------------|-------------------------|------------------------------|-----------------------------------|------------------------------|--|------------------------------|------------------|
| | Amount | Expiry year - financial year | Unabsorbed Depreciation | | Unabsorbed Long Term capital loss | | Business Loss/ Short term capital loss | | Total |
| | | | Amount | Expiry year - financial year | Amount | Expiry year - financial year | Amount | Expiry year - financial year | |
| 2023-24 | 83.42 | Not applicable | 104.91 | No expiry | - | - | 1,945.22 | 2031-32 | 2,050.13 |
| 2022-23 | 556.00 | Not applicable | 127.25 | No expiry | - | - | 2,530.60 | 2030-31 | 2,657.85 |
| 2021-22 | 140.55 | Not applicable | 153.90 | No expiry | - | - | 1,788.99 | 2029-30 | 1,942.89 |
| 2020-21 | 9,632.05 | Not applicable | 1.82 | No expiry | 936.18 | 2028-29 | 2,488.00 | 2028-29 | 3,426.00 |
| 2019-20 | 1,693.36 | Not applicable | 2.96 | No expiry | - | - | 1,380.72 | 2027-28 | 1,383.68 |
| 2018-19 | - | Not applicable | 4.24 | No expiry | - | - | 588.75 | 2026-27 | 592.99 |
| 2017-18 | - | Not applicable | 2.63 | No expiry | - | - | 439.31 | 2025-26 | 441.94 |
| 2016-17 | - | - | 4.80 | No expiry | - | - | 496.41 | 2024-25 | 501.21 |
| 2013-14 | - | - | 0.74 | No expiry | - | - | - | - | 0.74 |
| Total | 12,105.38 | | 403.25 | | 936.18 | | 11,658.00 | | 12,997.43 |

As at March 31, 2023

| Financial Year to which the loss relates to | Deductible temporary differences | | Unused tax losses | | | | | | |
|---|----------------------------------|------------------------------|-------------------------|------------------------------|-----------------------------------|------------------------------|--|------------------------------|-----------------|
| | Amount | Expiry year - financial year | Unabsorbed Depreciation | | Unabsorbed Long Term capital loss | | Business Loss/ Short term capital loss | | Total |
| | | | Amount | Expiry year - financial year | Amount | Expiry year - financial year | Amount | Expiry year - financial year | |
| 2022-23 | 856.00 | Not Applicable | 2.27 | No Expiry | - | - | 2,636.34 | 2030-31 | 2,638.61 |
| 2021-22 | 140.55 | Not Applicable | 153.90 | No Expiry | - | - | 1,789.86 | 2029-30 | 1,943.76 |
| 2020-21 | 9,937.35 | Not Applicable | 1.73 | No Expiry | 936.18 | 2028-29 | 2,471.38 | 2028-29 | 3,409.29 |
| 2019-20 | 1,693.36 | Not Applicable | 2.80 | No Expiry | - | - | 1,380.17 | 2027-28 | 1,382.97 |
| 2018-19 | - | - | 0.73 | No Expiry | - | - | 27.06 | 2026-27 | 27.79 |
| 2017-18 | - | - | 0.71 | No Expiry | - | - | 74.50 | 2025-26 | 75.21 |
| 2016-17 | - | - | 0.82 | No Expiry | - | - | 72.25 | 2024-25 | 73.07 |
| 2015-16 | - | - | 0.12 | No Expiry | - | - | 222.29 | 2023-24 | 222.41 |
| Total | 12,627.26 | | 163.08 | | 936.18 | | 8,673.85 | | 9,773.11 |

44. Earnings per Share (EPS)

In accordance with Indian Accounting Standard 33 – “Earnings Per Share” prescribed by Companies (Accounts) Rules, 2015, the computation of earnings per share is set out below:

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Profit/(loss) for the year attributable to owners of the parent | (559.78) | (2,015.10) |
| Weighted average number of shares | | |
| - Number of equity shares outstanding at the beginning of the year | 7,56,67,388 | 5,56,67,388 |
| - Number of equity shares issued during the year | 2,00,00,000 | 2,00,00,000 |
| Total number of equity shares outstanding at the end of the year | 9,56,67,388 | 7,56,67,388 |
| Total number of CCPS outstanding at the end of the year | 1,65,00,000 | 1,65,00,000 |
| Total number of CCD outstanding at the end of the year | 80,00,000 | - |
| Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) | 10,24,27,060 | 7,23,86,566 |
| Weighted average number of diluted equity shares outstanding during the year | 10,24,27,060 | 7,23,86,566 |
| Adjusted net profit for diluted EPS | (559.78) | (2,015.10) |
| Basic earnings per share (₹) | (5.47) | (27.84) |
| Diluted earnings per share (₹) | (5.47) | (27.84) |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

45. Segment information

Primary Segment (Business segment)

The Group's business is organised and management reviews the performance based on the business segments as mentioned below:

| Segment | Activities covered |
|------------------------|--|
| Capital based business | Capital intensive business includes Lending, investing and investment property |
| Financing business | Wholesale and retail financing |
| Treasury management | Interest income and trading in securities |

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary Segment

Since the business operations of the Group are primarily concentrated in India, the Group is considered to operate only in the domestic segment and therefore there is no reportable geographic segment

The following table gives information in terms of provisions of Accounting Standard on Segment Reporting (Ind AS 108)

| Segment information | Particulars | Year Ended | |
|---|---------------------------------|----------------|----------------|
| | | March 31, 2024 | March 31, 2023 |
| I Segment Revenue* | | | |
| | Capital based business | 5,299.40 | 9,860.42 |
| | Financing business | 5,354.60 | - |
| | Treasury management | 7,648.59 | 99.21 |
| | Unallocated | 96.62 | 15.55 |
| | Total Income | 18,399.21 | 9,975.18 |
| II Segment Results (Profit/(loss) before tax) | | | |
| | Capital based business | (4,015.40) | (1,127.61) |
| | Financing business | 184.29 | - |
| | Treasury management | 2,329.56 | (379.07) |
| | Unallocated | (177.54) | 13.85 |
| | Profit / (Loss) before taxation | (1,679.08) | (1,492.83) |
| III Segment Assets | | | |
| | Capital based business | 46,012.79 | 83,171.18 |
| | Financing business | 1,11,920.80 | - |
| | Treasury management | 58,314.47 | 678.17 |
| | Unallocated | 15,696.67 | 2,883.74 |
| | Total assets | 2,31,944.74 | 86,733.09 |
| IV Segment Liabilities | | | |
| | Capital based business | 82,353.76 | 82,725.62 |
| | Financing business | 81,158.30 | - |
| | Treasury management | 54,450.59 | 156.96 |
| | Unallocated | 524.42 | 69.60 |
| | Total liabilities | 2,18,487.08 | 82,952.18 |

*Segment revenue includes share in profit/(loss) in associates.



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

46. Transfer of financial assets

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities

| Particulars | March 31, 2024 | March 31, 2023 |
|--|-----------------|----------------|
| Securitisations | | |
| Carrying amount of transferred assets (held as Collateral) | 15,828.02 | 11,144.33 |
| Carrying amount of associated liabilities | 15,389.60 | 10,832.69 |
| Fair value of assets | 15,801.58 | 11,406.76 |
| Fair value of associated liabilities | 14,709.77 | 10,832.69 |
| Net position at fair value | 1,091.81 | 574.07 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

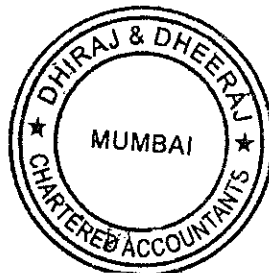
47. Disclosure of interest in other entities

1 Details of non wholly subsidiaries that have material non-controlling interests.

| Name of subsidiary | Place of incorporation and principal place of business | Proportion of ownership interests held by non-controlling interests - Mar 2024 | Proportion of ownership interests held by non-controlling interests - Mar 2023 | Profit/ (loss) allocated to non- controlling interests | |
|--|--|--|--|--|-----------|
| | | | | 31-Mar-24 | 31-Mar-23 |
| Allium Finance Private Limited | India | 11.72% | 26.24% | 14.70 | 10.29 |
| Nido Home Finance Limited | India | 5.00% | 5.00% | 9.62 | 8.15 |
| Ecap Equities Limited | India | 19.77% | 0.00% | 276.71 | - |
| Edelcap Securities Limited | India | 19.77% | 0.00% | 55.12 | - |
| Edelweiss Retail Finance Finance Limited | India | 18.38% | 0.00% | 26.39 | - |
| Edelweiss Private Equity Tech Fund | India | 4.40% | 0.00% | (9.45) | - |
| Edelweiss Value and Growth Fund | India | 3.95% | 0.00% | (56.19) | - |
| India Credit Investment Fund III | India | 0.00% | 0.00% | (123.88) | - |
| India Credit Investment Fund - S | India | 0.00% | 0.00% | (245.63) | - |

Summarised financial information in respect of each of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

| | | |
|---|---------------------------|---------------------------|
| Allium Finance Private Limited | As at | As at |
| | 31-Mar-24 | 31-Mar-23 |
| Financial assets | 1,431.04 | 1,305.26 |
| Non-financial assets | 5.07 | 6.08 |
| Financial liabilities | 0.32 | 0.36 |
| Non-financial liabilities | 1.97 | 2.63 |
| Equity attributable to owners of the company | 1,265.77 | 965.03 |
| Non-controlling interest | 168.04 | 343.31 |
| Particulars | For the year ended | For the year ended |
| | 31-Mar-24 | 31-Mar-23 |
| Revenue from operations | 157.22 | 58.35 |
| Total income | 157.22 | 58.37 |
| Total expenses | (1.17) | (4.47) |
| Profit / (loss) before tax | 158.39 | 62.84 |
| Tax expense | 32.92 | 26.14 |
| Profit / (loss) for the year | 125.47 | 36.70 |
| Total comprehensive income / (loss) | 125.47 | 36.70 |
| Profit / (loss) for the year attributable to owners of the parent | 110.76 | 26.41 |
| Profit / (loss) for the year attributable non-controlling interests | 14.70 | 10.29 |
| Cash flows (used) / generated from operating activities | 352.79 | (18.38) |
| Cash flows (used) / generated from investing activities | 1,075.84 | 20.52 |
| Cash flows (used) / generated from financing activities | - | - |
| Net cash inflow/(outflow) | 1,428.63 | 2.14 |
| Nido Home Finance Limited | As at | As at |
| | 31-Mar-24 | 31-Mar-23 |
| Financial assets | 36,875.65 | 37,319.47 |
| Non-financial assets | 773.81 | 542.91 |
| Financial liabilities | 29,283.40 | 29,763.68 |
| Non-financial liabilities | 218.18 | 154.02 |
| Equity attributable to owners of the company | 7,740.49 | 7,547.45 |
| Non-controlling interest | 407.39 | 397.23 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

47. Disclosure of interest in other entities (Continued)

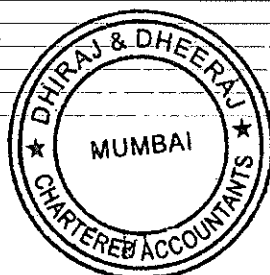
| Particulars | For the year ended 31-Mar-24 | For the year ended 31-Mar-23 |
|---|---------------------------------|---------------------------------|
| Revenue from operations | 4,587.89 | 4,414.62 |
| Total income | 4,657.12 | 4,446.85 |
| Total expenses | 4,396.57 | 4,238.78 |
| Profit / (loss) before tax | 260.55 | 208.07 |
| Tax expense | 67.50 | 47.44 |
| Profit / (loss) for the year | 193.05 | 160.63 |
| Total comprehensive income / (loss) | 192.49 | 162.99 |
| Profit / (loss) for the year attributable to owners of the parent | 182.87 | 154.84 |
| Profit / (loss) for the year attributable non-controlling interests | 9.62 | 8.15 |
| Cash flows (used) / generated from operating activities | 955.51 | (533.63) |
| Cash flows (used) / generated from investing activities | (132.13) | (49.18) |
| Cash flows (used) / generated from financial activities | (631.56) | (1,343.37) |
| Net cash inflow/(outflow) | 191.82 | (1,926.18) |

| Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
|--|--------------------|--------------------|
| Financial assets | 47,445.90 | - |
| Non-financial assets | 4,014.36 | - |
| Financial liabilities | 41,968.18 | - |
| Non-financial liabilities | 97.24 | - |
| Equity attributable to owners of the company | 7,537.47 | - |
| Non-controlling interest | 1,857.36 | - |

| Particulars | For the year ended 31-Mar-24 | For the year ended 31-Mar-23 |
|---|---------------------------------|---------------------------------|
| Revenue from operations | 14,386.77 | - |
| Total income | 14,388.97 | - |
| Total expenses | 13,523.30 | - |
| Profit / (loss) before tax | 865.67 | - |
| Tax expense | (534.22) | - |
| Profit / (loss) for the year | 1,399.89 | - |
| Total comprehensive income / (loss) | 1,399.66 | - |
| Profit / (loss) for the year attributable to owners of the parent | 1,122.94 | - |
| Profit / (loss) for the year attributable non-controlling interests | 276.71 | - |
| Cash flows (used) / generated from operating activities | 1,197.38 | - |
| Cash flows (used) / generated from investing activities | (1,684.99) | - |
| Cash flows (used) / generated from financing activities | 761.62 | - |
| Net cash inflow/(outflow) | 274.01 | - |

| Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
|--|--------------------|--------------------|
| Financial assets | 6,432.48 | - |
| Non-financial assets | 469.14 | - |
| Financial liabilities | 2,757.73 | - |
| Non-financial liabilities | 47.95 | - |
| Equity attributable to owners of the company | 3,286.17 | - |
| Non-controlling interest | 809.77 | - |

| Particulars | For the year ended 31-Mar-24 | For the year ended 31-Mar-23 |
|---|---------------------------------|---------------------------------|
| Revenue from operations | 1,515.92 | - |
| Total income | 1,524.52 | - |
| Total expenses | 1,284.67 | - |
| Profit / (loss) before tax | 239.86 | - |
| Tax expense | (39.57) | - |
| Profit / (loss) for the year | 279.42 | - |
| Total comprehensive income / (loss) | 278.83 | - |
| Profit / (loss) for the year attributable to owners of the parent | 223.71 | - |
| Profit / (loss) for the year attributable non-controlling interests | 55.12 | - |
| Cash flows (used) / generated from operating activities | 606.34 | - |
| Cash flows (used) / generated from investing activities | (890.39) | - |
| Cash flows (used) / generated from financing activities | 378.71 | - |
| Net cash inflow/(outflow) | 94.65 | - |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

47. Disclosure of interest in other entities (Continued)

| Edelweiss Retail Finance Limited | As at 31-Mar-24 | As at 31-Mar-23 |
|--|--------------------|--------------------|
| Financial assets | 9,871.37 | - |
| Non-financial assets | 273.55 | - |
| Financial liabilities | 4,529.93 | - |
| Non-financial liabilities | 104.09 | - |
| Equity attributable to owners of the company | 4,497.94 | - |
| Non-controlling interest | 1,012.96 | - |

| Particulars | For the year ended 31-Mar-24 | For the year ended 31-Mar-23 |
|---|---------------------------------|---------------------------------|
| Revenue from operations | 1,070.22 | - |
| Total income | 1,085.45 | - |
| Total expenses | 903.61 | - |
| Profit / (loss) before tax | 181.84 | - |
| Tax expense | 37.66 | - |
| Profit / (loss) for the year | 144.18 | - |
| Total comprehensive income / (loss) | 143.55 | - |
| Profit / (loss) for the year attributable to owners of the parent | 117.17 | - |
| Profit / (loss) for the year attributable non-controlling interests | 26.39 | - |
| Cash flows (used) / generated from operating activities | 178.96 | - |
| Cash flows (used) / generated from investing activities | 794.04 | - |
| Cash flows (used) / generated from financing activities | (882.18) | - |
| Net cash inflow/(outflow) | 90.81 | - |

| Edelweiss Private Equity Tech Fund | As at 31-Mar-24 | As at 31-Mar-23 |
|--|--------------------|--------------------|
| Financial assets | 516.39 | - |
| Non-financial assets | - | - |
| Financial liabilities | 0.11 | - |
| Non-financial liabilities | 0.02 | - |
| Equity attributable to owners of the company | 493.54 | - |
| Non-controlling interest | 22.72 | - |

| Particulars | For the year ended 31-Mar-24 | For the year ended 31-Mar-23 |
|---|---------------------------------|---------------------------------|
| Revenue from operations | (17.04) | - |
| Total income | (17.04) | - |
| Total expenses | 2.09 | - |
| Profit / (loss) before tax | (19.13) | - |
| Tax expense | - | - |
| Profit / (loss) for the year | (19.13) | - |
| Total comprehensive income / (loss) | (19.13) | - |
| Profit / (loss) for the year attributable to owners of the parent | (9.68) | - |
| Profit / (loss) for the year attributable non-controlling interests | (9.45) | - |
| Cash flows (used) / generated from operating activities | (2.28) | - |
| Cash flows (used) / generated from investing activities | - | - |
| Cash flows (used) / generated from financing activities | (13.78) | - |
| Net cash inflow/(outflow) | (16.06) | - |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

47. Disclosure of interest in other entities (Continued)

| Edelweiss Value and Growth Fund | As at 31-Mar-24 | As at 31-Mar-23 |
|--|--------------------|--------------------|
| Financial assets | 678.52 | - |
| Non-financial assets | 0.04 | - |
| Financial liabilities | 0.15 | - |
| Non-financial liabilities | 0.05 | - |
| Equity attributable to owners of the company | 651.57 | - |
| Non-controlling interest | 26.80 | - |

| Particulars | For the year ended 31-Mar-24 | For the year ended 31-Mar-23 |
|---|---------------------------------|---------------------------------|
| Revenue from operations | (111.17) | - |
| Total income | (111.17) | - |
| Total expenses | 3.62 | - |
| Profit / (loss) before tax | (114.78) | - |
| Tax expense | - | - |
| Profit / (loss) for the year | (114.78) | - |
| Total comprehensive income / (loss) | (114.78) | - |
| Profit / (loss) for the year attributable to owners of the parent | (58.60) | - |
| Profit / (loss) for the year attributable non-controlling interests | (56.19) | - |
| Cash flows (used) / generated from operating activities | (79.50) | - |
| Cash flows (used) / generated from investing activities | 160.00 | - |
| Cash flows (used) / generated from financing activities | (57.88) | - |
| Net cash inflow/(outflow) | 22.62 | - |

| India Credit Investment Fund III | As at 31-Mar-24 | As at 31-Mar-23 |
|--|--------------------|--------------------|
| Financial assets | - | - |
| Non-financial assets | - | - |
| Financial liabilities | - | - |
| Non-financial liabilities | - | - |
| Equity attributable to owners of the company | - | - |
| Non-controlling interest | - | - |

| Particulars | For the year ended 31-Mar-24 | For the year ended 31-Mar-23 |
|---|---------------------------------|---------------------------------|
| Revenue from operations | 67.36 | - |
| Total income | 67.36 | - |
| Total expenses | 429.48 | - |
| Profit / (loss) before tax | (362.12) | - |
| Tax expense | - | - |
| Profit / (loss) for the year | (362.12) | - |
| Total comprehensive income / (loss) | (362.12) | - |
| Profit / (loss) for the year attributable to owners of the parent | (238.23) | - |
| Profit / (loss) for the year attributable non-controlling interests | (123.88) | - |
| Cash flows (used) / generated from operating activities | (359.91) | - |
| Cash flows (used) / generated from investing activities | 12,398.82 | - |
| Cash flows (used) / generated from financing activities | (12,417.45) | - |
| Net cash inflow/(outflow) | (378.55) | - |

| India Credit Investment Fund V | As at 31-Mar-24 | As at 31-Mar-23 |
|--|--------------------|--------------------|
| Financial assets | - | - |
| Non-financial assets | - | - |
| Financial liabilities | - | - |
| Non-financial liabilities | - | - |
| Equity attributable to owners of the company | - | - |
| Non-controlling interest | - | - |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

47. Disclosure of interest in other entities (Continued)

| Particulars | For the year ended 31-Mar-24 | For the year ended 31-Mar-23 |
|---|---------------------------------|---------------------------------|
| Revenue from operations | (765.12) | - |
| Total income | (765.12) | - |
| Total expenses | 26.83 | - |
| Profit / (loss) before tax | (791.94) | - |
| Tax expense | - | - |
| Profit / (loss) for the year | (791.94) | - |
| Total comprehensive income / (loss) | (791.94) | - |
| Profit / (loss) for the year attributable to owners of the parent | (546.32) | - |
| Profit / (loss) for the year attributable non-controlling interests | (245.63) | - |
| Cash flows (used) / generated from operating activities | (791.94) | - |
| Cash flows (used) / generated from investing activities | - | - |
| Cash flows (used) / generated from financing activities | 791.94 | - |
| Net cash inflow/(outflow) | - | - |

2 Details of associates

| Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
|--|---------------------------------|---------------------------------|
| ECap Equities Limited | - | - |
| Financial assets | - | 52,118.86 |
| Non-financial assets | - | 4,161.61 |
| Financial liabilities | - | 45,667.70 |
| Non-financial liabilities | - | 291.97 |
| Total equity | - | 10,320.80 |
| Particulars | For the year ended 31-Mar-24 | For the year ended 31-Mar-23 |
| Revenue from operations | - | 12,705.30 |
| Total income | - | 12,736.92 |
| Total expenses | - | 13,174.95 |
| Profit / (loss) before tax | - | (438.03) |
| Other exceptional items | - | - |
| Profit / (loss) before tax and after exceptional items | - | (438.03) |
| Tax expense | - | (285.31) |
| Profit / (loss) for the year | - | (152.72) |
| Total comprehensive income / (loss) | - | (151.46) |
| Share in profit / (loss) of associates | - | (106.31) |
| Share in profit / (loss) of associates in other comprehensive income | - | - |
| Cash flows (used) / generated from operating activities | - | (621.29) |
| Cash flows (used) / generated from investing activities | - | (2,654.57) |
| Cash flows (used) / generated from financial activities | - | 4,695.01 |
| Net cash inflow/(outflow) | - | 1,419.15 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

2 Details of associates (continued)

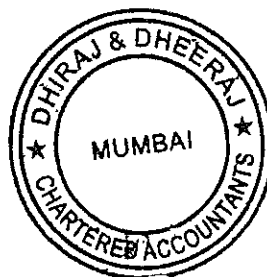
| Edelweiss Securities and Investments Private Limited | As at 31-Mar-24 | As at 31-Mar-23 |
|--|--------------------|--------------------|
| Financial assets | 9,407.86 | - |
| Non-financial assets | 418.47 | - |
| Financial liabilities | 6,814.53 | - |
| Non-financial liabilities | 115.23 | - |
| Total equity | 2,896.57 | - |

| Particulars | For the year ended 31-Mar-24 | For the year ended 31-Mar-23 |
|--|---------------------------------|---------------------------------|
| Revenue from operations | 1,140.79 | - |
| Total income | 1,140.82 | - |
| Total expenses | 1,683.33 | - |
| Profit / (loss) before tax | (542.51) | - |
| Other exceptional items | - | - |
| Profit / (loss) before tax and after exceptional items | (542.51) | - |
| Tax expense | (169.46) | - |
| Profit / (loss) for the year | (373.05) | - |
| Total comprehensive income / (loss) | (373.07) | - |
| Share in profit / (loss) of associates | (16.13) | - |
| Share in profit / (loss) of associates in other comprehensive income | (16.13) | - |
| Cash flows (used) / generated from operating activities | (557.47) | - |
| Cash flows (used) / generated from investing activities | 915.30 | - |
| Cash flows (used) / generated from financial activities | (322.87) | - |
| Net cash inflow/(outflow) | 34.96 | - |

2 Details of associates (continued)

| ECL Finance Limited | As at 31-Mar-24 | As at 31-Mar-23 |
|---------------------------|--------------------|--------------------|
| Financial assets | - | - |
| Non-financial assets | - | - |
| Financial liabilities | - | - |
| Non-financial liabilities | - | - |
| Total equity | - | - |

| Particulars | For the year ended 31-Mar-24 | For the year ended 31-Mar-23 |
|--|---------------------------------|---------------------------------|
| Revenue from operations | 12,380.72 | - |
| Total income | 12,737.53 | - |
| Total expenses | 10,893.31 | - |
| Profit / (loss) before tax | 1,844.22 | - |
| Other exceptional items | - | - |
| Profit / (loss) before tax and after exceptional items | 1,844.22 | - |
| Tax expense | 492.35 | - |
| Profit / (loss) for the year | 1,351.87 | - |
| Total comprehensive income / (loss) | 927.56 | - |
| Share in profit / (loss) of associates | 349.91 | - |
| Share in profit / (loss) of associates in other comprehensive income | -109.13 | - |
| Cash flows (used) / generated from operating activities | 19,760.70 | - |
| Cash flows (used) / generated from investing activities | 576.13 | - |
| Cash flows (used) / generated from financial activities | (23,972.08) | - |
| Net cash inflow/(outflow) | (3,635.25) | - |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

48. Retirement benefit plan

a) Defined contribution plan - Provident funds and National Pension Scheme

Amount of ₹ 81.74 million (Previous year: ₹ 48.04 million) is recognised as expenses and included in "Employee benefit expense" in the statement of profit and loss

b) Defined benefit plan - Gratuity

The following tables summaries the components of the net benefit expenses recognised in the statement of profit and loss and the funded and unfunded status and amount recognised in the balance sheet for the gratuity benefit plan.

i. Movement in defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for defined benefit liability and its components:

| Particulars | March 31, 2024 | March 31, 2023 |
|--------------------------------------|----------------|----------------|
| Opening Balance | 71.63 | 74.16 |
| Addition on account of consolidation | 96.21 | |
| Current service cost | 17.07 | 12.26 |
| Interest cost | 8.17 | 4.27 |
| | 193.08 | 90.69 |
| Other comprehensive Income | | |
| Experience | 4.90 | 1.42 |
| Financial assumptions | (0.96) | (4.72) |
| Demographic assumptions | - | (1.14) |
| | 3.94 | (4.44) |
| Others | | |
| Transfer In/ (Out) | 0.11 | (1.79) |
| Benefits paid | (22.58) | (12.83) |
| | | |
| Closing Balance | 174.55 | 71.63 |

ii) Components of defined benefit plan cost:

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Recognised in Statement of profit or loss | | |
| Current service cost | 17.07 | 12.26 |
| Interest cost | 8.17 | - |
| Net Interest on net defined benefit liability/ (asset) | 8.29 | 0.35 |
| Net Actuarial (gain)/loss recognized in the year | (10.86) | (1.26) |
| Total | 22.68 | 11.35 |

iii) Reconciliation of Fair Value of Plan Assets

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Fair Value of Plan Assets at start of the year | 112.28 | 108.56 |
| Contributions by Employer | 6.73 | 12.83 |
| Benefits Paid | (6.73) | (12.83) |
| Interest Income on Plan Assets | 7.97 | 6.39 |
| Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset) | 8.29 | (2.67) |
| Effect of acquisition/ (divestiture) | 80.97 | - |
| Fair Value of Plan Assets at end of the year | 209.51 | 112.28 |
| Actual Return on Plan Assets | 2.18 | 7.74 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

48. Defined benefit plan (continued)

b) Defined benefit plan - Gratuity (continued)

iv) Net Liability/ (Asset) recognised in the Balance Sheet

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Present Value of DBO | 174.54 | 71.63 |
| Fair Value of Plan Assets | 209.51 | 112.29 |
| Liability/ (Asset) recognised in the Balance Sheet | (34.97) | (40.66) |
| Funded Status [Surplus/(Deficit)] | 34.97 | 40.66 |
| Amount not recognized as asset [Effect of limiting net assets to asset ceiling] | 75.19 | 47.34 |
| Net Liability/ (Asset) recognised in the Balance Sheet | 40.22 | 6.68 |
| Of which, Short term Liability | 4.45 | 10.35 |
| Experience Adjustment on Plan Liabilities: (Gain)/Loss | 4.90 | 1.42 |

v) Percentage Break-down of Total Plan Assets

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Investment Funds with Insurance Company | 86.36% | 96.66% |
| Of which, Unit Linked | 76.78% | 93.11% |
| Of which, Traditional/ Non-Unit Linked | 9.58% | 3.55% |
| Cash and cash equivalents | 13.64% | 3.34% |
| Total | 100.00% | 100.00% |

vi) Movement in Other Comprehensive Income

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Balance at start of year (Loss)/ Gain | (35.48) | (34.22) |
| Addition on account of consolidation | (7.30) | - |
| a. Actuarial (Loss)/ Gain from changes in demographic assumptions | - | 1.14 |
| b. Actuarial (Loss)/ Gain from changes in financial assumptions | 0.96 | 4.72 |
| c. Actuarial (Loss)/ Gain from experience over the past year | (4.90) | (1.42) |
| Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset) | 8.29 | (2.67) |
| Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset) | (15.21) | (3.03) |
| Balance at end of year (Loss)/ Gain | (53.64) | (35.48) |

b) Defined benefit plan - Gratuity (continued)

Actuarial assumptions:

| The following were the principal actuarial assumptions at the reporting date: | March 31, 2024 | March 31, 2023 |
|---|----------------------------|----------------------------|
| Discount Rate | 6.90% to 7.00% | 5.90% |
| Salary Growth Rate | 7.00% | 7.00% |
| Withdrawal/Attrition Rate (based on categories) | 16% to 31% | 16.00% |
| Mortality Rate | IALM 2012-14 (Ultimate) | IALM 2012-14 (Ultimate) |

Sensitivity analysis:

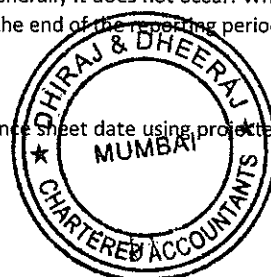
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|-----------------------------|----------------------|----------|----------------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Salary Growth Rate (+/- 1%) | 5.40 | (5.07) | 2.62 | (2.54) |
| Discount Rate (+/- 1%) | (5.02) | 5.43 | (2.51) | 2.65 |

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

c) Compensated absences :

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation.



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

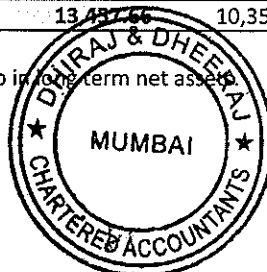
(Currency : Indian rupees in millions)

49. Maturity Analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR.

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|--|----------------------|--------------------|--------------------|----------------------|-------------------|------------------|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| ASSETS | | | | | | |
| Financial Assets | | | | | | |
| Cash and cash equivalents | 10,204.77 | - | 10,204.77 | 1,289.22 | - | 1,289.22 |
| Bank balances other than cash and cash equivalents | 1,082.76 | 1,870.27 | 2,953.03 | 2,031.09 | 427.86 | 2,458.95 |
| Derivative financial instruments | 1,031.38 | - | 1,031.38 | - | - | - |
| Trade receivables | 5,268.23 | - | 5,268.23 | 391.88 | - | 391.88 |
| Loans | 33,050.98 | 36,046.70 | 69,097.68 | 16,191.08 | 25,496.09 | 41,687.17 |
| Investments | 46,275.33 | 71,246.08 | 1,17,521.41 | 9,072.79 | 20,901.41 | 29,974.19 |
| Other financial assets | 1,189.96 | 1,496.22 | 2,686.18 | 424.36 | 1,005.21 | 1,429.57 |
| Total financial assets (A) | 98,103.41 | 1,10,659.27 | 2,08,762.68 | 29,400.42 | 47,830.57 | 77,230.99 |
| Non-financial assets | | | | | | |
| Current tax assets (net) | 88.49 | 5,116.74 | 5,205.23 | 9.71 | 2,222.41 | 2,232.12 |
| Deferred tax assets (net) | - | 9,518.42 | 9,518.42 | - | 1,314.71 | 1,314.71 |
| Investment Property | - | 3,327.85 | 3,327.85 | - | 3,032.60 | 3,032.60 |
| Property, Plant and Equipment | - | 3,362.05 | 3,362.05 | - | 2,218.98 | 2,218.98 |
| Capital work in progress | - | 5.71 | 5.71 | - | - | - |
| Intangible assets under development | - | 23.50 | 23.50 | - | 12.40 | 12.40 |
| Goodwill | - | 209.83 | 209.83 | - | 146.82 | 146.82 |
| Other Intangible assets | - | 198.78 | 198.78 | - | 66.32 | 66.32 |
| Other non- financial assets | 661.75 | 668.94 | 1,330.69 | 352.71 | 125.44 | 478.15 |
| Total non-financial assets (B) | 750.24 | 22,431.82 | 23,182.06 | 362.43 | 9,139.68 | 9,502.10 |
| TOTAL ASSETS (C = A+B) | 98,853.65 | 1,33,091.09 | 2,31,944.74 | 29,762.85 | 56,970.25 | 86,733.09 |
| LIABILITIES | | | | | | |
| Financial Liabilities | | | | | | |
| Derivative financial instruments | 1,155.83 | - | 1,155.83 | - | - | - |
| Trade payables | 10,208.58 | 40.24 | 10,248.82 | 401.88 | - | 401.88 |
| Debt securities | 20,661.78 | 79,886.97 | 1,00,548.75 | 9,967.50 | 30,099.79 | 40,067.29 |
| Borrowings (other than debt securities) | 36,996.21 | 38,698.81 | 75,695.02 | 5,131.20 | 23,619.24 | 28,750.44 |
| Deposit | 16.98 | - | 16.98 | - | - | - |
| Subordinated Liabilities | 687.75 | 13,204.30 | 13,892.05 | 420.13 | 650.00 | 1,070.13 |
| Other financial liabilities | 5,276.96 | 10,892.32 | 16,169.28 | 3,290.14 | 9,101.34 | 12,391.48 |
| Total financial liabilities (D) | 75,004.09 | 1,42,722.64 | 2,17,726.73 | 19,210.84 | 63,470.37 | 82,681.21 |
| Non-financial liabilities | | | | | | |
| Current tax liabilities (net) | 192.10 | 18.15 | 210.25 | 15.29 | 18.15 | 33.44 |
| Provisions | 63.80 | 64.97 | 128.77 | 51.54 | 6.87 | 58.42 |
| Deferred tax liabilities (net) | - | 49.46 | 49.46 | - | 43.59 | 43.59 |
| Other non-financial liabilities | 302.24 | 69.63 | 371.87 | 133.75 | 1.77 | 135.52 |
| Total non-financial liabilities (E) | 558.14 | 202.21 | 760.35 | 200.59 | 70.38 | 270.97 |
| TOTAL LIABILITIES (F = D+E) | 75,562.23 | 1,42,924.85 | 2,18,487.08 | 19,411.43 | 63,540.75 | 82,952.18 |
| NET TOTAL ASSETS / (LIABILITIES) (C-F) | 23,291.42 | (9,833.76) | 13,457.66 | 10,351.42 | (6,570.50) | 3,780.91 |

Note: The Group has sufficient short term net assets to cover the liquidity gap in the short term net assets.



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

50. Change in liabilities arising from financing activities

| Particulars | As at April 1, 2023 | Cash Flows | Changes in Fair value | Others (net)** | As at March 31, 2024 |
|---|------------------------|-------------|--------------------------|----------------|-------------------------|
| Borrowings* | 69,887.86 | 1,20,264.94 | - | - | 1,90,152.80 |
| Total liabilities from financing activities | 69,887.86 | 1,20,264.94 | - | - | 1,90,152.80 |

| Particulars | As at April 1, 2022 | Cash Flows | Changes in Fair value | Others (net)** | As at March 31, 2023 |
|---|------------------------|------------|--------------------------|----------------|-------------------------|
| Borrowings* | 74,001.44 | (4,113.58) | - | - | 69,887.86 |
| Total liabilities from financing activities | 74,001.44 | (4,113.58) | - | - | 69,887.86 |

*Comprises of Debt securities, Subordinated Liabilities and other borrowings.

** Refers to interest expense for the year incurred by entities other than non-banking financial companies in the group.



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

51. Contingent liabilities, commitments and leasing arrangements:

51.1 Contingent liabilities and commitments

a. Contingent Liability

The Group has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The Group has filed appeal/s and is defending its position. Based on the favourable outcome in Appellate proceedings in the past and as advised by the tax advisors, Group is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote.

Note - The Group's pending litigations mainly comprise of claims against the Group pertaining to proceedings pending with Income Tax, Excise, Custom, Sales/VAT tax / GST and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Group believes that the outcome of these proceedings will not have a materially adverse effect on the Group financial position and results of operations.

Pursuant to the Income Tax Authorities ("the ITA") search, after March 31, 2024, the Group has received assessment order cum demand notice from ITA for AY 2022-23. Based on the legal opinion obtained by the Group, management believes that the demand is not sustainable. The Group is in the process of filing appeal against the said assessment order. Thus, no adjustment has been made or is required in the financial results of the Group.

Details of contingent liability

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Taxation matters | 533.82 | 372.03 |
| Claims against the Group not acknowledged as debt | - | - |
| Litigation pending against company | - | - |

b. Commitment

To meet the financial needs of customers, the Group enters into various irrevocable commitments, which primarily consist of undrawn commitment to lend.

Details of commitment

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for | 11.55 | 1.95 |
| Undrawn committed credit lines subject to meeting conditions | 656.91 | 336.00 |
| Loan sanctioned pending disbursements | 1,852.92 | 1,399.92 |
| Uncalled commitments on investments in AIF/ Venture Fund | 2,194.87 | 384.95 |
| Corporate guarantee | 2,468.33 | - |
| Bank Guarantee | 475.86 | 423.44 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

51. Contingent liabilities, commitments and leasing arrangements: (Continued)

51.2 Leases

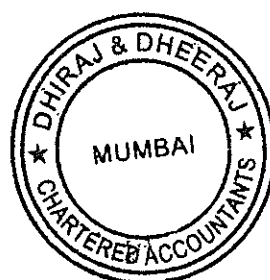
- 1) This note provides information for leases where the Group is a lessee. Group has not given any property on lease.

| Set out below are the carrying amounts of right-of-use assets recognised and the movements | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Balance as at April 1 | 109.10 | 114.44 |
| Addition | 377.18 | 33.34 |
| Lease pre-closure (Net) | (24.22) | (7.71) |
| Amortisation for the year | (47.23) | (30.97) |
| Balance as at March 31 | 414.83 | 109.10 |

| Set out below are the carrying amounts of lease liabilities and the movements | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Balance as at April 1 | 134.24 | 142.39 |
| Addition / disposal during year | 485.64 | 31.15 |
| Interest on lease liabilities | 18.41 | 12.58 |
| Lease pre-closure (Net) | (30.78) | (14.45) |
| Payments during the year/Repayment of lease obligation | (56.63) | (37.43) |
| Balance as at March 31 | 550.88 | 134.24 |

2) Amounts recognised in profit or loss:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Depreciation/Amortization expense of right-of-use assets | 47.23 | 30.97 |
| Interest expense on lease liabilities | 18.41 | 12.58 |
| Reversal of lease pre-closure | (6.56) | (6.74) |
| Rent on Short Term Leases | 1.79 | - |
| Total | 60.87 | 36.81 |



Edel Finance Company Limited

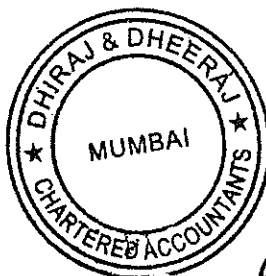
Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

52. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”:

List of related parties and relationship:

- A Holding Company**
Edelweiss Financial Services Limited
- B Subsidiary Companies**
ECL Finance Limited (w.e.f. 28 March 2024)
Nido Home Finance Limited
Edelweiss Retail Finance Limited (w.e.f. 18 April 2023)
Edelweiss Investment Adviser Limited
Edelweiss Rural & Corporate Services Limited
Allium Finance Private Limited
Edelcap Securities Limited (w.e.f. 18 April 2023)
ECap Equities Limited (formerly Edel Land Limited) (w.e.f. 18 April 2023)
Comtrade Commodities Services Limited
- C Fellow subsidiaries with whom the transactions have taken place**
ECap Securities And Investments Limited (formerly known as ECap Equities Limited)
Edel Investments Limited
EdelGive Foundation
Edelweiss Alternative Asset Advisors Limited
Edelweiss Asset Management Limited
Edelweiss Asset Reconstruction Company Limited
Edelweiss Global Wealth Management Limited
Edelweiss International (Singapore) Pte. Limited
Edelweiss Real Assets Managers Limited
Edelweiss Tokio Life Insurance Company Limited
Edelweiss Trusteeship Company Limited
Edelweiss Resolution Advisors LLP
India Credit Investment Fund II
Sekura India Management Limited
ZUNO General Insurance Limited
- D Entities over whom significant influence is exercised**
Edelweiss Multi Strategy Fund Advisors LLP
Edelweiss Value and Growth Fund
Edelweiss Private Equity Tech Fund
India Credit Investment Fund III
India Credit Investment Fund-5
- E Associates with whom transactions have taken place (Refer Note 3)**
Nuvama Asset Management Limited (formerly known as ESL Securities Limited)
Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)
Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)
Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)
Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)
- F ARC Trusts and trustee with whom transactions have taken place**
Vardhman Trusteeship Private Limited
Vistra ITCL India Limited
EARC TRUST SC - 251
EARC TRUST SC - 391
EARC TRUST SC - 394
EARC TRUST SC - 406
EARC TRUST SC - 453
EARC TRUST SC - 461
EARC Trust SC 251
EARC Trust SC 394
EARC Trust SC 401
EARC Trust SC 418
EARC Trust SC 447
EARC Trust SC 451
EARC Trust SC 459
- G Key Management Personnel (KMP)**
Vidya Shah - Executive Director
Ananya Suneja - Executive Director and Chief Financial Officer
Atul Ambavat - Independent Director
Mr. Sunil Phatarphekar - Independent Director
Mr. Vinod Juneja - Independent Director
Mr. Tarun Khurana - Company Secretary (upto February 9, 2024)
Ms. Christina D'souza - Company Secretary (w.e.f. February 9, 2024)

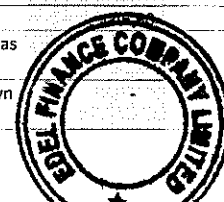
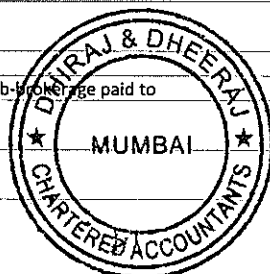


Edel Finance Company Limited
Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

52. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-24 | 31-Mar-23 |
|---|--|---|-----------|-----------|
| Transactions with related parties: | | | | |
| 1 | Amount paid to broker for cash segment | Edel Investments Limited | 45,965.12 | - |
| 2 | Redemption of Preference Share issued | ECap Equities Limited (formerly Edel Land Limited) | - | 10.00 |
| 3 | Amount received from broker for cash segment | Edel Investments Limited | 45,501.35 | - |
| 4 | Business support service charges from | ECL Finance Limited | 59.75 | 68.31 |
| | | Edel Investments Limited | 21.93 | 5.45 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 13.96 |
| | | Edelcap Securities Limited | - | 65.44 |
| | | EdelGive Foundation | 7.03 | 8.15 |
| | | Edelweiss Alternative Asset Advisors Limited | 8.32 | 6.17 |
| | | Edelweiss Asset Management Limited | 8.41 | 4.89 |
| | | Edelweiss Asset Reconstruction Company Limited | 37.23 | 35.09 |
| | | Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited) | - | 3.52 |
| | | Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited) | - | 0.14 |
| | | Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited) | - | 0.71 |
| | | Edelweiss Financial Services Limited | 50.50 | 46.76 |
| | | ZUNO General Insurance Limited | 62.27 | 53.88 |
| | | Edelweiss Global Wealth Management Limited | 0.05 | 0.07 |
| | | Edelweiss International (Singapore) Pte. Limited | 6.64 | 7.89 |
| | | Edelweiss Retail Finance Limited | - | 0.90 |
| | | Edelweiss Securities And Investments Private Limited | 52.53 | 44.79 |
| | | Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) | - | 244.00 |
| | | Edelweiss Tokio Life Insurance Company Limited | 76.02 | 72.62 |
| | | Edelweiss Trusteeship Company Limited | 0.00 | 0.01 |
| | | Nuvama Asset Management Limited (formerly known as ESL Securities Limited) | - | 0.03 |
| | | Sekura India Management Limited | 6.88 | 0.50 |
| | | ECap Securities And Investments Limited (formerly known as ECap Equities Limited) | 0.01 | 0.00 |
| | | Edelweiss Real Assets Managers Limited | 0.20 | - |
| 5 | Investments in funds sold to | ECL Finance Limited | - | 513.98 |
| | | Edelweiss Retail Finance Limited | - | 1,671.49 |
| 6 | Buyback / redemption- benchmark linked debentures | ECap Equities Limited (formerly Edel Land Limited) | - | 3,554.02 |
| | | Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited) | - | 18.84 |
| | | Edel Investments Limited | 107.83 | - |
| 7 | Issue of benchmark linked debentures | ECap Equities Limited (formerly Edel Land Limited) | - | 1,700.00 |
| | | Edel Investments Limited | - | 700.00 |
| | | Edelcap Securities Limited | - | 970.00 |
| 8 | Redemption/Sale of investment in benchmark linked debentures | ECap Equities Limited (formerly Edel Land Limited) | - | 3,810.32 |
| | | ECL Finance Limited | 0.98 | - |
| | | Edelweiss Financial Services Limited | 224.93 | - |
| 9 | Purchase of units of fund from | ECL Finance Limited | 6,331.98 | - |
| 10 | Purchase of Investments - Others | India Credit Investment Fund II | 4,419.29 | - |
| | | EARC TRUST SC - 453 | 7,330.00 | - |
| 11 | Redemption of units of fund | India Credit Investment Fund II | 5,890.98 | - |
| 12 | Loss on redemption of ICIF III units paid to | ECL Finance Limited | 1,644.24 | - |
| 13 | Purchase of perpetual bond from | ECap Equities Limited (formerly Edel Land Limited) | - | 492.28 |
| 14 | Clearing charges paid to | Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited) | - | 2.86 |
| | | Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) | - | 0.00 |
| 15 | Commission and sub-brokerage paid to | Edel Investments Limited | - | 1.88 |
| | | Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) | - | 7.08 |
| | | Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited) | - | 97.40 |



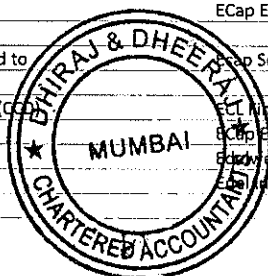
Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

52. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-24 | 31-Mar-23 |
|---------|---|---|-----------|-----------|
| | | Edelweiss Financial Services Limited | - | 2.50 |
| 16 | Corporate guarantee fee received from | ECL Finance Limited | 0.08 | 0.02 |
| | | Edelweiss Retail Finance Limited | - | 0.00 |
| | | Edelweiss Financial Services Limited | - | 0.09 |
| | | Edelweiss Global Wealth Management Limited | 0.18 | - |
| 17 | Corporate guarantee support fee paid to | ECap Equities Limited (formerly Edel Land Limited) | - | 0.10 |
| | | Edelweiss Financial Services Limited | 3.33 | 0.90 |
| 18 | Trusteeship Fees | Vardhman Trusteeship Private Limited | 0.39 | - |
| | | Vistra ITCL India Limited | 1.38 | - |
| 19 | Directors' sitting fees | Atul Ambavat | 1.00 | 0.39 |
| | | Mr. Sunil Phatarphekar | 3.76 | 0.35 |
| | | Mr. Vinod Juneja | 2.74 | 1.05 |
| 20 | Remuneration to Key Management Personnel (Refer note 1) | Ms. Christina D'souza | 0.61 | - |
| | | Vidya Shah | 16.70 | - |
| 21 | Donation paid to | EdelGive Foundation | 10.71 | 5.72 |
| 22 | ESOP and SAR expenses paid | Edelweiss Financial Services Limited | 7.95 | - |
| 23 | ESOP and SAR cost reimbursement | Edelweiss Financial Services Limited | 1.53 | 3.55 |
| 24 | Interest income on securities | ECL Finance Limited | 246.67 | - |
| 25 | Interest / dividend on preference shares | ECL Finance Limited | - | 81.64 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 110.17 |
| | | Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) | - | 2.71 |
| 26 | Interest expense on Debentures / debt securities | Edel Investments Limited | - | 0.44 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 478.05 |
| | | Edelcap Securities Limited | - | 76.35 |
| | | ECL Finance Limited | 0.45 | - |
| | | Edelweiss Tokio Life Insurance Company Limited | 14.45 | - |
| | | ZUNO General Insurance Limited | 4.88 | - |
| 27 | Interest expense on loans taken from | ECL Finance Limited | 322.99 | 28.13 |
| | | Edel Investments Limited | - | 62.52 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 32.05 |
| | | Edelcap Securities Limited | - | 35.14 |
| | | Edelweiss Financial Services Limited | 3,263.37 | 2,655.91 |
| | | Edelweiss Retail Finance Limited | - | 145.97 |
| 28 | Interest income on loan given to | ECap Securities And Investments Limited (formerly known as ECap Equities Limited) | 374.63 | 31.27 |
| | | ECL Finance Limited | 0.80 | 52.50 |
| | | Edel Investments Limited | 18.50 | - |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 384.36 |
| | | Edelcap Securities Limited | - | 30.37 |
| | | Edelweiss Alternative Asset Advisors Limited | 25.77 | 33.66 |
| | | Edelweiss Global Wealth Management Limited | 59.91 | 47.14 |
| | | Edelweiss Retail Finance Limited | - | 2.25 |
| | | Edelweiss Securities And Investments Private Limited | 245.08 | 287.93 |
| | | Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited) | - | 11.36 |
| | | Edelweiss Financial Services Limited | 1.97 | - |
| 29 | Interest expense on Non convertible Debentures | ECL Finance Limited | 86.06 | 17.58 |
| | | Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited) | - | 0.16 |
| | | Edelweiss Retail Finance Limited | - | 11.38 |
| | | Edelweiss Tokio Life Insurance Company Limited | - | 5.01 |
| | | ZUNO General Insurance Limited | - | 0.82 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 127.38 |
| 30 | Interest expense on (CCD) issued to | ECap Securities and Investments Limited | 0.00 | - |
| 31 | Interest income on debentures (CCD) | ECL Finance Limited | - | 143.47 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 52.34 |
| | | Edelweiss Retail Finance Limited | - | 1.62 |
| | | Edel Investments Limited | 0.08 | - |

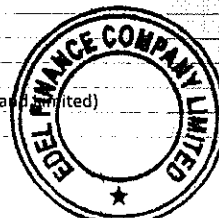
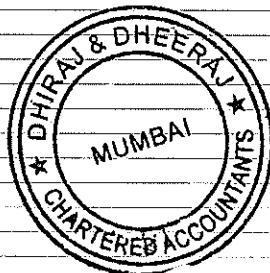


Edel Finance Company Limited
Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

52. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-24 | 31-Mar-23 |
|---------|--|--|-----------|-----------|
| 32 | Interest expense on subordinate debt | ECL Finance Limited | 6.18 | 6.16 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 7.70 |
| | | Edelweiss Tokio Life Insurance Company Limited | 37.86 | - |
| 33 | Interest income on investment in debt securities | ECap Equities Limited (formerly Edel Land Limited) | - | - |
| | | Edelweiss Asset Reconstruction Company Limited | 676.81 | 192.06 |
| | | ECL Finance Limited | 9.68 | - |
| | | Edelweiss Financial Services Limited | 91.28 | - |
| 34 | Interest income on Nifty Linked Debentures | ECap Equities Limited (formerly Edel Land Limited) | - | 269.59 |
| 35 | Interest income on securities | Edelweiss Retail Finance Limited | - | 6.88 |
| | | ECL Finance Limited | - | 68.75 |
| 36 | Investment in debt securities | Edelweiss Financial Services Limited | 200.00 | - |
| 37 | Investment in Security Receipts issued by | Edelweiss Asset Reconstruction Company Limited | 319.90 | - |
| 38 | Investment management support service from | Edelweiss International (Singapore) Pte. Limited | 10.93 | 8.20 |
| 39 | Investments in other | India Credit Investment Fund II | - | 2,172.71 |
| 40 | Investments sold to | Edelweiss Securities And Investments Private Limited | - | 495.28 |
| 41 | Issue of Non- Convertible Debentures to | ECap Equities Limited (formerly Edel Land Limited) | - | 1,640.00 |
| | | ECL Finance Limited | - | 220.00 |
| | | Edelweiss Retail Finance Limited | - | 140.00 |
| 42 | Issue of equity shares to (including securities premium) | Edelweiss Financial Services Limited | 2,000.00 | 2,000.00 |
| 43 | Issue of compulsorily convertible debentures to | ECap Securities and Investments Limited | 3,000.00 | - |
| | | Edelweiss Financial Services Limited | 8,000.00 | - |
| 44 | Legal and professional fees paid to | ECL Finance Limited | 99.49 | - |
| | | Edelweiss Financial Services Limited | 5.00 | - |
| 45 | Loan purchased from | ECL Finance Limited | - | 1,998.46 |
| 46 | Loans given repaid by | ECL Finance Limited | 850.00 | 4,820.00 |
| | | Edel Investments Limited | 1,106.30 | - |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 16,074.70 |
| | | Edelcap Securities Limited | - | 1,428.58 |
| | | Edelweiss Alternative Asset Advisors Limited | 220.00 | 330.00 |
| | | Edelweiss Global Wealth Management Limited | 1,492.87 | 225.88 |
| | | Edelweiss Retail Finance Limited | - | 1,750.00 |
| | | Edelweiss Securities And Investments Private Limited | 2,638.53 | 6,882.76 |
| | | Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited) | - | 1,000.00 |
| | | ECap Securities And Investments Limited (formerly known as ECap Equities Limited) | 8,238.05 | 1,800.00 |
| 47 | Loans given to | ECL Finance Limited | 850.00 | 4,040.00 |
| | | Edel Investments Limited | 1,106.30 | - |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 15,442.67 |
| | | Edelcap Securities Limited | - | 3,622.13 |
| | | Edelweiss Alternative Asset Advisors Limited | 220.00 | 220.00 |
| | | Edelweiss Global Wealth Management Limited | 1,747.16 | 842.15 |
| | | Edelweiss Retail Finance Limited | - | 1,750.00 |
| | | Edelweiss Securities And Investments Private Limited | 3,136.40 | 778.50 |
| | | Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited) | - | 1,000.00 |
| | | ECap Securities And Investments Limited (formerly known as ECap Equities Limited) | 18,349.17 | 5,171.27 |
| | | Edelweiss Financial Services Limited | 1,595.42 | - |
| 48 | Loans repaid to | ECL Finance Limited | 9,650.00 | 1,590.00 |
| | | Edel Investments Limited | - | 2,551.40 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 6,185.86 |
| | | Edelcap Securities Limited | - | 2,024.26 |
| | | Edelweiss Financial Services Limited | 33,559.29 | 26,320.11 |
| | | Edelweiss Retail Finance Limited | - | 3,720.00 |
| 49 | Loans taken from | ECL Finance Limited | 7,050.00 | 1,590.00 |
| | | Edel Investments Limited | - | 1,866.40 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 7,533.35 |
| | | Edelcap Securities Limited | - | 1,079.80 |

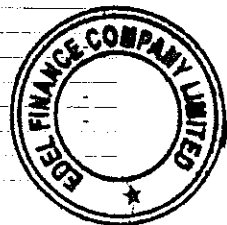
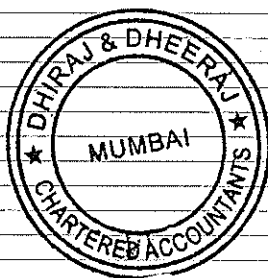


Edel Finance Company Limited
Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

52. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-24 | 31-Mar-23 |
|---------|--|---|-----------|-----------|
| | | Edelweiss Financial Services Limited | 40,925.74 | 26,010.60 |
| | | Edelweiss Retail Finance Limited | - | 250.00 |
| 50 | Management and Advisory Fees paid to | ECL Finance Limited | 276.03 | 360.72 |
| | | Edelweiss Alternative Asset Advisors Limited | 189.38 | 13.92 |
| | | Edelweiss Asset Reconstruction Company Limited | 252.40 | 19.40 |
| | | Edelweiss Securities and Investments Private Limited | 6.85 | - |
| | | Edelweiss Financial Services Limited | 5.00 | - |
| 51 | Management and Advisory fees received from | ECL Finance Limited | - | 28.22 |
| | | Edelweiss Retail Finance Limited | - | 2.97 |
| 52 | Principal Repayment from fund | India Credit Investment Fund II | - | 779.63 |
| 53 | Margin placed with broker | Edel Investments Limited | 617.52 | - |
| 54 | Margin withdrawn from broker | Edel Investments Limited | 617.43 | - |
| 55 | Margins placed with (Refer note 2 below) | Edel Investments Limited | - | 24.18 |
| | | Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited) | - | 1,721.28 |
| 56 | Margins withdrawn (Refer note 2 below) | Edel Investments Limited | - | 24.22 |
| | | Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited) | - | 1,726.87 |
| 57 | Other financial cost paid to | Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited) | - | 3.83 |
| | | Nuvama Asset Management Limited (formerly known as ESL Securities Limited) | - | 5.70 |
| 58 | Profit on trading of derivatives | Edel Investments Limited | - | 42.03 |
| 59 | Sale of equity shares | Edelweiss Securities And Investments Private Limited | - | 578.18 |
| 60 | Purchase of equity shares | Edelweiss Financial Services Limited | 26,408.40 | 4,031.50 |
| | | Edelweiss Securities and Investments Private Limited | 329.87 | - |
| 61 | Purchase of Property, Plant & Equipment | ECL Finance Limited | - | 0.12 |
| | | Edel Investments Limited | 3.28 | 0.14 |
| | | Edelcap Securities Limited | - | 0.28 |
| | | Edelweiss Retail Finance Limited | - | 0.15 |
| | | Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) | - | 0.00 |
| 62 | Sale of Property, Plant & Equipment | Edel Investments Limited | 6.16 | 0.00 |
| | | Edelweiss Alternative Asset Advisors Limited | 0.01 | 0.01 |
| | | Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) | - | 0.00 |
| | | Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited) | - | 0.03 |
| 63 | Purchase of securities | ECL Finance Limited | 7,548.72 | - |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 157.00 |
| | | Edelweiss Retail Finance Limited | - | - |
| | | Nuvama Asset Management Limited (formerly known as ESL Securities Limited) | - | 53.35 |
| | | Edelweiss Tokio Life Insurance Company Limited | - | 252.06 |
| 64 | Sale of Securities | ECL Finance Limited | 2,925.90 | 1,889.04 |
| | | Edel Investments Limited | 873.84 | - |
| | | Edelcap Securities Limited | - | 450.76 |
| | | Edelweiss Financial Services Limited | 29.56 | - |
| | | ECap Securities and Investments Limited | 2,670.24 | - |
| | | Edelweiss Asset Reconstruction Company Limited | 679.38 | - |
| 65 | Sale of loans to | ECL Finance Limited | 169.85 | - |
| 66 | Capital call | ECL Finance Limited | 3,742.46 | - |
| | | Edelweiss Securities and Investments Private Limited | 50.00 | - |
| | | Edelweiss Alternative Asset Advisors Limited | 29.31 | - |
| 67 | Capital Distribution to unitholder | ECL Finance Limited | 1,382.39 | - |
| | | Edelweiss Securities and Investments Private Limited | 50.00 | - |
| 68 | Redemption - Debentures/bonds held in | ECL Finance Limited | 21,774.45 | - |



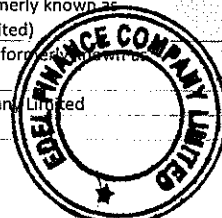
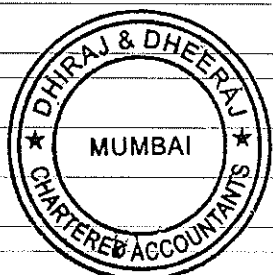
Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

52. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-24 | 31-Mar-23 |
|---------|----------------------------------|---|-----------|-----------|
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 1,076.63 |
| | | Edelweiss Asset Reconstruction Company Limited | 347.35 | 352.89 |
| | | EARC TRUST SC - 391 | 205.00 | - |
| | | EARC TRUST SC - 406 | 300.00 | - |
| | | EARC TRUST SC - 394 | 186.02 | - |
| | | EARC TRUST SC - 251 | 10.85 | - |
| | | EARC TRUST SC - 461 | 753.89 | - |
| | | Edelweiss Financial Services Limited | 3,859.93 | - |
| 69 | Redemption of debentures held by | ECap Equities Limited (formerly Edel Land Limited) | - | 4,440.10 |
| | | Edelcap Securities Limited | - | 355.56 |
| | | Edelweiss Retail Finance Limited | - | 8.30 |
| 70 | Reimbursement paid to | ECL Finance Limited | 19.52 | 46.75 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 21.55 |
| | | Edelcap Securities Limited | - | 3.01 |
| | | Edelweiss Alternative Asset Advisors Limited | 9.20 | 13.92 |
| | | Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited) | - | 18.00 |
| | | ECap Securities and Investments Limited | 2.00 | - |
| | | Edelweiss Financial Services Limited | 1.34 | 1.85 |
| | | Edelweiss International (Singapore) Pte. Limited | - | - |
| | | Edelweiss Retail Finance Limited | - | 2.87 |
| | | Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) | - | 16.50 |
| | | Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited) | - | 0.08 |
| | | Edel Investments Limited | 16.54 | 1.67 |
| | | Edelweiss Asset Management Limited | - | 0.25 |
| | | Edelweiss Asset Reconstruction Company Limited | 17.77 | - |
| 71 | Reimbursement received from | ECL Finance Limited | 34.44 | 1.30 |
| | | Edel Investments Limited | 1.02 | 2.05 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 0.41 |
| | | Edelcap Securities Limited | - | 1.14 |
| | | EdelGive Foundation | 0.10 | 0.05 |
| | | Edelweiss Alternative Asset Advisors Limited | 4.80 | 2.85 |
| | | Edelweiss Asset Management Limited | 0.01 | 0.80 |
| | | Edelweiss Asset Reconstruction Company Limited | 1.96 | 2.67 |
| | | Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited) | - | 0.06 |
| | | Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited) | - | 9.84 |
| | | Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited) | - | 0.01 |
| | | Edelweiss Financial Services Limited | 17.98 | 0.91 |
| | | ZUNO General Insurance Limited | 17.70 | 2.27 |
| | | Edelweiss Retail Finance Limited | - | 0.00 |
| | | Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) | - | 4.81 |
| | | Edelweiss Tokio Life Insurance Company Limited | 22.08 | - |
| | | Nuvama Asset Management Limited (formerly known as ESL Securities Limited) | - | 0.01 |
| | | Edelweiss Securities And Investments Private Limited | - | 0.00 |
| 72 | Rental income from | ECL Finance Limited | 43.93 | 12.04 |
| | | Edel Investments Limited | 12.25 | 18.72 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 4.42 |
| | | Edelcap Securities Limited | - | 20.83 |
| | | EdelGive Foundation | 1.21 | 1.18 |
| | | Edelweiss Alternative Asset Advisors Limited | 97.97 | 71.79 |
| | | Edelweiss Asset Management Limited | 0.31 | 13.87 |
| | | Edelweiss Asset Reconstruction Company Limited | 55.06 | 64.31 |
| | | Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited) | - | 1.03 |
| | | Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited) | - | 98.14 |
| | | Edelweiss Financial Services Limited | 30.47 | 28.68 |
| | | Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) | - | 12.57 |
| | | Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited) | - | 0.17 |
| | | Nuvama Asset Management Limited (formerly known as ESL Securities Limited) | - | 0.01 |
| | | Edelweiss Tokio Life Insurance Company Limited | 9.28 | - |
| | | ZUNO General Insurance Limited | 32.48 | - |



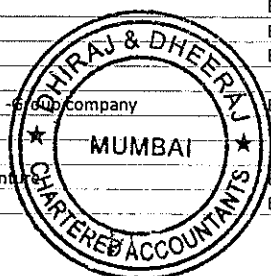
Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

52. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-24 | 31-Mar-23 |
|---------------------------------------|--|--|-----------|-----------|
| 73 | Maturity of debt securities | ECap Equities Limited (formerly Edel Land Limited) | - | 375.45 |
| 74 | NCD loan sold to | ECL Finance Limited | - | 1,301.50 |
| 75 | Issuance of debentures to | ECap Equities Limited (formerly Edel Land Limited) | - | 5,500.00 |
| 76 | Security deposit received from | Edelweiss Tokio Life Insurance Company Limited | - | 0.04 |
| 77 | Security deposit repaid to | ECL Finance Limited | - | 14.60 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 13.68 |
| 78 | Security Receipts Sold to | Edelweiss Asset Reconstruction Company Limited | - | 319.73 |
| 79 | Service Charges paid | ECL Finance Limited | - | 1.08 |
| | | Edelweiss Retail Finance Limited | - | 0.81 |
| 80 | Service fee received from | ECL Finance Limited | - | 0.39 |
| | | Edelweiss Retail Finance Limited | - | 0.07 |
| 81 | Service Fee paid to | ECL Finance Limited | 0.26 | - |
| 81 | Share of loss | Edelweiss Multi Strategy Fund Advisors LLP | - | 0.05 |
| 82 | Deficit Distribution to unitholder | ECL Finance Limited | 239.14 | - |
| | | Edelweiss Securities and Investments Private Limited | 1.87 | - |
| 83 | Sharing of realised Loss on Security receipt under Risk and Reward | Edelweiss Financial Services Limited | 110.98 | - |
| 84 | Share of Profit | Edelweiss Resolution Advisors LLP | - | 0.03 |
| 85 | Shared premises cost paid to | ECL Finance Limited | 22.07 | - |
| 86 | Withdrawal of capital from partnership firm | Edelweiss Resolution Advisors LLP | - | 0.13 |
| 87 | Reimbursement of ARC management fee from | Edelweiss Financial Services Limited | 5.57 | 11.39 |
| 88 | Income from training centre | Edelweiss Financial Services Limited | 0.53 | - |
| | | Edelweiss Tokio Life Insurance Company Limited | 0.98 | - |
| | | ECL Finance Limited | 0.75 | - |
| | | Edelweiss Asset Management Limited | 0.72 | - |
| | | Edelweiss Asset Reconstruction Company Limited | 0.27 | - |
| | | Edelweiss Alternative Asset Advisors Limited | 0.35 | - |
| Balances with related parties: | | | | |
| 1 | Accrued interest expenses on loan taken from | ECL Finance Limited | - | 0.87 |
| | | Edel Investments Limited | - | 1.83 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 4.74 |
| | | Edelweiss Financial Services Limited | 250.31 | 83.29 |
| 2 | Corporate Guarantee Given to/for | ECL Finance Limited | - | 149.30 |
| 3 | Corporate Guarantee taken from | ECap Equities Limited (formerly Edel Land Limited) | - | 1,612.64 |
| | | Edelweiss Financial Services Limited | - | 4,671.94 |
| 4 | Interest accrued but not due on Non convertible debenture | Edelweiss Retail Finance Limited | - | 0.13 |
| | | Edelweiss Tokio Life Insurance Company Limited | 17.20 | 2.00 |
| | | ZUNO General Insurance Limited | 5.28 | 0.08 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 1.56 |
| 5 | Interest accrued on subordinate debt | ECL Finance Limited | - | 4.15 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 5.19 |
| | | Edelweiss Tokio Life Insurance Company Limited | 227.23 | - |
| 6 | Interest income accrued on Loans | ECL Finance Limited | - | 5.11 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 8.56 |
| | | Edelweiss Alternative Asset Advisors Limited | - | 3.12 |
| | | Edelweiss Global Wealth Management Limited | - | - |
| | | Edelweiss Securities And Investments Private Limited | - | 11.43 |
| 7 | Interest payable -Accrued -6 months company | ECap Equities Limited (formerly Edel Land Limited) | - | 0.50 |
| | | Edelweiss Financial Services Limited | - | 152.73 |
| 8 | Interest Payable on Debenture | ECap Equities Limited (formerly Edel Land Limited) | - | 113.18 |
| | | Edelcap Securities Limited | - | 17.63 |

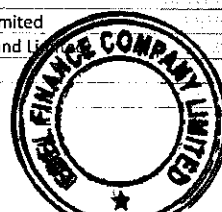
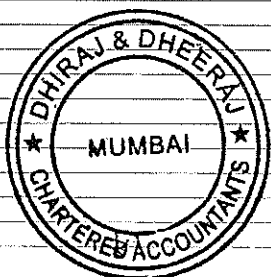


Edel Finance Company Limited
Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

52. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-24 | 31-Mar-23 |
|---------|--|--|-----------|-----------|
| 9 | Interest receivable - accrued on debentures and bonds of | ECL Finance Limited | - | 217.41 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 0.18 |
| | | Edelweiss Retail Finance Limited | - | 1.87 |
| 10 | Interest receivable-Accrued -Group Company | ECap Equities Limited (formerly Edel Land Limited) | - | 13.76 |
| | | Edelweiss Securities And Investments Private Limited | 20.82 | 50.06 |
| | | Edelcap Securities Limited | - | 9.73 |
| | | Edelweiss Global Wealth Management Limited | 13.84 | 7.56 |
| | | ECap Securities And Investments Limited (formerly known as ECap Equities Limited) | 92.14 | 6.86 |
| | | Edelweiss Financial Services Limited | 1.97 | - |
| | | Edel Investments Limited | 0.02 | - |
| | | Edelweiss Alternative Asset Advisors Limited | 1.83 | - |
| 11 | Investment in Security Receipts issued by at book Value | EARC Trust SC 401 | - | 479.60 |
| | | EARC Trust SC 418 | - | 209.92 |
| | | EARC Trust SC 447 | - | 495.07 |
| | | EARC Trust SC 451 | - | 226.79 |
| | | EARC Trust SC 459 | - | 111.24 |
| | | EARC Trust SC 251 | 1,156.46 | - |
| | | EARC Trust SC 394 | 293.53 | - |
| | | Edelweiss Asset Reconstruction Company Limited | 968.84 | - |
| 12 | Investments in debentures (Including CCD) | ECL Finance Limited | - | 2,474.04 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 9,686.84 |
| | | Edelweiss Asset Reconstruction Company Limited | 1,369.90 | 1,890.57 |
| | | Edelweiss Retail Finance Limited | - | 58.40 |
| | | Edel Investments Limited | 750.00 | - |
| 13 | Investments in equity shares | Edelweiss Asset Management Limited | 733.89 | 733.89 |
| | | Edelweiss Asset Reconstruction Company Limited | 1,274.10 | - |
| | | Edelweiss Retail Finance Limited | - | 264.00 |
| | | ECL Finance Limited | - | 4,031.50 |
| | | Edelweiss Securities And Investments Private Limited | 5,968.05 | - |
| | | Edelweiss Alternative Asset Advisors Limited | 329.87 | - |
| 14 | Investments in others | India Credit Investment Fund II | - | 2,611.79 |
| 15 | Loans given to | ECap Securities And Investments Limited (formerly known as ECap Equities Limited) | 13,982.39 | 3,371.27 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 1,243.80 |
| | | Edelweiss Alternative Asset Advisors Limited | 220.00 | 220.00 |
| | | Edelweiss Global Wealth Management Limited | 940.00 | 685.71 |
| | | Edelweiss Securities And Investments Private Limited | 2,043.96 | 1,546.08 |
| | | Edelcap Securities Limited | - | 1,554.78 |
| | | Edelweiss Financial Services Limited | 1,595.42 | - |
| 16 | Loans taken from | ECap Equities Limited (formerly Edel Land Limited) | - | 1,460.10 |
| | | Edelweiss Financial Services Limited | 31,590.10 | 17,079.43 |
| 17 | Margin payable to | Edel Investments Limited | - | 0.50 |
| 18 | Margins placed with | Edel Investments Limited | 0.50 | - |
| 19 | Margin receivable from | Edel Investments Limited | - | 0.49 |
| 20 | Non convertible debentures held by (Face Value) | ECL Finance Limited | - | 220.00 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 5,788.83 |
| | | Edelcap Securities Limited | - | 1,369.00 |
| | | Edelweiss Retail Finance Limited | - | 152.27 |
| | | Edelweiss Tokio Life Insurance Company Limited | 620.10 | 55.80 |
| | | ZUNO General Insurance Limited | 112.50 | 10.00 |
| 21 | Other Payable | ECL Finance Limited | - | 0.01 |
| | | Edel Investments Limited | 1.09 | 0.75 |
| | | Edelweiss Financial Services Limited | 5.05 | 1.47 |
| | | Edelweiss Retail Finance Limited | - | 0.46 |
| | | Edelweiss Asset Reconstruction Company Limited | 0.10 | 0.87 |
| | | EdelGive Foundation | 1.96 | 0.24 |
| | | Edelweiss Asset Management Limited | 0.08 | 12.11 |
| | | Edelweiss Alternative Asset Advisors Limited | 3.36 | 0.87 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 0.61 |
| | | Sekura India Management Limited | 0.22 | 0.01 |
| | | Edelcap Securities Limited | - | 0.01 |

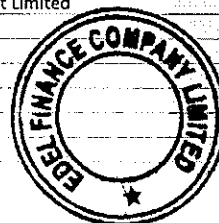
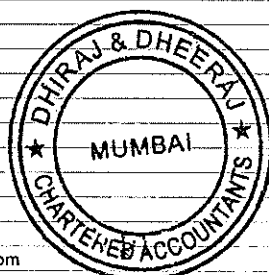


Edel Finance Company Limited
Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

52. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)

| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-24 | 31-Mar-23 |
|---------|---|---|-----------|-----------|
| | | Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited) | - | 0.15 |
| | | Ecap Securities and Investments Limited | 2.94 | - |
| | | Edelweiss Tokio Life Insurance Company Limited | 0.02 | - |
| | | Edelweiss Securities And Investments Private Limited | 0.00 | - |
| | | Edelweiss Global Wealth Management Limited | 0.05 | - |
| | | ZUNO General Insurance Limited | 0.22 | - |
| 22 | Payable to clearing house | Edel Investments Limited | 2.36 | - |
| 23 | Other Receivable | ECL Finance Limited | - | 0.69 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 156.20 |
| | | Edelcap Securities Limited | - | 0.58 |
| | | EdelGive Foundation | 3.38 | 0.64 |
| | | Edelweiss Asset Management Limited | 0.11 | - |
| | | Edelweiss Asset Reconstruction Company Limited | 0.15 | - |
| | | Edelweiss Financial Services Limited | 2.63 | 1.40 |
| | | Edelweiss Retail Finance Limited | - | 0.41 |
| | | Edelweiss Securities And Investments Private Limited | 0.01 | 0.09 |
| | | Edel Investments Limited | 0.86 | 0.12 |
| | | Ecap Securities and Investments Limited | 0.02 | - |
| | | ZUNO General Insurance Limited | 0.30 | 0.00 |
| | | Edelweiss Global Wealth Management Limited | 0.13 | - |
| | | Edelweiss Alternative Asset Advisors Limited | 0.05 | - |
| | | Edelweiss Tokio Life Insurance Company Limited | 0.02 | - |
| 24 | Partner's current account - receivable from | Edelweiss Multi Strategy Fund Advisors LLP | - | 3.11 |
| 25 | Partner's capital account - receivable from | Edelweiss Multi Strategy Fund Advisors LLP | - | 0.05 |
| 26 | Security Deposit Placed (Rental) | Edelweiss Tokio Life Insurance Company Limited | 14.56 | - |
| 27 | Rental deposits payable to | ECL Finance Limited | - | 14.60 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 13.68 |
| | | Edelweiss Asset Reconstruction Company Limited | 50.00 | 50.00 |
| | | Edelweiss Tokio Life Insurance Company Limited | - | 0.11 |
| | | Edelweiss Alternative Asset Advisors Limited | 17.72 | 17.72 |
| | | Edelweiss Asset Management Limited | 18.59 | - |
| 28 | Long term deposits payable to | ZUNO General Insurance Limited | 25.21 | - |
| | | Edelweiss Tokio Life Insurance Company Limited | 9.03 | - |
| 29 | Risk and Rewards Guarantee taken from | Edelweiss Financial Services Limited | - | 1,840.28 |
| 30 | Investment in debentures and bonds | ECap Equities Limited (formerly Edel Land Limited) | - | 123.76 |
| | | Edelweiss Asset Reconstruction Company Limited | 196.61 | - |
| | | Edelweiss Financial Services Limited | 341.70 | - |
| 31 | Subordinate debt issued to | ECL Finance Limited | - | 56.00 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 70.00 |
| | | Edelweiss Tokio Life Insurance Company Limited | 140.00 | - |
| 32 | Subordinated liabilities | ECap Equities Limited (formerly Edel Land Limited) | - | 406.68 |
| | | Edelweiss Financial Services Limited | 0.01 | - |
| 33 | Compulsorily convertible debentures held by | Ecap Securities and Investments Limited | 3,000.00 | - |
| 34 | Trade Payables to | ECap Securities And Investments Limited (formerly known as ECap Equities Limited) | - | 0.11 |
| | | ECL Finance Limited | - | 80.64 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 4.99 |
| | | Edelweiss Alternative Asset Advisors Limited | 1.21 | 9.56 |
| | | Edelweiss Financial Services Limited | 84.41 | 0.27 |
| | | Edelweiss Retail Finance Limited | - | 0.28 |
| | | Edelweiss Asset Management Limited | 0.63 | 0.01 |
| | | Edelcap Securities Limited | - | 0.21 |
| | | Edelweiss Asset Reconstruction Company Limited | 52.68 | 0.51 |
| | | Edelweiss Tokio Life Insurance Company Limited | 0.00 | 0.00 |
| | | Edel Investments Limited | 41.69 | - |
| | | Edelweiss Global Wealth Management Limited | 0.21 | - |
| | | ZUNO General Insurance Limited | 0.00 | - |
| | | Sekura India Management Limited | 4.30 | - |
| | | EdelGive Foundation | 0.00 | - |
| 35 | Trade Receivables from | ECL Finance Limited | - | 36.82 |
| | | Edel Investments Limited | 22.82 | 2.30 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

52. Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)

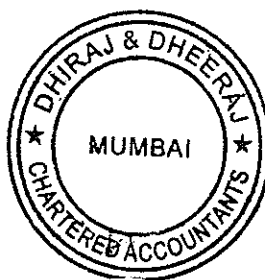
| Sr. No. | Nature of Transaction | Related Party Name | 31-Mar-24 | 31-Mar-23 |
|---------|------------------------------------|---|-----------|-----------|
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 2.91 |
| | | Edelcap Securities Limited | - | 16.33 |
| | | EdelGive Foundation | 0.65 | 1.62 |
| | | Edelweiss Alternative Asset Advisors Limited | 17.40 | 25.11 |
| | | Edelweiss Asset Management Limited | 1.40 | 3.45 |
| | | Edelweiss Asset Reconstruction Company Limited | 12.27 | 18.10 |
| | | Edelweiss Financial Services Limited | 2,932.18 | 21.20 |
| | | Edelweiss International (Singapore) Pte. Limited | 2.00 | 3.38 |
| | | Edelweiss Retail Finance Limited | - | 0.94 |
| | | Edelweiss Securities And Investments Private Limited | 5.06 | 8.60 |
| | | Edelweiss Tokio Life Insurance Company Limited | 12.78 | 10.54 |
| | | Edelweiss Global Wealth Management Limited | 0.36 | 0.05 |
| | | ECap Securities And Investments Limited (formerly known as ECap Equities Limited) | - | 0.00 |
| | | ZUNO General Insurance Limited | 9.93 | 4.44 |
| | | Ecap Securities and Investments Limited | 0.00 | - |
| | | Sekura India Management Limited | 0.68 | - |
| | | Nuvama Asset Management Limited (formerly known as ESL Securities Limited) | - | 0.02 |
| | Off Balance Sheet Items | | | |
| | Corporate guarantee given to | Edelweiss Global Wealth Management Limited | 2,468.33 | - |
| | Corporate guarantee received from | Edelweiss Financial Services Limited | 13,428.49 | - |
| | Risk & Rewards sharing arrangement | Edelweiss Financial Services Limited | 1,249.75 | - |

0.00 indicates amount less than ₹ 0.01 million

- Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and provision made for bonus which are provided for group of employees on an overall basis. These are included on cash basis. Remuneration to KMP's shall be within the limit as prescribed by the Companies act.
- Loan given/taken to/from related parties are disclosed based on the maximum of debit and credit of transaction amount and total of debit and credit of transaction amount given/taken during the reporting period.
- Pursuant to the Amendment Agreement dated March 9, 2023 to the Amended and Restated Shareholders' Agreement dated March 18, 2021 between Edelweiss Financial Service Ltd (Holding Company), Edelweiss Global Wealth Management Limited, PAGAC Ecstasy Pte Ltd and Nuvama Wealth Management Limited (formerly Edelweiss Securities Limited), the amendment to the articles of association of Nuvama Wealth Management Limited and the appointment of independent trustee, Nuvama Wealth Management Limited and its subsidiary Companies ceased to be associate of the Company w.e.f. March 30, 2023.

53. Capital Management

The objective of the Group's Capital Management is to maximise shareholder value, safeguard business continuity and support the growth of its subsidiaries. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated.



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

54. Fair Value Measurement

54.1. Valuation Principles :

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

Refer note 5.11 for more details on fair value hierarchy

54.2. Valuation governance :

The Group's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Group including the risk and finance functions.

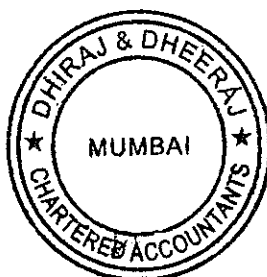
Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Group sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However Finance department is responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards

54.3. Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy. Exchange traded and OTC derivatives are at gross amount i.e. before offsetting margin money. The impact of offsetting is explained in note 9.A.

| Particulars | 31-Mar-24 | | | |
|---|------------------|------------------|------------------|--------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value on a recurring basis | | | | |
| Derivative financial instruments (assets) | | | | |
| Exchange-traded derivatives | 727.28 | - | - | 727.28 |
| OTC derivatives | - | 91.28 | - | 91.28 |
| Embedded derivatives in market-linked debentures issued | - | - | 299.64 | 299.64 |
| Total derivative financial instruments (assets) | 727.28 | 91.28 | 299.64 | 1,118.20 |
| Investments | | | | |
| Debt securities | 29,336.47 | 164.58 | 2,924.04 | 32,425.09 |
| Mutual fund units | 3,065.62 | - | - | 3,065.62 |
| Security receipts | - | - | 41,200.51 | 41,200.51 |
| Equity instruments | 2,221.57 | 19,166.20 | 619.62 | 22,007.39 |
| Units of AIF | - | - | 7,646.47 | 7,646.47 |
| Total investments measured at fair value | 34,623.66 | 19,330.78 | 52,390.64 | 1,06,345.08 |
| Loans and other financial assets measured at fair value | - | - | 6,247.36 | 6,247.36 |
| Property Plant and equipment | - | - | 1,715.11 | 1,715.11 |
| Total financial assets measured at fair value on a recurring basis | 35,350.94 | 19,422.06 | 60,652.75 | 1,15,425.75 |



Edel Finance Company Limited**Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)**

(Currency : Indian rupees in millions)

54. Fair Value Measurement (continued)**54.3. Assets and liabilities by fair value hierarchy (continued)**

| Particulars | 31-Mar-23 | | | |
|--|-----------|----------|-----------|-----------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value on a recurring basis | | | | |
| Derivative financial instruments (assets) | | | | |
| Exchange-traded derivatives | - | - | - | - |
| Total derivative financial instruments (assets) | - | - | - | - |
| Investments | | | | |
| Debt securities | 134.67 | 3,277.05 | 1,993.57 | 5,405.29 |
| Security receipts | - | - | 1,747.78 | 1,747.78 |
| Equity instruments | - | - | 4,103.26 | 4,103.26 |
| Units of AIF | - | - | 3,580.47 | 3,580.47 |
| Total investments measured at fair value | 262.01 | 3,277.05 | 11,425.08 | 14,964.14 |
| Loans and other financial assets measured at fair value | - | - | 2,645.09 | 2,645.09 |
| Property Plant and equipment | - | - | 2,024.51 | 2,024.51 |
| Total financial assets measured at fair value on a recurring basis | 262.01 | 3,277.05 | 16,094.68 | 19,633.74 |

Note: Equity instruments includes investment in Nuvama Wealth Management Limited (NWML), a former associate of the holding Company which is subject to lock-in till September 2024 in accordance with Securities and Exchange Board of India regulations. This investment is reported under level 2 in fair value disclosure in accordance with Ind AS 113 - Fair Value measurement as at March 31, 2024.



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

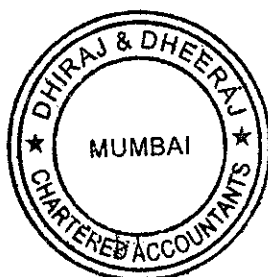
(Currency : Indian rupees in millions)

54. Fair Value Measurement (continued)

54.3. Assets and liabilities by fair value hierarchy (continued)

| Particulars | 31-Mar-24 | | | |
|--|---------------|--------------|---------------|-----------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Liabilities measured at fair value on a recurring basis | | | | |
| Derivative financial instruments (liabilities): | | | | |
| Exchange-traded derivatives | 497.80 | 4.40 | - | 502.20 |
| OTC derivatives | - | 21.98 | - | 21.98 |
| Embedded derivatives in market-linked debentures issued | - | - | 652.91 | 652.91 |
| Total derivative financial instruments (liabilities) | 497.80 | 26.38 | 652.91 | 1,177.09 |
| Financial liabilities at fair value through profit or loss | | | | |
| Provision for short sale - SLBM trading | 46.95 | - | - | 46.95 |
| Total financial liabilities at FVTPL | 46.95 | - | - | 46.95 |
| Total financial liabilities measured at fair value on a recurring basis | 544.75 | 26.38 | 652.91 | 1,224.04 |

| Particulars | 31-Mar-23 | | | |
|--|-----------|----------|----------|----------|
| | Level 1 | Level 2 | Level 3 | Total |
| Liabilities measured at fair value on a recurring basis | | | | |
| Derivative financial instruments (liabilities): | | | | |
| Exchange-traded derivatives | - | - | - | - |
| Total financial liabilities measured at fair value on a recurring basis | - | - | - | - |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

54. Fair Value Measurement (Continued)

54.4. Fair valuation techniques :

Debt securities

Whilst most of these instruments are standard fixed or floating rate securities, however nifty linked debentures have embedded derivative characteristics. Fair value of these instruments is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. Group has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded Group has used CRISIL Corporate Bond Valuer model for measuring fair value.

Security receipts

The market for these securities is not active. Therefore, the Group uses valuation techniques to measure their fair values. Since the security receipts are less liquid instruments therefore they are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Securities receipts with significant unobservable valuation inputs are classified as Level 3.

Equity instruments

The majority of equity instruments are actively traded on recognised stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on fund net asset value (NAV), taking into account redemption and/or other restrictions. Such NAV Such instruments are generally Level 3. Equity instruments in non-listed entities are initially measured at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Such unlisted equity securities are classified at Level 3.

Units of Alternative Investment Funds and Mutual Fund.

Units held in Alternative Investment funds are measured based on fund net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are classified at Level 3.

Open-ended funds that are redeemable at any time, and that report a daily net asset value (NAV) and for which sufficient subscriptions and redemptions occur at NAV are measured at NAV and classified as level 1.

Loans measured at fair value through profit or loss

Loans are segregated, as far as possible, into portfolios of similar characteristics. Fair values are based on observable market transactions, when available. When they are unavailable, fair values are estimated using valuation models incorporating range of input assumptions. Group has determine fair value with help of internal valuation team and independent valuer on case to case basis. Valuation is based on discounted cash flow, comparable transaction market price, market research and marked trend as considered appropriate.

Derivatives

The Company enters into derivative financial instruments with various counter-parties, primarily banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, exchange traded futures and options contracts. The most frequently applied valuation techniques include quoted price for exchange traded derivatives and Black Scholes models (for option valuation).

Exchange traded derivatives

Exchange traded derivatives includes index/stock options, index/stock futures, Group uses exchange traded prices to value these derivative and classify these instrument as level 1.



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

54. Fair Value Measurement (Continued)

54.5. Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analysing them by the level in the fair value hierarchy into which each fair value measurement is categorised. The information given below is with respect to financial assets and financial liabilities measured at amortised cost for which the fair value is different than the carrying amount. Carrying amounts of cash and cash equivalents, trade receivables, trade and other payables as on 31 March 2024 and 31 March 2023 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets and other financial liabilities is not significant in each of the years presented.

| Particulars | 31 March 2024 | | | | |
|--|-----------------------|--------------------|----------|--------------------|------------------|
| | Total Carrying Amount | Total fair value | Level 1 | Level 2 | Level 3 |
| Financial assets: | | | | | |
| Loans | 62,850.32 | 65,904.21 | - | - | 65,904.21 |
| Investments | 11,176.31 | 11,923.37 | - | 2,548.28 | 9,375.09 |
| Total | 74,026.63 | 77,827.58 | - | 2,548.28 | 75,279.30 |
| Financial liabilities | | | | | |
| Debt securities | 1,00,548.75 | 1,02,271.87 | - | 85,513.97 | 16,757.90 |
| Borrowing (other than debt securities) | 75,695.02 | 75,695.56 | - | 11,420.99 | 64,274.57 |
| Deposits | 16.98 | 16.98 | - | 16.98 | - |
| Subordinated liabilities | 13,892.05 | 14,134.86 | - | 14,134.86 | - |
| Total | 1,90,152.80 | 1,92,119.27 | - | 1,11,086.80 | 81,032.47 |
| Off-balance sheet items | | | | | |
| Loan and other commitments | 4,704.70 | 4,704.70 | - | - | 4,704.70 |
| Total | 4,704.70 | 4,704.70 | - | - | 4,704.70 |

| Particulars | 31 March 2023 | | | | |
|--|-----------------------|------------------|----------|------------------|------------------|
| | Total Carrying Amount | Total fair value | Level 1 | Level 2 | Level 3 |
| Financial assets: | | | | | |
| Loans | 39,042.08 | 39,713.10 | - | - | 39,713.10 |
| Financial liabilities | | | | | |
| Debt securities | 40,067.29 | 38,964.26 | - | 16,957.31 | 22,006.96 |
| Borrowing (other than debt securities) | 19,681.47 | 19,509.08 | - | 744.66 | 18,764.42 |
| Subordinated liabilities | 1,070.13 | 1,078.20 | - | 1,078.20 | - |
| Total | 60,818.89 | 59,551.54 | - | 18,780.17 | 40,771.38 |
| Off-balance sheet items | | | | | |
| Loan commitments | 1,399.90 | 699.95 | - | - | 699.95 |
| Total | 1,399.90 | 699.95 | - | - | 699.95 |

54.5 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Short Term Financial Assets and Liabilities

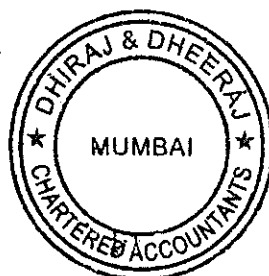
Carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, trade and other receivables, trade payables approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of other financial assets and other financial liabilities is not significant in each of the years presented.

Financial assets at amortised cost

The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model.



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

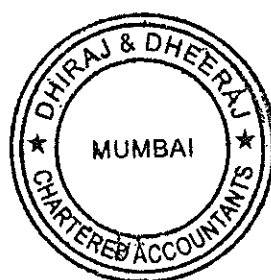
54. Fair Value Measurement (Continued)

54.6 Except as disclosed in Note 54.7 below there have been no transfers between levels during the year ended March 31, 2024 and March 31, 2023.

54.7 The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

| Particulars | Security receipts | Units of AIF | Equity instruments/ Warrants | Embedded derivative in market-linked debentures Assets | Embedded derivative in market-linked debentures Liabilities | Loans at FVTPL | Investments in debt securities and preference shares | Total |
|--|-------------------|--------------|---------------------------------|--|---|----------------|--|-------------|
| Investments - at April 1, 2023 | 2,155.73 | 3,580.47 | 4,103.26 | - | - | 2,645.09 | 1,585.62 | 14,070.17 |
| Addition on account of consolidation | 51,405.35 | 14,924.13 | 6,978.83 | 585.26 | (329.45) | 3,605.53 | 5,403.72 | 82,573.37 |
| Purchase | 14,300.09 | 17,796.95 | 1,324.68 | 122.13 | (70.76) | 482.74 | 1,009.32 | 34,965.15 |
| Sale / redemption | (25,901.02) | (29,663.68) | (1,384.08) | (10.49) | 72.30 | (82.90) | (4,207.05) | (61,176.92) |
| Transfer into level 3 | - | - | - | - | - | - | - | - |
| Transfer from level 3 | - | - | (10,794.04) | - | - | - | - | (10,794.04) |
| Accrued Interest Income | - | - | - | - | - | - | - | - |
| Profit / Fair value change for the year recognised in profit or loss | (759.64) | 1,008.60 | 390.93 | (397.26) | (324.97) | (403.10) | (867.57) | (1,353.00) |
| Investments - at March 31, 2024 | 41,200.51 | 7,646.47 | 619.58 | 299.64 | (652.88) | 6,247.36 | 2,924.04 | 58,284.73 |
| Unrealised gain/(Loss) related to balances held at the end of the year | 56.03 | (683.71) | 282.83 | (396.86) | (326.14) | (403.10) | (793.45) | (2,264.40) |

| Particulars | Security receipts | Units of AIF | Equity instruments/ Warrants | Embedded derivative in market-linked debentures Assets | Embedded derivative in market-linked debentures Liabilities | Loans at FVTPL | Investments in debt securities and preference shares | Total |
|--|-------------------|--------------|---------------------------------|--|---|----------------|--|-------------|
| Investments - at April 1, 2022 | 2,702.98 | 3,847.25 | 1.00 | - | - | 3,361.82 | 515.32 | 10,428.37 |
| Purchase | 110.33 | 2,788.27 | - | - | - | 426.27 | 6,987.10 | 10,311.97 |
| Sale / redemption | (652.93) | (2,739.13) | (0.90) | - | - | (1,564.60) | (5,933.06) | (10,890.62) |
| Transfer into level 3 | - | - | 4,103.16 | - | - | - | - | 4,103.16 |
| Transfer from level 3 | - | - | - | - | - | - | - | - |
| Accrued Interest Income | - | - | - | - | - | 221.32 | 0.27 | 221.59 |
| Profit / Fair value change for the year recognised in profit or loss | (4.65) | (315.92) | - | - | - | 200.28 | 15.99 | (104.30) |
| Investments - at March 31, 2023 | 2,155.73 | 3,580.47 | 4,103.26 | - | - | 2,645.09 | 1,585.62 | 14,070.17 |
| Unrealised gain/(Loss) related to balances held at the end of the year | (37.64) | (315.92) | - | - | - | 24.57 | (230.75) | (559.74) |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

54 Fair Value Measurement (Continued)

54.8 Impact on fair value of level 3 financial instrument of changes to key unobservable inputs

| As at March 31, 2024 | | | | | | | | | | |
|--|---|---|---|--------------------------------------|---|--|--|--|--|--|
| Type of Financial Instruments | Fair value of asset as on 31 March 2024 | Fair value of liability as on 31 March 2024 | Valuation Techniques | Significant Unobservable Input | Range of estimates for unobservable input | Increase in the unobservable input | Change in fair value because of increase in unobservable input | Decrease in the unobservable input | Change in fair value because of decrease in unobservable input | |
| Security receipts | 41,200.51 | - | Net asset value method | NAV per security receipt | 51,031.58 | 5% | 2,538.97 | 5% | (2,538.97) | |
| Investments in debt securities and preference shares | 1,379.94 | - | Comparable transaction and P/E | Fair value per share | ₹ 0 to ₹ 214,140 per share | 5% | 63.60 | 5% | (63.60) | |
| Loans classified as FVTPL | 6,247.36 | - | Discounted Cash flow. The present value of expected future economic benefits to be derived from the loans | Expected future cash flows | 15% - 20% | 0.25% | (14.54) | 0.25% | 14.68 | |
| Nifty linked debentures | 0.60 | - | Fair value of index | Price per debenture | ₹ 100,000 to ₹ 12,59,483 per debenture | 5% | 0.03 | 5% | (0.03) | |
| Investments in Participative Non-convertible debentures | 1,543.50 | - | Discounted Cash flow | Expected future cash flows | ₹ 1,667 to ₹ 5,76,523 per debenture | 5% | - | 5% | - | |
| Embedded derivative in market-linked debentures | 299.64 | (652.88) | Fair value of index | Index levels | - | 5% | (17.66) | 5% | 17.66 | |
| Investments in units of AIF | 7,646.47 | - | Net Assets Approach | Fair value of underlying investments | ₹ 9,542 to ₹ 193,480 per unit | 5% | 382.32 | 5% | (382.32) | |
| Investments in unquoted equity shares | 619.58 | - | Comparable transaction and P/E | Fair value per share | ₹ 0 to ₹ 1,24,864 per share | 5% | 28.47 | 5% | (28.47) | |
| As at March 31, 2023 | | | | | | | | | | |
| Type of Financial Instruments | Fair value of asset as on 31 March 2023 | Fair value of liability as on 31 March 2023 | Valuation Techniques | Significant Unobservable Input | Range of estimates for unobservable input | Increase in the unobservable input | Change in fair value because of increase in unobservable input | Decrease in the unobservable input | Change in fair value because of decrease in unobservable input | |
| Security receipts | 4,226.80 | - | Discounted Cash flow. The present value of expected future economic benefits to be derived from the ownership of the underlying investments of the Trust. | Expected future cash flows | 4,226.80 | 5% increase in Expected future Cash flow | 194.04 | 5% Decrease in Expected future Cash flow | (53.27) | |
| | | | | Risk-adjusted discount rate | 12.00% To 22.00% | 0.5% increase in Risk-adjusted discount rate | (11.55) | 0.5% Decrease in Risk-adjusted discount rate | 11.64 | |
| Stock-in-trade | 6,967.38 | - | Discounted projected cash flow | Expected gross recoveries | 6,967.38 | 5% | 348.37 | 5% | (348.37) | |
| | | | | Discount rates | 11.50% to 12.50% | 50 basis point | (9.35) | 50 basis point | 9.35 | |
| Loans classified as FVTPL | - | - | Comparable transaction value | Discounting rate | 15% - 20% | 1% | A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value | 1% | A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value | |
| Nifty linked debentures | - | - | Fair value using Black Scholes Model or Monte Carlo approach based on the embedded derivative | Risk - adjusted discount rate | - | 5% | 0.21 | 5% | (0.21) | |
| | | | | 4.5% - 6% | - | 1% | 0.04 | 1% | (0.04) | |
| Investments in units of AIF | - | - | Net Assets Approach | Fair value of underlying investments | 0 | 5% | 183.36 | 5% | (183.36) | |
| Investments in unquoted equity shares categorised at Level 3 | - | - | Comparable transaction and P/E and discounted cash flow | Fair value per share | ₹ 2238 per share | 5% | 205.16 | 5% | (205.16) | |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

55. Risk Management

A. Introduction and risk profile

Risk is an inherent part of Group's business activities. The Group (the company and its subsidiaries together referred to as "the Group") extends a corporate or retail loan, buys or sells securities in market, or offers other products or services and the Group takes on some degree of risk. The Group's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Group.

The Group believes that effective risk management requires:

- 1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Group;
- 2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate; and
- 3) Firmwide structures for risk governance

The Group strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

B. Risk Management Structure

The Group has well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. The Group has also established a Risk Committee that is responsible for managing the risk arising out of various business activities at a central level.

Our risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, we follow conservative lending norms. The Group centralises the risk monitoring systems to monitor our client's credit exposure which is in addition to the monitoring undertaken by the respective businesses.

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the risk management policies. The Committee holds regular meetings and report to board on its activities.

The audit committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

C. Risk mitigation and risk culture

The Group's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Our key business processes are regularly monitored by the head of our business or operations. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

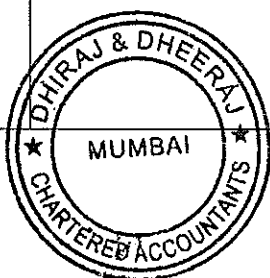
The Board Risk Committee is the overseeing body for Risk Management. The Committee meets at regular intervals to review the risk profile of the Company.

It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Group is exposed to. The Group's continuous training and development emphasises that employees are made aware of the Group's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Group's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

D. Types of Risks

The Group's risks are generally categorized in the following risk types:

| Notes | Risks | Arising from | Measurement, monitoring and management of risk |
|-------|---|--|--|
| 1 | Credit risk Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. | Arises principally from financing, dealing in Corporate Bonds, Investments in Mutual Fund, Equity, but also from certain other products such as guarantees and derivatives | Measured as the amount that could be lost if a customer or counterparty fails to make repayments; Monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and Managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers. |
| 2 | Liquidity risk Liquidity risk is the risk that we do not have sufficient financial resources to meet our obligations as they fall due or that we can only do so at an excessive cost. | Liquidity risk arises from mismatches in the timing of cash flows. Arises when illiquid asset positions cannot be funded at the expected terms and when required. | Measured using a range of metrics, including Asset Liability mismatch, Debt Equity Ratio Regular monitoring of funding levels to ensure to meet the requirement for Business and maturity of our liabilities. Maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements of the Company. |
| 3 | Market risk Market risk is the risk that movements in market factors, such as Interest rates, equity prices and Index prices, will reduce our income or the value of our portfolios | Exposure to market risk is separated into two portfolios: trading and non-trading. | Measured using sensitivities, detailed picture of potential gains and losses for a range of market movements and scenarios. Monitored using measures, including the sensitivity of net interest income. Managed using risk limits approved by the risk management committee. |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

55. Risk Management

55.D.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's Trade receivables and Loans. The Group has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Group.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Group and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Derivative financial Instruments:

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet. With gross-settled derivatives, the Group is also exposed to a settlement risk, being the risk that the Group honours its obligation, but the counterparty fails to deliver the counter value.

Impairment Assessment:

The Group applies the expected credit loss model for recognising impairment loss. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Group has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS. Accordingly, the loans are classified into various stages as follows:

| Internal rating grade | Internal grading description | Stages |
|-----------------------|------------------------------|---------|
| Performing | | |
| High grade | 0 dpd* to 30 dpd* | Stage 1 |
| Standard grade | 31 to 90 dpd* | Stage 2 |
| Non-performing | | |
| Individually impaired | 90+ dpd* | Stage 3 |

* dpd indicates days past due.

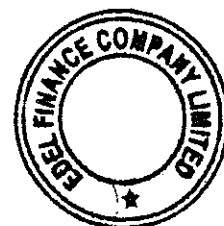
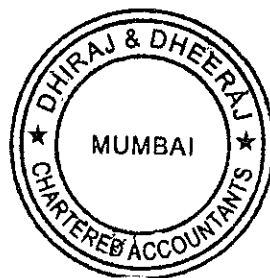
Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Expected Credit Loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- 1) An unbiased and probability weighted amount that evaluates a range of possible outcomes
- 2) Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;
- 3) Time value of money

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This has been achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Significant increase in credit risk (SICR)

Group considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due. Classification of assets from stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

55. Risk Management (continued)

55.D.1 Credit Risk (continued)

Probability of Default

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Group. While arriving at the PD, the Group also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Group calculates the 12 month PD by taking into account the past historical trends of the Loans/portfolio and its credit performance. In case of assets where there is a significant increase in credit risk / credit impaired assets, lifetime PD has been applied.

Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Workout LGD is widely considered to be the most flexible, transparent and logical approach to build an LGD model. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding for each loan was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.

Exposure at Default (EAD)

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Group, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Group provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

$$\text{EAD} = \text{Drawn Credit Line} + \text{Credit Conversion Factor} * \text{Undrawn Credit Line}$$

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount

Undrawn Credit Line = Difference between the total amount which the Group has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD

Forward looking adjustments

"A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions."

To fulfil the above requirement Group has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. Keeping in mind Ind AS requirements around obtaining reliable and supportable information, without incurring undue cost or effort- based on advice of risk committee members and economic experts and consideration of a variety of external actual and forecast information, the Group formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

Data sourcing

The Group is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long term average. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters.

Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

55. Risk Management (continued)

55.D.2 Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

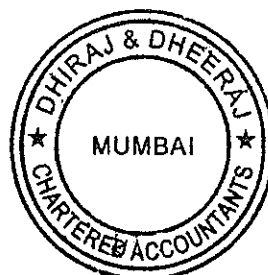
The following table shows the risk concentration by industry for the components of the balance sheet

Industry analysis - Risk concentration as at March 31, 2024

| Particulars | Financial services | Government | Manufacturing | Retail and wholesale | Oil & gas | Services | Construction | Real Estate | Agriculture | Others | Total |
|--|--------------------|------------------|-----------------|----------------------|-----------|-----------------|-----------------|------------------|---------------|---------------|--------------------|
| Financial Assets | | | | | | | | | | | |
| Cash and bank balances | 10,204.77 | - | - | - | - | - | - | - | - | - | 10,204.77 |
| Bank balances other than cash and cash equivalents | 2,953.03 | - | - | - | - | - | - | - | - | - | 2,953.03 |
| Derivative financial instruments | 1,031.38 | - | - | - | - | - | - | - | - | - | 1,031.38 |
| Trade receivables | 5,262.13 | - | - | - | - | 0.18 | 0.00 | 0.20 | - | 5.72 | 5,268.23 |
| Loans | 16,032.27 | - | 2,058.60 | 36,191.92 | - | 1,569.23 | 5,489.39 | 7,554.61 | 201.66 | - | 69,097.68 |
| Investments | 43,426.04 | 28,349.06 | 1,161.63 | 7,990.12 | - | 4,447.34 | 1.02 | 31,854.32 | - | 291.88 | 1,17,521.41 |
| Other financial assets | 2,641.21 | - | - | - | - | - | 41.07 | - | - | 3.90 | 2,686.18 |
| Total | 81,550.83 | 28,349.06 | 3,220.23 | 44,182.04 | - | 6,016.75 | 5,531.48 | 39,409.13 | 201.66 | 301.50 | 2,08,762.68 |
| Loan and Other Commitments | 2,194.87 | - | - | 2,263.83 | - | - | 246.00 | - | - | - | 4,704.70 |

Industry analysis - Risk concentration as at March 31, 2023

| Particulars | Financial services | Government | Manufacturing | Retail and wholesale | Oil & gas | Services | Construction | Real Estate | Agriculture | Others | Total |
|--------------------------|--------------------|------------|---------------|----------------------|-------------|------------------|--------------|-------------|-------------|----------|------------------|
| Financial Assets | | | | | | | | | | | |
| Cash and bank balances | 3,748.17 | - | - | - | - | - | - | - | - | - | 3,748.17 |
| Stock in trade | 2,138.72 | - | - | - | - | - | - | - | - | - | 2,138.72 |
| Trade receivables | 391.88 | - | - | - | - | - | - | - | - | - | 391.88 |
| Loans | 11,314.08 | - | - | 5,854.18 | - | 24,518.91 | - | - | - | - | 41,687.17 |
| Investments | 27,835.48 | - | - | - | - | - | - | - | - | - | 27,835.48 |
| Other financial assets | 1,237.41 | - | - | 192.07 | 0.09 | - | - | - | - | - | 1,429.57 |
| Total | 46,665.74 | - | - | 6,046.25 | 0.09 | 24,518.91 | - | - | - | - | 77,230.99 |
| Other Commitments | 384.95 | - | - | - | - | 1,399.92 | - | - | - | - | 1,784.87 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

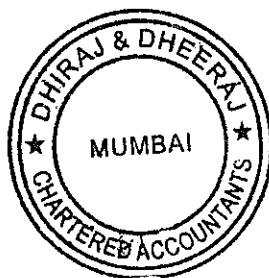
(Currency : Indian rupees in millions)

55. Risk Management (continued)

55.D.3 Collateral held and other credit enhancements

The tables on the following pages show the maximum exposure to credit risk by class of financial asset

| Particulars | Maximum exposure to credit risk | | Principal type of collateral |
|---|---------------------------------|------------------|--------------------------------------|
| | March 31, 2024 | March 31, 2023 | |
| Financial assets | | | |
| Trade Receivables | 5,268.23 | 391.88 | Fixed deposits and other assets |
| Loans: | | | |
| Corporate and Retail Credit | 62,850.32 | 39,042.08 | Investment and other tangible assets |
| Debt instruments and other investments at amortised cost | 1,106.80 | 1,502.47 | Investments and Book debts |
| Total financial assets at amortised cost | 69,225.35 | 40,936.43 | |
| Derivative financial instruments | - | - | Margin money |
| Financial assets at FVTPL | 69,218.72 | 17,609.23 | Tangible assets |
| Total financial instruments at fair value through profit or loss | 69,218.72 | 17,609.23 | |
| Total Financial assets | 1,38,444.07 | 58,545.66 | |
| Loan and other commitments | 4,704.70 | 1,399.92 | Property; book receivables |
| Financial guarantee contracts | 2,468.33 | 2,204.35 | No Collateral |
| Total commitments | 7,173.03 | 3,604.27 | Tangible assets |
| Total | 1,45,617.10 | 62,149.93 | |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

55 Risk Management (continued):

55.D.4 Financial assets that are stage 3 and related collateral held in order to mitigate potential losses are given below:

As at March 31, 2024

| Particulars | Maximum exposure to credit risk (carrying amount before ECL) | Associated ECL | Carrying amount | Fair value of collateral |
|---|--|------------------|-----------------|--------------------------|
| Financial assets | | | | |
| Loans | 12,908.34 | 11,573.42 | 1,334.92 | 2,490.11 |
| Trade Receivables | 0.20 | 0.18 | 0.02 | - |
| Total financial assets at amortised cost | 12,908.54 | 11,573.60 | 1,334.94 | 2,490.11 |
| Loan commitments | - | - | - | - |
| Financial guarantee contracts | - | - | - | - |
| Total | 12,908.54 | 11,573.60 | 1,334.94 | 2,490.11 |

As at March 31, 2023

| Particulars | Maximum exposure to credit risk (carrying amount before ECL) | Associated ECL | Carrying amount | Fair value of collateral |
|---|--|-----------------|-----------------|--------------------------|
| Financial assets | | | | |
| Loans | 8,193.03 | 7,500.78 | 692.25 | 816.33 |
| Total financial assets at amortised cost | 8,193.03 | 7,500.78 | 692.25 | 816.33 |
| Loan commitments | 3.11 | 0.54 | 2.57 | 4.00 |
| Financial guarantee contracts * | 386.99 | 0.09 | 386.90 | 386.90 |
| Total | 8,583.13 | 7,501.41 | 1,081.72 | 1,207.23 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

55. Risk Management (Continued)

55.E Liquidity Risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Group has a Liquidity Contingency Policy in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario.

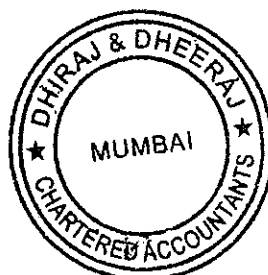
To manage the stressed circumstances the Group has ensured maintenance of a Liquidity Cushion in the form of Investments in Government Securities, Mutual Funds and Quoted Equity Shares. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 5-9% of the borrowings is sought to be maintained through such assets. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern. There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds. Funding is raised through diversified sources including Banks, Private issue of Debt, Sub Debt etc to maintain a healthy mix.

As at March 31, 2024 - Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities

| Non-derivative financial assets | Upto 6 Months | 6 Months to 1 year | 1 year to 3 years | More than 3 years | Total |
|---|------------------|--------------------|--------------------|--------------------|--------------------|
| Financial Assets | | | | | |
| Cash and cash equivalent and other bank balances | 10,646.98 | 640.55 | 1,211.96 | 658.31 | 13,157.80 |
| Trade receivables | 5,268.15 | - | 0.08 | - | 5,268.23 |
| Loans | 18,539.93 | 18,004.99 | 14,979.80 | 34,792.11 | 86,316.83 |
| Investment | 40,009.79 | 6,265.54 | 2,324.78 | 68,921.30 | 1,17,521.41 |
| Other financial assets | 502.21 | 670.86 | 143.29 | 1,349.49 | 2,665.85 |
| Total undiscounted non- derivative financial assets | 74,967.06 | 25,581.93 | 18,659.91 | 1,05,721.22 | 2,24,930.12 |
| Non-derivative financial liabilities | | | | | |
| Trade payables | 10,208.58 | - | 22.25 | 17.99 | 10,248.82 |
| Debt securities | 14,863.36 | 8,806.13 | 59,601.15 | 26,545.09 | 1,09,815.73 |
| Borrowings (other than debt securities) | 14,800.02 | 10,568.42 | 25,010.11 | 26,798.02 | 77,176.58 |
| Deposits | 16.98 | - | - | - | 16.98 |
| Subordinated Liabilities | 620.97 | 709.55 | 13,893.49 | 1,757.26 | 16,981.27 |
| Other financial liabilities | 3,485.49 | 1,694.17 | 4,505.69 | 6,483.93 | 16,169.28 |
| Total undiscounted non- derivative financial liabilities | 43,995.40 | 21,778.27 | 1,03,032.70 | 61,602.29 | 2,30,408.66 |

As at March 31, 2023 - Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities

| Non-derivative financial assets | Upto 6 Months | 6 Months to 1 year | 1 year to 3 years | More than 3 years | Total |
|---|------------------|--------------------|-------------------|-------------------|------------------|
| Financial Assets | | | | | |
| Cash and cash equivalent and other bank balances | 2,277.37 | 1,042.96 | 85.87 | 341.97 | 3,748.17 |
| Trade receivables | 391.88 | - | - | - | 391.88 |
| Loans | 10,980.02 | 6,942.95 | 15,167.47 | 8,596.73 | 41,687.17 |
| Investment | 8,885.49 | 345.92 | 8,681.36 | 12,061.43 | 29,974.20 |
| Other financial assets | 422.85 | 5.02 | 247.00 | 754.70 | 1,429.57 |
| Total undiscounted non- derivative financial assets | 22,957.61 | 8,336.85 | 24,181.70 | 21,754.83 | 77,230.99 |
| Non-derivative financial liabilities | | | | | |
| Financial Liabilities | | | | | |
| Trade payables | 401.88 | - | - | - | 401.88 |
| Debt securities | 6,556.99 | 3,765.68 | 19,659.50 | 10,085.12 | 40,067.29 |
| Borrowings (other than debt securities) | 3,319.75 | 4,636.74 | 18,260.17 | 2,533.78 | 28,750.44 |
| Subordinated Liabilities | 391.50 | 56.25 | 622.38 | - | 1,070.13 |
| Other financial liabilities | 2,270.54 | 1,020.06 | 3,893.08 | 5,207.79 | 12,391.47 |
| Total undiscounted non- derivative financial liabilities | 12,940.66 | 9,478.73 | 42,435.13 | 17,826.69 | 82,681.21 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

55. Risk Management (Continued)

55.E Liquidity Risk (continued)

All derivatives which are entered into for trading purpose are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given based on undiscounted cash flows.

As at March 31, 2024

| Derivatives | Upto 6 Months | 6 Months to 1 year | 1 year to 3 years | More than 3 years | Total |
|--|---------------|--------------------|-------------------|-------------------|----------|
| Net Settled derivatives entered into for trading purpose | 228.81 | - | - | 82.53 | 311.34 |
| Other Net settled derivatives | (3.97) | 0.62 | (488.28) | 55.83 | (435.80) |
| Total | 224.84 | 0.62 | (488.28) | 138.36 | (124.46) |

As at March 31, 2023

| Derivatives | Upto 6 Months | 6 Months to 1 year | 1 year to 3 years | More than 3 years | Total |
|--|---------------|--------------------|-------------------|-------------------|-------|
| Net Settled derivatives entered into for trading purpose | - | - | - | - | - |
| Total | - | - | - | - | - |

Contractual expiry of commitments

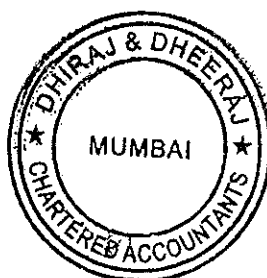
The table below shows the contractual expiry by maturity of the Group's commitments.

As at March 31, 2024

| Particulars | Upto 6 Months | 6 Months to 1 year | 1 year to 3 years | More than 3 years | Total |
|---|---------------|--------------------|-------------------|-------------------|----------|
| Undrawn commitments for AIF funds | 1,231.11 | - | - | - | 1,231.11 |
| Estimated amount of contracts capital account | 11.34 | 0.21 | - | - | 11.55 |
| Undrawn loan commitments | 1,696.38 | 1,095.64 | 270.17 | 0.49 | 3,062.68 |
| Undrawn committed credit lines | - | 410.91 | - | - | 410.91 |
| Total | 2,938.83 | 1,506.76 | 270.17 | 0.49 | 4,716.25 |

As at March 31, 2023

| Particulars | Upto 6 Months | 6 Months to 1 year | 1 year to 3 years | More than 3 years | Total |
|------------------------------------|---------------|--------------------|-------------------|-------------------|----------|
| Undrawn loan and other commitments | 1,046.01 | 105.33 | 584.20 | 0.38 | 1,735.92 |
| Total | 1,046.01 | 105.33 | 584.20 | 0.38 | 1,735.92 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

55. Risk Management (continued)

55.F Market Risk (continued)

Interest Rate Risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

ALCO is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of interest rate risk.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board has established limits on the non-trading interest rate gaps for stipulated periods. The Group's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's statement of profit and loss and equity. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held at March 31, 2024 and at March 31, 2023

Interest rate sensitivity

| | 2023-24 | | | | | |
|---------------------------|---------------|-----------------------------|------------------|---------------|-----------------------------|------------------|
| | Increase in % | Effect on profit before tax | Effect on Equity | Decrease in % | Effect on profit before tax | Effect on Equity |
| INR Loans | 0.25 | 53.74 | 45.19 | 0.25 | (53.74) | (45.19) |
| INR Borrowing | 0.25 | (147.58) | (26.65) | 0.25 | 147.58 | 26.65 |
| IRF / Interest Rate Swaps | 5/0.25 | (125.82) | - | 5/0.25 | 125.82 | - |

| | 2022-23 | | | | | |
|---------------|---------------|-----------------------|-----------------------|---------------|-----------------------|-----------------------|
| | Increase in % | Sensitivity of Profit | Sensitivity of Equity | Decrease in % | Sensitivity of Profit | Sensitivity of Equity |
| INR Loans | 0.25 | 54.68 | - | 0.25 | (54.68) | - |
| INR Borrowing | 0.25 | (81.29) | - | 0.25 | 81.29 | - |

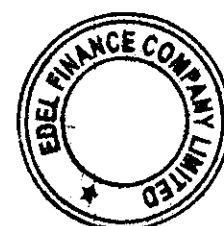
Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings.

The table below indicates the currencies to which the Group had significant exposure at the end of the reported periods. The analysis calculates the effect of a reasonably possible movement of the currency rate against the INR (all other variables being constant) on the statement of profit and loss (due to the fair value of currency sensitive non-trading monetary assets and liabilities) and equity (due to the change in fair value of currency swaps and forward foreign exchange contracts used as cash flow hedges).

| | 2023-24 | | | | | |
|-----|---------------|-----------------------|-----------------------|---------------|-----------------------|-----------------------|
| | Increase in % | Sensitivity of Profit | Sensitivity of Equity | Decrease in % | Sensitivity of Profit | Sensitivity of Equity |
| USD | 5 | 0.10 | 0.10 | 5 | (0.10) | (0.10) |

| | 2022-23 | | | | | |
|-----|---------------|-----------------------|-----------------------|---------------|-----------------------|-----------------------|
| | Increase in % | Sensitivity of Profit | Sensitivity of Equity | Decrease in % | Sensitivity of Profit | Sensitivity of Equity |
| USD | 0.25 | 4.50 | - | 0.25 | (4.50) | - |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

55. Risk Management (continued)

55.F Market Risk (continued)

Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of individual investment in equity share prices.

| 2023-24 | | | | | | |
|------------------------------------|---------------|-----------------------|-----------------------|---------------|-----------------------|-----------------------|
| | Increase in % | Sensitivity of Profit | Sensitivity of Equity | Decrease in % | Sensitivity of Profit | Sensitivity of Equity |
| Derivatives | 5 | 320.70 | - | 5 | (320.70) | - |
| Commodity Derivatives | 5 | 9.14 | - | 5 | (9.14) | - |
| Equity/ETF/SRs | 5 | 695.74 | - | 5 | (695.74) | - |
| Mutual Fund | 5 | 71.91 | - | 5 | (71.91) | - |
| Debt instruments (incl preference) | 5 | 382.00 | 63.37 | 5 | (382.00) | (63.37) |
| Government securities | 0.25 | 70.87 | - | 0.25 | (70.87) | - |
| Nifty link debenture | 5 | 115.87 | - | 5 | (115.87) | - |
| AIF Funds | 5 | 352.03 | - | 5 | (352.03) | - |
| Investments | 5 | 90.41 | - | 5 | (90.41) | - |
| Loans classified at FVTPL | 5 | 86.72 | - | 5 | (86.72) | - |

| 2022-23 | | | | | | |
|-------------|---------------|-----------------------|-----------------------|---------------|-----------------------|-----------------------|
| | Increase in % | Sensitivity of Profit | Sensitivity of Equity | Decrease in % | Sensitivity of Profit | Sensitivity of Equity |
| Derivatives | 5 | - | - | 5 | - | - |
| Others | 5 | 5.88 | - | 5 | (5.88) | - |

Index price risk

Index price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of equity indices.

| 2023-24 | | | | | | |
|--|---------------|-----------------------|-----------------------|---------------|-----------------------|-----------------------|
| | Increase in % | Sensitivity of Profit | Sensitivity of Equity | Decrease in % | Sensitivity of Profit | Sensitivity of Equity |
| Derivatives | 5 | 273.55 | - | 5 | (273.55) | - |
| Embedded derivatives (Nifty-linked debentures) | 5 | (21.79) | - | 5 | 21.79 | - |

| 2022-23 | | | | | | |
|-------------|---------------|-----------------------|-----------------------|---------------|-----------------------|-----------------------|
| | Increase in % | Sensitivity of Profit | Sensitivity of Equity | Decrease in % | Sensitivity of Profit | Sensitivity of Equity |
| Derivatives | 0.25 | - | - | 0.25 | - | - |

Other price risk

| 2023-24 | | | | | | |
|---------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Increase in price (%) | Sensitivity of Profit | Sensitivity of Equity | Decrease in price (%) | Sensitivity of Profit | Sensitivity of Equity |
| Others | - | - | - | - | - | - |

| 2022-23 | | | | | | |
|---------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Increase in price (%) | Sensitivity of Profit | Sensitivity of Equity | Decrease in price (%) | Sensitivity of Profit | Sensitivity of Equity |
| Others | 5 | 224.18 | - | 5 | (224.18) | - |



Edel Finance Company Limited

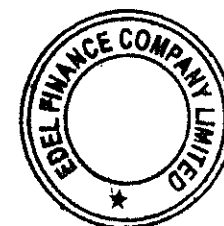
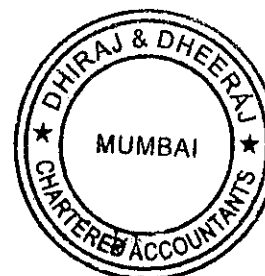
Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

55.G Total market risk exposure

Fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. Such risks the market risk for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables. Non-trading positions are managed

| Particulars | 31 March 2024 | | | 31 March 2023 | | |
|--|--------------------|------------------|--------------------|------------------|-----------------|------------------|
| | Carrying amount | Traded risk | Non-traded risk | Carrying amount | Traded risk | Non-traded risk |
| Assets | | | | | | |
| Cash and cash equivalent and other bank balances | 13,157.80 | - | 13,157.80 | 3,748.17 | - | 3,748.17 |
| Derivative financial instruments | 1,031.38 | 1,031.38 | - | - | - | - |
| Investments | 1,17,521.41 | 66,096.60 | 51,424.81 | 29,974.20 | 6,037.30 | 23,936.90 |
| Loans | 69,097.68 | - | 69,097.68 | 41,687.17 | - | 41,687.17 |
| Trade receivables | 5,268.23 | - | 5,268.23 | 391.88 | - | 391.88 |
| Other financial assets | 2,686.18 | 150.27 | 2,535.91 | 1,429.57 | 1.31 | 1,428.26 |
| Total | 2,08,762.68 | 67,278.25 | 1,41,484.43 | 77,230.99 | 6,038.61 | 71,192.38 |
| | | | | | | |
| Particulars | 31 March 2024 | | | 31 March 2023 | | |
| | Carrying amount | Traded risk | Non-traded risk | Carrying amount | Traded risk | Non-traded risk |
| Liability | | | | | | |
| Borrowings (other than debt Securities) | 75,695.02 | - | 75,695.02 | 28,750.44 | - | 28,750.44 |
| Derivative financial instruments | 1,155.83 | 1,155.83 | - | - | - | - |
| Deposits | 16.98 | - | 16.98 | - | - | - |
| Debt securities | 1,00,548.75 | - | 1,00,548.75 | 40,067.29 | - | 40,067.29 |
| Trade payables | 10,248.82 | - | 10,248.82 | 401.88 | - | 401.88 |
| Subordinated liabilities | 13,892.05 | - | 13,892.05 | 1,070.13 | - | 1,070.13 |
| Other financial liabilities | 16,169.28 | 246.59 | 15,922.69 | 12,391.47 | - | 12,391.47 |
| Total | 2,17,726.73 | 1,402.42 | 2,16,324.31 | 82,681.21 | - | 82,681.21 |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

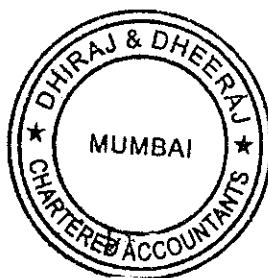
(Currency : Indian rupees in millions)

56. Composition of the Group

| Sr. | Name of the Entity | Note | Country of Incorporation | Proportion of ownership interest as at March 31, 2024 | Proportion of ownership interest as at March 31, 2023 |
|----------------------|--|------|--------------------------|---|---|
| Subsidiaries: | | | | | |
| 1 | Nido Home Finance Limited | | India | 95.00% | 95.00% |
| 2 | Edelweiss Investment Adviser Limited | | India | 100.00% | 100.00% |
| 3 | Edelweiss Rural & Corporate Services Limited | | India | 100.00% | 100.00% |
| 4 | Comtrade Commodities Services Limited | | India | 100.00% | 100.00% |
| 5 | Allium Finance Private Limited | a | India | 88.28% | 73.76% |
| 6 | Ecap Equities Limited | b | India | 80.23% | 0.00% |
| 7 | ECL Finance Limited | c | India | 100.00% | 0.00% |
| 8 | Edelcap Securities Limited | | India | 80.23% | 0.00% |
| 9 | Edelweiss Retail Finance Finance Limited | | India | 81.62% | 0.00% |
| 10 | Edelweiss Private Equity Tech Fund | | India | 95.60% | 0.00% |
| 11 | Edelweiss Value and Growth Fund | | India | 96.05% | 0.00% |
| 12 | Edelweiss Multi Strategy Fund Advisors LLP | | India | 100.00% | 0.00% |
| 13 | India Credit Investment Fund III | | India | 100.00% | 0.00% |
| 14 | India Credit Investment Fund - 5 | | India | 100.00% | 0.00% |
| Associate | | | | | |
| 1 | Edelweiss Securities and Investments Private Limited | | India | 48.00% | 0.00% |
| 2 | Ecap Equities Limited (formerly Edel Land Limited) | b | India | 0.00% | 52.31% |

Notes:

- Stake in Allium Finance Private Limited has increased during the year as the holding is considered alongwith all of its subsidiaries as at March 31, 2024
- With effect from 18th April 2023, the Company has increased its controlling stake in Ecap Equities Limited from 52.31% to 80.23% and accordingly the same has been consolidated as a subsidiary as at March 31, 2024
- With effect from 28th March 2024, the Company has increased its controlling stake in ECL Finance Limited from 25.72% to 100% and accordingly the same has been consolidated as a subsidiary as at March 31, 2024



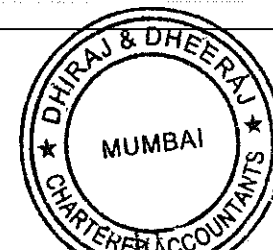
Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

**57. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary or Associates
As at March 31, 2024**

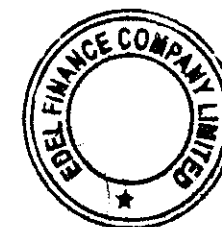
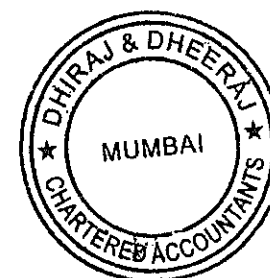
| As at March 31, 2024 | | | | | | | | | |
|--|--|--|-----------------------|-------------------------------------|-----------------------|---|-----------------------|---|-----------------------|
| Sr. No. | Name of the Entity | Net Assets i.e. Total Assets minus Total Liabilities | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
| | | As % of consolidated net assets | Amount (₹ in Million) | As % of consolidated profit or loss | Amount (₹ in Million) | As % of consolidated other comprehensive income | Amount (₹ in Million) | As % of consolidated total comprehensive income | Amount (₹ in Million) |
| Parent | | | | | | | | | |
| | Edel Finance Company Limited | 193.41% | 26,028.90 | (129.31)% | 791.48 | (1.92)% | 2.31 | (108.37)% | 793.79 |
| Subsidiaries | | | | | | | | | |
| Indian | | | | | | | | | |
| 1 | Nido Home Finance Limited | 60.54% | 8,147.88 | (31.54)% | 193.05 | 0.46% | (0.56) | (26.28)% | 192.49 |
| 2 | Edelweiss Investment Adviser Limited | (49.09)% | (6,606.44) | 393.40% | (2,407.87) | (0.32)% | 0.38 | 328.67% | (2,407.49) |
| 3 | Edelweiss Rural & Corporate Services Limited | 52.01% | 6,998.85 | 167.69% | (1,026.37) | 9.97% | (12.01) | 141.76% | (1,038.38) |
| 4 | Comtrade Commodities Services Limited | 0.06% | 8.23 | 1.45% | (8.85) | (0.03)% | 0.04 | 1.20% | (8.81) |
| 5 | Allium Finance Private Limited | 10.65% | 1,433.81 | (20.50)% | 125.47 | 0.00% | - | (17.13)% | 125.47 |
| 6 | Ecap Equities Limited | 69.81% | 9,394.83 | (228.71)% | 1,399.89 | 0.20% | (0.24) | (191.08)% | 1,399.66 |
| 7 | ECL Finance Limited | 205.76% | 27,691.08 | 0.00% | - | 0.00% | - | 0.00% | - |
| 8 | Edelcap Securities Limited | 30.44% | 4,095.94 | (45.65)% | 279.43 | 0.50% | (0.60) | (38.07)% | 278.83 |
| 9 | Edelweiss Retail Finance Finance Limited | 40.95% | 5,510.90 | (23.56)% | 144.18 | 0.52% | (0.63) | (19.60)% | 143.55 |
| 10 | Edelweiss Private Equity Tech Fund | 3.84% | 516.26 | 3.13% | (19.13) | 0.00% | - | 2.61% | (19.13) |
| 11 | Edelweiss Value and Growth Fund | 5.04% | 678.37 | 18.75% | (114.78) | 0.00% | - | 15.67% | (114.78) |
| 12 | Edelweiss Multi Strategy Fund Advisors LLP | 0.06% | 7.91 | 0.01% | (0.08) | 0.00% | - | 0.01% | (0.08) |
| 13 | India Credit Investment Fund III | 0.00% | - | 59.06% | (361.50) | 0.00% | - | 49.35% | (361.50) |
| 14 | India Credit Investment Fund - 5 | 0.00% | - | 129.39% | (791.96) | 0.00% | - | 108.12% | (791.96) |
| Non-Controlling Interests | | 31.99% | 4,305.04 | 8.54% | (52.29) | 0.26% | (0.31) | 7.18% | (52.59) |
| Adjustments arising out of consolidation | | (557.14)% | (74,978.54) | (147.61)% | 903.49 | (0.26)% | 0.31 | -123.38% | 903.80 |
| Associate (Investment as per the equity method) - Indian | | | | | | | | | |
| | Edelweiss Securities and Investments Private Limited | (0.12)% | (16.13) | 2.64% | (16.13) | 0.00% | - | 2.20% | (16.13) |
| | ECL Finance Limited | 1.79% | 240.77 | (57.17)% | 349.91 | 90.62% | (109.13) | -32.87% | 240.77 |
| Total | | 100.00% | 13,457.66 | 100.00% | (612.07) | 100.00% | (120.43) | 100.00% | (732.50) |



As at March 31, 2023

As at March 31, 2023

| Sr. No. | Name of the Entity | Net Assets i.e. Total Assets minus | | Share in Profit or Loss | | Share in Other Comprehensive | | Share in Total Comprehensive | |
|--|--|------------------------------------|-----------------------|-------------------------------------|-----------------------|---|-----------------------|---|-----------------------|
| | | As % of consolidated net assets | Amount (₹ in Million) | As % of consolidated profit or loss | Amount (₹ in Million) | As % of consolidated other comprehensive income | Amount (₹ in Million) | As % of consolidated total comprehensive income | Amount (₹ in Million) |
| Parent | | | | | | | | | |
| | Edel Finance Company Limited | 402.95% | 15,235.11 | (32.75)% | 654.02 | (23.27)% | 0.14 | (32.75)% | 654.16 |
| Subsidiaries | | | | | | | | | |
| Indian | | | | | | | | | |
| | Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)(NHFL) | 210.13% | 7,944.68 | (8.04)% | 160.63 | (392.23)% | 2.36 | (8.16)% | 162.99 |
| 2 | Edelweiss Investment Adviser Limited | (111.06)% | (4,198.95) | 58.76% | (1,173.21) | 28.25% | (0.17) | 58.75% | (1,173.38) |
| 3 | Edelweiss Rural & Corporate Services Limited | 114.41% | 4,325.56 | 98.59% | (1,968.55) | 453.72% | (2.73) | 98.69% | (1,971.28) |
| 4 | Comtrade Commodities Services Limited (Formerly known as Edelweiss Comtrade Limited) | 0.19% | 7.04 | 0.23% | (4.64) | 33.24% | (0.20) | 0.24% | (4.84) |
| 5 | Allium Finance Private Limited | 34.68% | 1,311.34 | (1.84)% | 36.71 | 0.00% | - | (1.84)% | 36.71 |
| | Non-Controlling Interests | 19.59% | 740.54 | (0.92)% | 18.32 | (19.66)% | 0.12 | (0.92)% | 18.44 |
| | Adjustments arising out of consolidation | (558.50)% | (21,116.38) | -19.34% | 386.25 | 19.94% | (0.12) | -19.33% | 386.13 |
| Associate (Investment as per the equity method) - Indian | | | | | | | | | |
| | ECap Equities Limited (formerly Edel Land Limited) | (12.38)% | (468.03) | 5.32% | (106.31) | 0.00% | - | 5.32% | (106.31) |
| | Total | 100.00% | 3,780.91 | 100.00% | (1,996.78) | 100.00% | (0.60) | 100.00% | (1,997.38) |



Edel Finance Company Limited
Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

58. Utilisation of Borrowed funds and share premium
58.A During the year, the Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall :

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

58.B During the year, the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall, other than as disclosed in note (1) below:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries

Note (1)

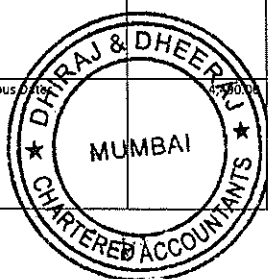
During the year, the Group has taken loans from its holding company and given loan to its subsidiaries/fellow subsidiary companies in the ordinary course of business, which are at Arm's length and the same is approved by Board Audit Committee of the Group. The Group confirm that the below transactions are in accordance with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013 and the such transactions are not in violation of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

For March 31, 2024

| Name of Lender | Nature | Date | ₹ in millions | Name of Company in which investment done by the Company | Nature | Date | ₹ in millions | Remarks |
|--|------------|-----------|---------------|---|------------|-----------|---------------|--|
| Ecap Equities Limited (Formerly known as Edel Land Limited)(ELL) | Loan Taken | 15-Mar-24 | 1,600.00 | Ecap Securities and Investments Limited | Loan Given | 15-Mar-24 | 1,600.00 | 1) Ecap Equities Limited is a subsidiary and Ecap Securities and Investments Limited is a fellow subsidiary of Edel Finance Company Limited. |

For March 31, 2023

| Name of Lender | Nature | Date | ₹ in millions | Name of Company in which investment done by the Company | Nature | Date | ₹ in millions | Remarks |
|--|------------|---------------|---------------|---|-------------------------|---------------|---------------|--|
| Ecap Equities Limited (Formerly known as Edel Land Limited)(ELL) | Loan Taken | Various Dates | 320.10 | ICIF II | Investment in AIF Units | 27-Mar-23 | 320.10 | 1) ELL is associate of ERCSL and ICIF II is fellow subsidiary of ERCSL |
| | | | 220.00 | Edelweiss Alternative Asset Advisors Limited (EAAA) | Loan Given | 28-Mar-23 | 220.00 | 1) Ecap Equities Limited is associate of ERCSL and EAAA is fellow subsidiary of ERCSL |
| | | | 1,048.10 | Edelweiss Alternative Asset Advisors Limited (EIAL) | Loan Given | Various Dates | 1,048.10 | 1) ELL is associate of ERCSL and EIAL is subsidiary of ERCSL |
| ECL Finance Limited (ECLF) | Loan Taken | Various dates | 386.70 | Ecap Equities Limited (Formerly known as Edel Land Limited) (ELL) | Loan Given | Various Dates | 386.70 | 1) ECL Finance is fellow subsidiary of ERCSL and ELL is an associate of ERCSL. 2) ERCSL has repaid its borrowing from ECLF and ELL has repaid its borrowing to ERCSL |
| Edel Finance Company Limited (EFCL) | Loan Taken | Various Dates | 450.00 | Edelcap Securities Limited (Edelcap) | Loan Given | Various Dates | 450.00 | 1) EFCL is holding company of ERCSL and Edelcap is subsidiary of ERCSL. 2) Edelcap has repaid its borrowing from ERCSL |
| | | | 200.00 | Edelweiss Securities & Investments Pvt Ltd (ESIPL) | | | 200.00 | 1) EFCL is holding company of ERCSL and ESIPL is fellow subsidiary of ERCSL. ESIPL has repaid its borrowing from ERCSL |
| Edel Investments Limited (EIL) | Loan Taken | Various Dates | 750.00 | Nuvama Wealth and Investment Limited (EBL) | Loan Given | Various Dates | 750.00 | 1) EIL is fellow subsidiary of ERCSL and EBL is associate of EFSL. 2) Borrowings from EIL has been repaid by ERCSL. EBL has repaid its borrowing to ERCSL |
| Edelcap Securities Limited (Edelcap) | Loan Taken | 07-Apr-22 | 250.00 | Nuvama Wealth and Investment Limited (EBL) | Loan Given | Various Dates | 250.00 | 1) Edelcap is fellow subsidiary of ERCSL and EBL is associate of EFSL. 2) Borrowings from Edelcap has been repaid by ERCSL. EBL has repaid its borrowing to ERCSL |
| Edelweiss Financial Services Limited (EFSL) | Loan Taken | 28-Dec-22 | 957.09 | ICIF II | Investment in AIF Units | 28-Dec-22 | 957.09 | 1) EFSL is ultimate holding company of ERCSL and ICIF II is fellow subsidiary of ERCSL |
| | Loan Taken | Various Dates | 1,750.00 | Edelweiss Retail Finance Limited (ERFL) | Loan Given | 26-Dec-22 | 1,750.00 | 1) EFSL is ultimate holding company of ERCSL and ERFL is fellow subsidiary of ERCSL. ERFL has repaid its borrowing from ERCSL |
| | Loan Taken | Various Dates | 450.00 | Ecap Equities Limited (Formerly known as Edel Land Limited)(ELL) | Loan Given | Various Dates | 450.00 | 1) EFSL is ultimate holding company of ERCSL and ELL is associate of ERCSL. ELL has repaid its borrowing to ERCSL |
| Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)(NHFL) | Loan Taken | Various Dates | 4,490.00 | Ecap Equities Limited (Formerly known as Edel Land Limited)(ELL) | Loan Given | Various Dates | 4,490.00 | 1) NHFL is subsidiary of ERCSL and ELL is associate of ERCSL. ERCSL has repaid its borrowing from NHFL. ELL has repaid its borrowing from ERCSL |



Edel Finance Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

(Currency : Indian rupees in millions)

58. Utilisation of Borrowed funds and share premium

- 58.A During the year, the Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall :
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

Note (2)

Based on the legal opinion obtained by the Holding Company, the transactions undertaken by the Company (CIC-NBFC) of borrowing/lending/investment to and from its holding/subsidiary/affiliate/group entity(ies) (together referred to as the 'Group') or borrowing from outside the Group for onward lending/investments for carrying on their respective business in ordinary course will not attract reporting under Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 (the "Rules"). Accordingly, transactions undertaken by the Company is not disclosed under the Rules.

59. Other Additional Regulatory Information

59.1. Title deeds of Immovable Properties not held in name of the Group

The Group do not have any immovable properties where title deeds are not held in the name of the Group.

59.2. Loans and Advances

The Group has granted loans or advances in the nature of loans, without specifying period of repayment of principal to companies. However, during the year the Group has executed supplementary agreement with such companies to stipulate the schedule for repayment of principal. Of these following are the details of the aggregate amount of loans or advances in the nature of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

| Type of Borrower | For March 31, 2024 | | For March 31, 2023 | |
|------------------|---|---|---|---|
| | Amount of loan or advance in the nature of loan | Percentage to the total Loans and Advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | Percentage to the total Loans and Advances in the nature of loans |
| Promoters | Nil | NA | Nil | NA |
| Directors | Nil | NA | Nil | NA |
| KMPs | Nil | NA | Nil | NA |
| Related Parties | Nil | NA | Nil | NA |

59.3. Details of Benami Property held

The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

59.4. Security of current assets against borrowings

The Group has borrowings from banks or financial institutions on the basis of security of current assets. Quarterly return and statement filed by the Group with such banks or financial institutions are in agreement with the books of account of the Group, wherever applicable.

59.5. Wilful Defaulter

The Group is not declared as wilful defaulter by any bank or financial Institution or other lender.

59.6. Relationship with Struck off Companies

For March 31, 2024

| Name of struck off Company | Nature of transactions with struck off Company | Balance outstanding | Relationship with the struck off Company |
|---------------------------------|--|---------------------|--|
| Aditi Financial Services | Payable | 0.03 | Vendor |
| Suraj Petroleum | Receivables | 2.94 | Customer |
| Shri Sham Fisheries | Receivables | 0.39 | Customer |
| M.S.Clothing | Receivables | 0.24 | Customer |
| S M Enterprises | Receivables | 0.05 | Customer |
| Godavari Traders | Receivables | 0.11 | Customer |
| Ayuh Meditech Solutions Pvt Ltd | Receivables | 0.07 | Customer |
| Sri Sai Simhadri Tyres | Receivables | 0.10 | Customer |

For March 31, 2023

| Name of struck off Company | Nature of transactions with struck off Company | Balance outstanding | Relationship with the struck off Company |
|---|--|---------------------|--|
| Anahat Organisation Development Consultancy Pvt Ltd | Professional Fees | Nil | Vendor |
| Glossy Creation Private Limited | Receivables | 0.59 | Client |
| Shams Cable Network | Office expense | Nil | Vendor |
| Kamal Enterprises | Miscellaneous | Nil | Vendor |
| M R D Enterprises | Repairs & Maintenance | Nil | Vendor |

59.7. Undisclosed income

The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

59.8. The Group is in compliance with number of layers of companies, as prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

59.9. Details of Crypto Currency or Virtual Currency

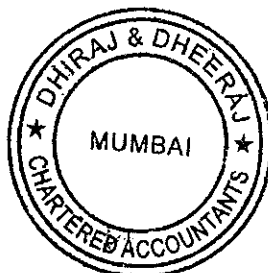
The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

60. Other disclosure

- 60.1 Nuvama Clearing Services Limited (NCSL), a former associate of the Holding Company, received an order from NSE Clearing Ltd (NCL) in the matter of Anugrah Stock and Broking Pvt. Ltd (Anugrah or Trading member) and Vrse Securities Pvt. Limited. The Group has provided an undertaking on behalf of NCSL to maintain sufficient unencumbered assets worth Rs. 92 crores on the instruction from NCL. The Securities Appellate Tribunal (SAT) has upheld NCL order on December 15, 2023. NCSL has appealed against the SAT order at the Supreme Court of India, asserting compliance with all relevant laws and regulations. The appeal is in the process of admission with the Supreme Court of India.

NCSL believes that it has acted in accordance with the agreement entered with the trading member and in accordance with applicable laws and regulations. Accordingly, there is no adjustment required in the consolidated financial statement of the Group.

- 60.2 The Board of Directors in their meeting have approved the decision of the Company to exit from the Real estate ("RE") and Structured finance ("SF") business and reduce the underlying loan portfolio in the near to mid-term. Consequently, the Company's business model with respect to the Real estate and Structured finance portfolio has changed from 'hold to collect' to 'hold to collect and sell'. As per the requirements of Ind AS 109 "Financial Instruments, effective from January 01, 2024, the Company has reclassified its Real estate and Structured finance portfolio measured at amortised cost amounting to ₹ 388 crore to fair value through other comprehensive income.



Edel Finance Company Limited

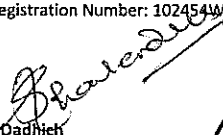
Notes to the consolidated financial statements for the year ended 31 March 2024 (Continued)

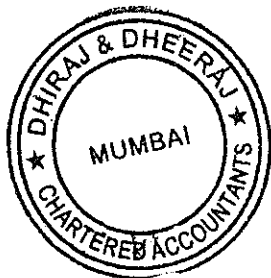
(Currency : Indian rupees in millions)

61. Figures for the previous year have been regrouped/ reclassified wherever necessary to confirm to current year presentation.

As per our report of even date attached

For Dhiraj & Dheeraj
Chartered Accountants
ICAI Firm Registration Number: 102454W


Shailendra Dadhich
Partner
Membership No: 425098



Mumbai, May 10, 2024

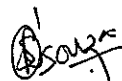
For and on behalf of the Board of Directors



Ananya Suneja
Executive Director & CFO
DIN:07297081



Vidya Shah
Executive Director
DIN : 00274831



Christina D'souza
Company Secretary

May 10, 2024



Edel Finance Company Limited

Corporate Identity Number: U65920MH1989PLC053909

Standalone Financial Statement for the year ended March 31, 2024



DHIRAJ & DHEERAJ
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Edel Finance Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Edel Finance Company Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

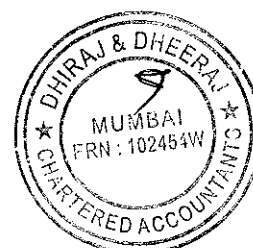
Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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



Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

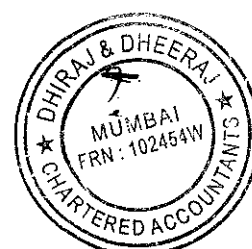
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

| Key audit matters | How our audit addressed the key audit matter |
|---|--|
| (a) Impairment of investments in subsidiary and other group companies (as described in Note 10(a), 10(b) & 10(c) of the Standalone financial statements) | |
| <p>The Company has investments in various subsidiaries amounting to Rs. 55,827.00 millions in form of equity shares, compulsorily convertible preference shares and compulsorily convertible debentures which are not listed or quoted.</p> <p>These investments are valued at cost and are required to be assessed for impairment in accordance with Ind AS 36, when any indicators of impairment are observed.</p> <p>In carrying out such impairment assessment, a significant judgement of the management is involved in estimating the investee company's "value in use", in accordance with Ind AS 36. Estimation of the value in use requires the management to apply appropriate assumptions with respect to the growth rates for future cash flow projections of the investee company and discount rates for determining present value of such cash flows.</p> <p>In view of the high degree of management's judgement involved in estimation of the recoverable amount of investments in unlisted subsidiaries and the inherent uncertainty relating to the assumptions supporting such estimates, we considered this area as a key audit matter.</p> | <p>Our audit procedures included considering the appropriateness of the processes laid down by the management for assessment of impairment in the value of investments in subsidiary and other group companies combined with procedures performed as follows:</p> <ul style="list-style-type: none"> • Considered management's assessment of impairment wherever considered necessary and assessed whether any impairment indicators existed for investment in individual subsidiary and other group companies. • Traced the net-worth of the individual subsidiary and other group companies from their audited financial statements. • Assessed information used to determine the key assumptions including growth rates and discount rates. • Assessed the disclosures relating to investments in subsidiary and other group companies included in the Standalone financial Statements in accordance with the Requirements of Ind AS. |

We have determined that there are no other key audit matters (other than mentioned above) to communicate in our report



Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibility of Management for the Standalone Financial Statements

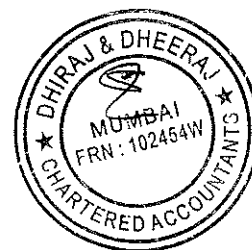
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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



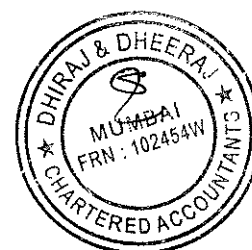
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

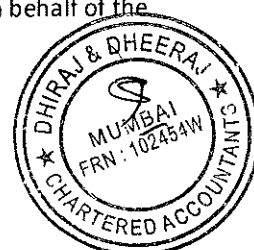
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies;
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided for by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company disclosed the pending litigations in Standalone Ind AS financial statements and believes that the outcome of those litigations will not have a materially adverse effect on the Company's financial position and results of operation which would impact its financial position (Refer Note 37 to the Standalone Ind AS financial statements);
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 43 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;




- b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 43 to the standalone financial statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (editlog) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with

For M/s Dhiraj & Dheeraj

Chartered Accountants

ICAI Firm Registration Number: 102454W



Shailendra Dadhich

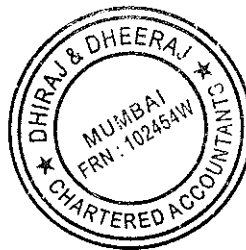
Partner

Membership Number: 425098

UDIN: 24425098BKEIPH1872

Place of Signature: Mumbai

Date: May 10, 2024



Annexure 1 Referred to in Paragraph 1 Under the Heading "Report on Other Legal and Regulatory Requirements" of Our Report of Even Date

Re: Edel Finance Company Limited

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

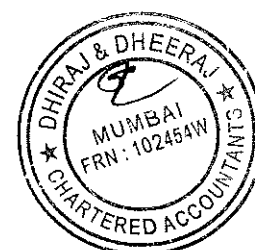
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment are physically verified by the management according to a regular program of verification according to which verification is done every 3 years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets.
- (c) According to the information and explanations given to us and the records of the company examined by us, the title deeds of the immovable properties included in property, plant and equipment are held in the name of the company
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- ii. (a) The Company's business does not require maintenance of inventories and accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the requirement to report under this clause is not applicable.
- iii. (a) The Company is a Core Investment Company and hence reporting under clause 3(iii)(a) of the order is not applicable.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- (e) The Company is a Core Investment Company and hence reporting under clause 3(iii)e of the order is not applicable.
- (f) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment and accordingly, the requirement to report under this clause is not applicable.



- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Having regard to the nature of the Companies' business activities, reporting under clause 3(vi) of the order relating to maintenance of cost records under section 148(1) of the Act is not applicable.
- vii. (a) According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, income-tax, value added tax, service tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

| Name of Statute | Nature of Dues | Amount under dispute (in millions) | Amount paid | Period to which it relates | Forums where dispute is pending |
|---------------------|----------------|------------------------------------|-------------|----------------------------|---------------------------------|
| Income tax Act 1961 | Income Tax | 70.63 | - | 2014-15 | CIT (A) |
| Income tax Act 1961 | Income Tax | 44.25 | - | 2015-16 | CIT (A) |

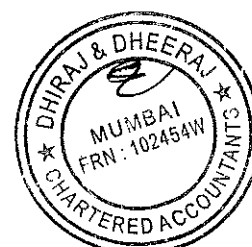
- viii. According to the information and explanations given to us and the records of the company examined by us, there is no income surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender as at the balance sheet date.
- (b) According to the information and explanations given to us and based on our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the company examined by us and the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.



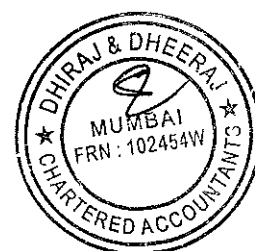
- (f) The Company has raised loans during the year on the pledge of securities held in its subsidiary company as per details below. Further, the Company has not defaulted in repayment of such loans raised.

| Nature of loan taken | Name of lender | Amount of loan (Rs in millions) | Name of the Subsidiary | Relation | Details of security pledged |
|---------------------------|---|---------------------------------|----------------------------|------------|--|
| Term Loan | JM Financial Products Limited and JM Financial Credit Solutions Limited | 3,000 | ECap Equities Limited | Subsidiary | Pledge of Nuvama Wealth Management Limited shares held by ECap Equities Limited |
| Non convertible debenture | Catalyst Trusteeship Limited | 4,982.60 | Edelcap Securities Limited | Subsidiary | Pledge of Edelweiss Asset Reconstruction Company Limited shares held by Edelcap Securities Limited |

- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order are not applicable.
- (b) The Company has not made any preferential allotment of preference shares during the year. Accordingly, the requirements of Section 42 and Section 62 of the Act are not applicable.
- xi. (a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no fraud by the company or on the company have been noticed or reported during the year.
- (b) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, report under section 143(12) of the Act, in Form ADT-4 was not required to be filed. Accordingly, the reporting under Clause 3(xi)(b) of the Order are not applicable.
- (c) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle- blower complaints have been received during the year by the company. Accordingly, the reporting under Clause 3(xi)(c) of the Order is not applicable.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Standalone Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.



- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system in commensurate with the size and nature of its business,
- (b) The reports of the Internal Auditors for the period under audit were considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3 (xv) of the Order is not applicable.
- xvi. (a) According to the information and explanations given to us, we report that the Company being a CIC company has registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The company has conducted non-banking financial Core Investment company (CIC) activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 during the year.
- (c) According to the information and explanations given to us and based on books and records verified by us the Company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and the Company continues to fulfill the criteria of a CIC.
- (d) Based on the information and explanations provided by the management of the Company, the group does not have any other CIC other than the Company.
- xvii. The Company has incurred cash losses of Rs 304.94 Cr in the current financial year and having cash loss of Rs 32.13 crores in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year, and hence reporting under this clause is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratio ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses (xx) (a) and (xx) (b) of the Order are not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statement of the Company. Accordingly, no comment in respect of the said clause has been included in this report.



Annexure 2 to the Independent Auditor's Report of Even Date on the Standalone Financial Statements of Edel Finance Company Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Edel Finance Company Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

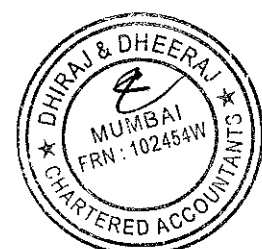
Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls with Reference to these Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly



reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

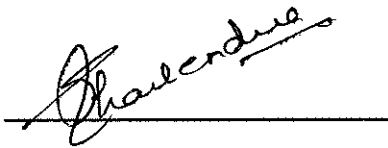
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by Institute of Chartered Accountants of India.

For M/s Dhiraj & Dheeraj

Chartered Accountants

ICAI Firm Registration Number:



Shailendra Dadhich

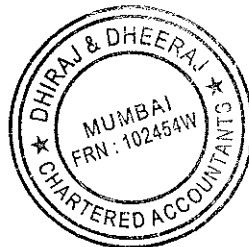
Partner

Membership Number: 425098

UDIN: 24425098BKEIPH1872

Place of Signature: Mumbai

Date: May 10, 2024



Edel Finance Company Limited

Standalone Balance Sheet

(Currency: Indian rupees in millions)

| | Note | As at March 31, 2024 | As at March 31, 2023 |
|---|------|-------------------------|-------------------------|
| ASSETS | | | |
| Financial assets | | | |
| (a) Cash and cash equivalents | 7 | 8.84 | 20.63 |
| (b) Bank balances other than cash and cash equivalents | 8 | 30.30 | - |
| (c) Loans | 9 | 24.60 | 9,549.53 |
| (d) Investments | 10 | 72,945.70 | 31,802.86 |
| (e) Other financial assets | 11 | 4.35 | 2.21 |
| Total financial assets | | 73,013.79 | 41,375.23 |
| Non-financial assets | | | |
| (a) Current tax assets (net) | 12 | 493.35 | 411.99 |
| (b) Deferred tax assets (net) | 13 | 894.89 | 246.67 |
| (c) Property, Plant and Equipment | 14 | 2.22 | 2.24 |
| (d) Other non- financial assets | 15 | 5.69 | 2.80 |
| Total non-financial assets | | 1,396.15 | 663.70 |
| TOTAL ASSETS | | 74,409.94 | 42,038.93 |
| LIABILITIES AND EQUITY | | | |
| Liabilities | | | |
| Financial liabilities | | | |
| (a) Trade payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 16 | 5.87 | 16.28 |
| (b) Debt securities | 17 | 20,225.07 | 14,810.11 |
| (c) Borrowings (other than debt securities) | 18 | 27,882.18 | 11,775.09 |
| (d) Subordinated liabilities | 19 | 161.17 | 161.12 |
| (e) Other financial liabilities | 20 | 22.92 | 7.21 |
| Total financial liabilities | | 48,297.21 | 26,769.81 |
| Non-financial liabilities | | | |
| (a) Current tax liabilities (net) | 21 | 18.15 | 18.15 |
| (b) Provisions | 22 | 2.12 | 0.08 |
| (c) Other non-financial liabilities | 23 | 63.56 | 15.78 |
| Total non-financial liabilities | | 83.83 | 34.01 |
| Equity | | | |
| (a) Equity share capital | 24 | 9,566.75 | 7,566.75 |
| (b) Instruments entirely equity in nature | 25 | 9,650.00 | 1,650.00 |
| (c) Other equity | 26 | 6,812.15 | 6,018.36 |
| Total equity | | 26,028.90 | 15,235.11 |
| TOTAL LIABILITIES AND EQUITY | | 74,409.94 | 42,038.93 |

Material accounting policies and accompanying notes are an integral part of the financial statements

1 to 56

As per our report of even date attached

For Dhiraj & Dheeraj

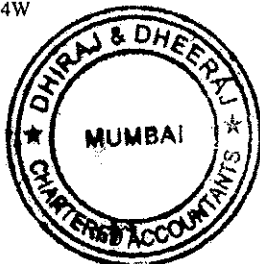
Chartered Accountants

ICAI Firm Registration Number: 102454W

Shailendra Dadhich

Partner

Membership No: 425098



For and on behalf of the Board of Directors

Ananya Suneja

Executive Director & CFO

DIN : 007297081

Vidya Shah

Executive Director

DIN : 00274831

Christina D'souza

Company Secretary



Mumbai May 10, 2024

May 10, 2024

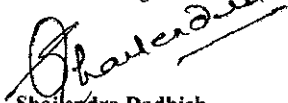
Edel Finance Company Limited
Standalone Statement of Profit and Loss
(Currency: Indian rupees in millions)

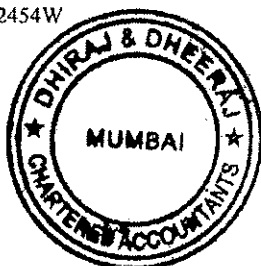
| | Note | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|------|--------------------------------------|--------------------------------------|
| Revenue from operations | | | |
| Interest income | 27 | 790.97 | 662.61 |
| Fee income | 28 | - | 0.09 |
| Net gain on fair value changes | 29 | 3,255.80 | 1,916.30 |
| Total revenue from operations | | 4,046.77 | 2,579.00 |
| Other income | 30 | 0.08 | 526.92 |
| Total Revenue | | 4,046.85 | 3,105.92 |
| Expenses | | | |
| Finance costs | 31 | 3,764.11 | 2,184.91 |
| Impairment on financial instruments | 32 | (38.25) | 30.80 |
| Employee benefits expense | 33 | 39.15 | 2.69 |
| Depreciation and amortisation | 14 | 0.13 | 0.14 |
| Other expenses | 34 | 139.23 | 24.58 |
| Total expenses | | 3,904.37 | 2,243.12 |
| Profit / (Loss) before tax | | 142.48 | 862.80 |
| Tax expenses | 35 | | |
| Current tax | | | |
| Deferred tax expense / (credit) (net) | | (649.00) | 208.78 |
| Total Tax | | (649.00) | 208.78 |
| Profit / (Loss) for the year | | 791.48 | 654.02 |
| Other comprehensive income / (loss) | | | |
| (a) Items that will not be reclassified to profit or loss | | | |
| Remeasurement gain / (loss) on defined benefit plans (OCI) | | 3.09 | 0.14 |
| Income tax - OCI - that will not be reclassified | | (0.78) | - |
| Total | | 2.31 | 0.14 |
| Total comprehensive income / (loss) | | 793.79 | 654.16 |
| Earnings per equity share (Face value of Rs. 100 each): | | | |
| (1) Basic (₹) | 36 | 7.75 | 9.04 |
| (2) Diluted (₹) | 36 | 7.75 | 9.04 |

Material accounting policies and accompanying notes are an integral part of the financial statements 1 to 56

As per our report of even date attached

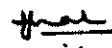
For Dhiraj & Dheeraj
Chartered Accountants
ICAI Firm Registration Number: 102454W

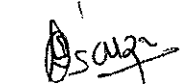

Shalendra Dadhich
Partner
Membership No: 425098



For and on behalf of the Board of Directors


Ananya Suneja
Executive Director & CFO
DIN : 07297081


Vidya Shah
Executive Director
DIN : 00274831


Christina D'souza
Company Secretary



Mumbai May 10, 2024

May 10, 2024

Edel Finance Company Limited
Standalone Statement of Cash flow

(Currency: Indian rupees in millions)

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| A Cash flow from operating activities | | |
| Profit / (Loss) before tax | 142.48 | 862.80 |
| Adjustments for: | | |
| Depreciation and amortisation | 0.13 | 0.14 |
| Profit on sale of investments | - | (448.85) |
| Impairment on financial instruments | (38.25) | 30.80 |
| Fair value of financial instruments | (3,255.80) | (1,916.30) |
| Provision for gratuity and compensated absences | 5.13 | 0.21 |
| Discount on commercial paper | 422.87 | 97.39 |
| Profit on sale of fixed assets (net) | - | (0.08) |
| Operating cash flow before working capital changes (net) | (2,723.44) | (1,373.89) |
| Adjustments for: | | |
| Decrease / (increase) in other financial assets | (32.44) | 0.12 |
| Decrease / (increase) in loans | 9,563.18 | (7,699.42) |
| Sale/ (purchase) of Investments | (37,887.04) | (1,843.57) |
| Decrease / (increase) in other non financial assets | (2.89) | (2.06) |
| Increase / (decrease) in trade payables | (10.41) | (0.96) |
| Increase / (decrease) in non financial liabilities | 47.78 | 5.97 |
| Increase / (decrease) in other financial liabilities | (255.44) | (1,256.58) |
| Cash used in operating activities | (31,300.70) | (12,170.39) |
| Income taxes paid (net of refund) | (81.36) | (100.05) |
| Net cash used in operating activities - A | (31,382.06) | (12,370.44) |
| B Cash flow from investing activities | | |
| Proceeds from sale of property, plant and equipment and intangible assets | 0.05 | 0.11 |
| Net cash generated from investing activities - B | 0.05 | 0.11 |
| C Cash flow from financing activities | | |
| Proceeds from issuance of Share capital (including securities premium) | 10,000.00 | 2,000.00 |
| Proceeds / (repayment) from Debt securities (refer note 1 below) | 5,241.78 | 9,348.40 |
| Proceeds / (repayment) from Borrowings (other than debt securities) (refer note 1 below) | 16,128.44 | 931.63 |
| Net cash generated from financing activities - C | 31,370.22 | 12,280.03 |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | (11.79) | 9.70 |
| Cash and cash equivalent as at the beginning of the year | 20.63 | 10.93 |
| Cash and cash equivalent as at the end of the year | 8.84 | 20.63 |

Notes:

- Net figures have been reported on account of volume of transactions.
- Above Cash Flow Statement has been prepared under indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the companies Act, 2013.
- The previous year figures have been regrouped/reclassified wherever necessary to conform to current year's presentation.

Material accounting policies and accompanying notes are an integral part of the financial statements

1 to 56

As per our report of even date attached

For Dhiraj & DheeraJ

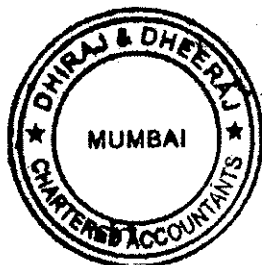
Chartered Accountants

ICAI Firm Registration Number: 102454W

Sudendra Dadhich

Partner

Membership No: 425098



For and on behalf of the Board of Directors

Ananya Suncja

Executive Director & CFO

DIN : 07297081

Vidya Shah

Executive Director

DIN : 00274831

Christina D'Souza

Company Secretary

May 10, 2024



Mumbai May 10, 2024

Edel Finance Company Limited
Statement of Changes in Equity
(Currency: Indian rupees in millions)
A.1 Equity Share Capital

| | As at March 31, 2024 | As at March 31, 2023 |
|--|---------------------------------|---------------------------------|
| | Outstanding as on April 1, 2024 | Outstanding as on April 1, 2023 |
| Issued, subscribed and paid up (Equity shares of face value Rs. 100 each, fully paid-up) | 2,000.00 | 2,000.00 |
| | 7,566.75 | 7,566.75 |

A.2 Instruments entirely equity in nature

Compulsory Convertible Preference Shares (CCPS)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---------------------------------|---------------------------------|
| | Outstanding as on April 1, 2024 | Outstanding as on April 1, 2023 |
| Issued, subscribed and paid up (CCPS of face value Rs. 100 each, fully paid-up) | 1,650.00 | 1,650.00 |

Compulsory Convertible Debentures (CCD)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---------------------------------|---------------------------------|
| | Outstanding as on April 1, 2024 | Outstanding as on April 1, 2023 |
| Issued, subscribed and paid up (CCD of face value Rs. 1000 each, fully paid-up) | 8,000.00 | - |

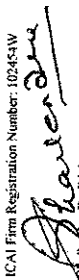
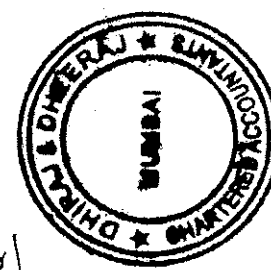
| | | |
|--|----------|----------|
| Total of instruments entirely equity in nature | 1,650.00 | 1,650.00 |
|--|----------|----------|

B. Other Equity

| | Capital Reserves | Capital redemption reserve | Securities Premium | Statutory Reserve | Retained Earnings | Deemed Capital Contribution - Equity | Impairment Reserve | Total Attributable to equity holders |
|-------------------------------|------------------|----------------------------|--------------------|-------------------|-------------------|--------------------------------------|--------------------|--------------------------------------|
| Balance as at March 31, 2022 | (3,999.11) | 84.34 | 4,485.38 | 1,282.95 | 3,476.12 | 2.25 | 32.27 | 5,364.20 |
| Profit for the year | - | - | - | - | 654.02 | - | - | 654.02 |
| Other comprehensive loss | - | - | - | - | 0.14 | - | - | 0.14 |
| | (3,999.11) | 84.34 | 4,485.38 | 1,282.95 | 4,130.28 | 2.25 | 32.27 | 6,018.36 |
| Transfer to statutory reserve | - | - | - | 130.81 | (130.81) | - | - | - |
| Balance as at March 31, 2023 | (3,999.11) | 84.34 | 4,485.38 | 1,413.76 | 3,999.47 | 2.25 | 32.27 | 6,018.36 |
| Profit for the year | - | - | - | - | 791.48 | - | - | 791.48 |
| Other comprehensive loss | - | - | - | - | 2.31 | - | - | 2.31 |
| | (3,999.11) | 84.34 | 4,485.38 | 1,413.76 | 4,793.26 | 2.25 | 32.27 | 6,812.15 |
| Transfer to statutory reserve | - | - | - | 158.30 | (158.30) | - | - | - |
| Balance as at March 31, 2024 | (3,999.11) | 84.34 | 4,485.38 | 1,572.06 | 4,634.96 | 2.25 | 32.27 | 6,812.15 |

Material accounting policies and accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For Dhiraj & Dheeraj
Chartered Accountants
ICAI Firm Registration Number: 102451W
Signature: 
Stamp: 
Membership No: 425098

For and on behalf of the Board of Directors

Ananya Sundeja
Executive Director & CFO
DIN : 07297081

Vidya Shah
Executive Director
DIN : 00274831

Christina D'Souza
Company Secretary



Mumbai May 10, 2024

May 10, 2024

Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

1. Corporate information:

Edel Finance Company Limited ('the Company') a public limited company domiciled and incorporated under the provisions applicable in India under the Companies Act, 1956. The Company was incorporated on October 16, 1989 and is wholly owned subsidiary of Edelweiss Financial Services Limited.

The Company was primarily engaged in the business of lending and investment and is registered with the Reserve Bank of India ('RBI') as a Systematically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI). Company got converted to Core Investment Company ('CIC') as NBFC-CIC-ND-SI on 09th October, 2018.

2. Basis of preparation:

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

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

3. Presentation of financial statements:

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current).

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

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

Derivative assets and liabilities with master netting arrangements [e.g. ISDAs (International Swaps and Derivatives Association)] are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

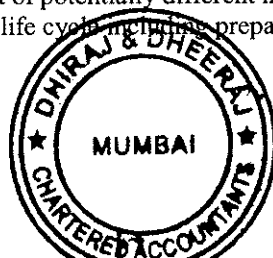
4. Material accounting policy

4.1 Recognition of interest income and dividend income

4.1.1 Effective interest rate (EIR):

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

The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial asset. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

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

4.1.2 Interest income:

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

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

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

4.1.3 Dividend income:

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

4.1.4 Fee and Commission Income:

Fee and commission income include fees other than those that are an integral part of EIR. The Company recognises the fee and commission income in accordance with the terms of the relevant contracts / agreement and when it is probable that the Company will collect the consideration.

4.1.5 Other Income

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

4.2 Financial instruments:

4.2.1 Date of recognition:

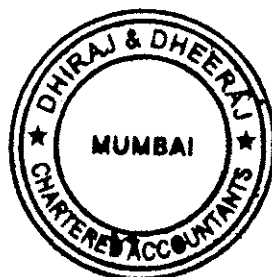
Financial assets and liabilities with exception of loans and borrowings are initially recognised on the trade date, i.e. the date the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery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

4.2.2 Initial measurement of financial instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4.2.3 Day 1 profit and loss:

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



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

4.2.4 Classification & measurement categories of financial assets and liabilities:

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

Financial assets carried at amortised cost (AC)

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

Sale that occur for below reason are considered as consistent with business model whose objective is to hold financial assets in order to collect contractual cash flows

- If those sales are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).
- If such sales are made close to maturity of financial asset and proceeds from sale approximate the collection of the remaining contractual cash flow
- Selling a financial asset because of significant increase in credit risk.

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

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

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

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

4.3 Financial assets and liabilities:

4.3.1 Amortized cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

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

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

4.3.2 Financial assets held for trading:

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

4.3.3 Investment in equity instruments:

The Company subsequently measures all equity investments (other than subsidiaries, associates, and other group companies) at fair value through profit or loss, unless the management has elected to classify irrevocably some of its strategic equity investments to be measured at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis. Investments in subsidiaries and associates are carried at cost as permitted under Ind AS 27 (Separate Financial Statements). The investment in other group companies are carried at cost less provision for impairment. (subsidiaries, associates, and other group companies).

4.3.4 Financial liabilities:

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

4.3.5 Derivative financial instruments:

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

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

4.3.6 Debt securities and other borrowed funds:

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

The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

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

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis.

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

4.3.8 Financial liabilities and equity instruments

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

4.4 Reclassification of financial assets and liabilities

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

4.5 Derecognition of financial Instruments:

4.5.1 Derecognition of financial asset

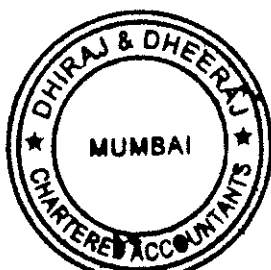
A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial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

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

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

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

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

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

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

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

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

4.5.2 Derecognition of financial liabilities

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

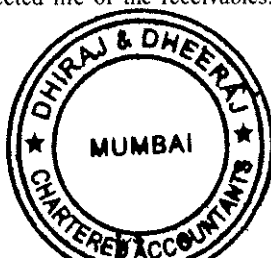
4.6 Impairment of financial assets:

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

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

Simplified approach

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



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

General approach

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

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

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

The Company provides for expected credit loss on group loans based on its estimates of credit assessment on such loans subject to minimum 0.40% on all group loans as per Company estimates and RBI IRACP prudential norms.

Company categories its financial assets as follows:

Stage 1 assets:

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

Stage 2 assets:

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

Stage 3 assets:

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

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

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



V

Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

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

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

4.7 Collateral valuation:

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

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

4.8 Write-offs:

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

4.9 Determination of fair value:

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

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

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

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

Level 1 financial instruments:

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



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

Level 2 financial instruments:

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

Level 3 financial instruments:

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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

4.10 Operating leases:

Company as a lessee:

The Company has applied Ind AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

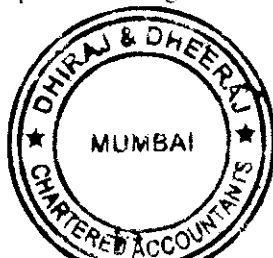
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liability

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term lease:

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight line basis over lease term.



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

4.11 Earnings per share:

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

4.12 Foreign currency transaction:

The Standalone Financial Statements are presented in Indian Rupees which is also functional currency of the Company. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

4.13 Retirement and other employee benefit:

4.13.1 Provident fund:

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

4.13.2 Gratuity:

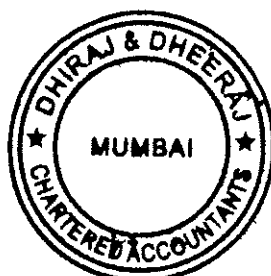
The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method. Benefits in respect of gratuity are funded with an Insurance Company approved by Insurance Regulatory and Development Authority (IRDA).

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurement are not reclassified to profit or loss in subsequent periods.

4.13.3 Compensated absences:

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

4.13.4 Employee Stock Option Plans (ESOPs) / Stock Appreciation Rights (SARs):

The Holding Company (Edelweiss Financial Services Limited ("EFSL")) has Employee Stock Option Plans and Stock Appreciation Rights in force. Based on such schemes, parent entity has granted an ESOP/SAR option to acquire equity shares of EFSL that would vest in a graded manner to company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options. Company has accepted such cross charge and recognised the same under the employee cost.

4.14 Property, plant and equipment:

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in profit or loss during the reporting period, in which they are incurred.

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

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

| Nature of assets | Estimated useful lives |
|---|------------------------|
| Building (other than factory building) | 60 years |
| Vehicles | 8 years |
| Office equipment | 5 years |
| Computers - servers and networks | 6 years |
| Computers - end user devices, such as desktops, laptops, etc. | 3 years |

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

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

4.15 Intangible assets:

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

4.16 Impairment of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment is reversed subject to a maximum carrying value of the asset before impairment.

4.17 Provisions and other contingent liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

4.18 Income tax expenses:

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

4.18.1 Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

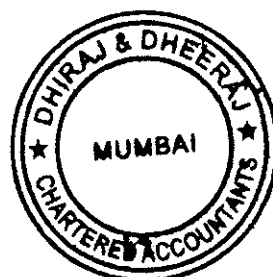
4.18.2 Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

4.18.3 Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4.19 Cash and cash equivalents:

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

5 Material accounting judgements, estimates and assumptions :

In the application of the Company's accounting policies, which are described in note 4, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies:

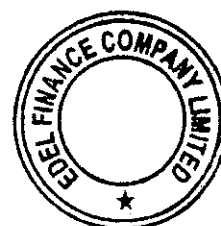
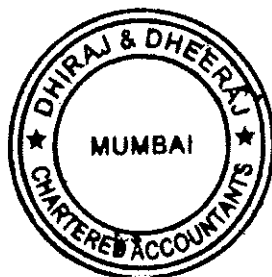
The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

5.1 Business model assessment :

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Company's of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets

5.2 Significant increase in credit risk:

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.



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6 Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

6.1 Fair value of financial instruments:

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

6.2 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 4.1.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument

6.3 Impairment of Financial assets:

The measurement of impairment losses across all categories of financial assets except assets valued at fair value through Profit & Loss account (FVTPL) requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- PD calculation includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

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

6.4 Impairment of Non-Financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exist, the Company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

6.5 Provisions and contingent liabilities:

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of its business.

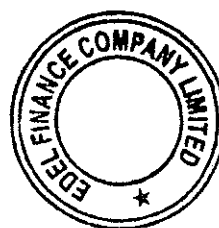
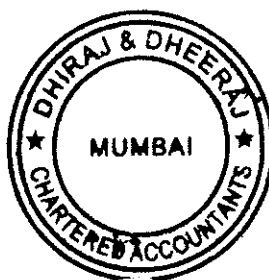
When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

6.6 Provisions for Income Taxes:

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



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Edel Finance Company Limited

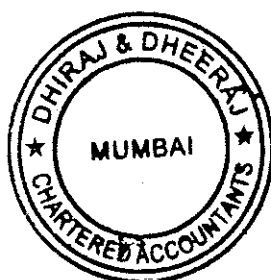
Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| 7. Cash and cash equivalents | | |
| Balances with banks | | |
| - in current accounts | 8.84 | 20.63 |
| | <u>8.84</u> | <u>20.63</u> |
| 8. Bank balances other than cash and cash equivalents | | |
| Long term bank deposits with banks | 30.00 | - |
| Accrued interest on fixed deposits | 0.30 | - |
| | <u>30.30</u> | <u>-</u> |

Notes:

1. Fixed deposit and other balances with banks earns interest at fixed rate or floating rates based on daily bank deposit rates.
2. Fixed deposit aggregating to ₹ 30 million (previous year ₹ Nil) have been pledged against term loan taken by the Company.



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

| | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------------------|-------------------------|-------------------------|
| 9. Loans (at amortised cost) | | |
| Term Loans; | | |
| Corporate credit | 24.70 | 9,587.88 |
| Total gross | 24.70 | 9,587.88 |
| Less: Impairment loss allowance | (0.10) | (38.35) |
| Total net | 24.60 | 9,549.53 |
| Collateral : | | |
| Unsecured | 24.70 | 9,587.88 |
| Total gross | 24.70 | 9,587.88 |
| Less: Impairment loss allowance | (0.10) | (38.35) |
| Total net | 24.60 | 9,549.53 |
| Loans in India | | |
| Public sector | - | - |
| Others | 24.70 | 9,587.88 |
| Total gross | 24.70 | 9,587.88 |
| Less: Impairment loss allowance | (0.10) | (38.35) |
| Total net | 24.60 | 9,549.53 |



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

9.A Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross without reducing impairment allowances. Details of the Company's internal grading for stage classification are explained in risk management disclosure and policies on ECL allowances are set out in material accounting policy information.

a) Credit quality of assets

| | As at March 31, 2024 | | | | As at March 31, 2023 | | | |
|------------|----------------------|---------|---------|-------|----------------------|---------|---------|----------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| Performing | | | | | | | | |
| High grade | 24.70 | - | - | 24.70 | 9,587.88 | - | - | 9,587.88 |
| | 24.70 | - | - | 24.70 | 9,587.88 | - | - | 9,587.88 |

b) Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances to corporate and retail customers:

The following disclosure provides stage wise reconciliation of the Company's gross carrying amount and ECL allowances for loans and advances to corporate customers. The transfers of financial assets represents the impact of stage transfers upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers.

The 'New assets originated / repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions within the Company's lending portfolio.

Reconciliation / movement for the year ended March 31, 2024

| Particulars | Non Credit Impaired | | | | Credit Impaired | | Total | |
|---|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|
| | Stage 1 | | Stage 2 | | Stage 3 | | Gross carrying Amount | Allowance for ECL |
| | Gross Carrying Amount | Allowance for ECL | Gross carrying Amount | Allowance for ECL | Gross carrying Amount | Allowance for ECL | | |
| Opening Balance | 9,587.88 | 38.35 | - | - | - | - | 9,587.88 | 38.35 |
| New assets originated / (repayments) received (net) | (9,563.18) | (38.25) | - | - | - | - | (9,563.18) | (38.25) |
| Closing Balance | 24.70 | 0.10 | - | - | - | - | 24.70 | 0.10 |

Reconciliation / movement for the year ended March 31, 2023

| Particulars | Non Credit Impaired | | | | Credit Impaired | | Total | |
|---|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|
| | Stage 1 | | Stage 2 | | Stage 3 | | Gross carrying Amount | Allowance for ECL |
| | Gross Carrying Amount | Allowance for ECL | Gross carrying Amount | Allowance for ECL | Gross carrying Amount | Allowance for ECL | | |
| Opening Balance | 1,888.46 | 7.55 | - | - | - | - | 1,888.46 | 7.55 |
| New assets originated / (repayments) received (net) | 7,699.42 | 30.80 | - | - | - | - | 7,699.42 | 30.80 |
| Closing Balance | 9,587.88 | 38.35 | - | - | - | - | 9,587.88 | 38.35 |



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

10. Investments

10.A Summary of Investments

| As at March 31, 2024 | At Amortised cost (1) | At fair value | | | Subtotal 5 = (2+3+4) | At cost (subsidiaries/ fellow subsidiaries/ associates) (6) | Total (7)= (1+5+6) |
|------------------------------------|-----------------------|-----------------|------------------|---|----------------------|---|--------------------|
| | | Through OCI (2) | Through P&L (3) | Designated at fair value through Profit or loss (4) | | | |
| Equity instruments | - | - | 7,291.19 | - | 7,291.19 | 62,858.81 | 70,150.00 |
| Debt Securities | - | - | 2,775.70 | - | 2,775.70 | - | 2,775.70 |
| Preference Shares | 20.00 | - | - | - | - | - | 20.00 |
| Total - Gross (A) | 20.00 | - | 10,066.89 | - | 10,066.89 | 62,858.81 | 72,945.70 |
| (i) Investments outside India | - | - | - | - | - | - | - |
| (ii) Investments in India | 20.00 | - | 10,066.89 | - | 10,066.89 | 62,858.81 | 72,945.70 |
| Total (B) | 20.00 | - | 10,066.89 | - | 10,066.89 | 62,858.81 | 72,945.70 |
| Less: Allowance for impairment (C) | - | - | - | - | - | - | - |
| Total Net (A-C) | 20.00 | - | 10,066.89 | - | 10,066.89 | 62,858.81 | 72,945.70 |

| As at March 31, 2023 | At Amortised cost (1) | At fair value | | | Subtotal 5 = (2+3+4) | At cost (subsidiaries/ fellow subsidiaries/ associates) (6) | Total (7)= (1+5+6) |
|------------------------------------|-----------------------|-----------------|-----------------|---|----------------------|---|--------------------|
| | | Through OCI (2) | Through P&L (3) | Designated at fair value through Profit or loss (4) | | | |
| Equity instruments | - | - | 4,103.16 | - | 4,103.16 | 24,821.08 | 28,924.24 |
| Debt Securities | - | - | 2,858.62 | - | 2,858.62 | - | 2,858.62 |
| Preference Shares | 20.00 | - | - | - | - | - | 20.00 |
| Total - Gross (A) | 20.00 | - | 6,961.78 | - | 6,961.78 | 24,821.08 | 31,802.86 |
| (i) Investments outside India | - | - | - | - | - | - | - |
| (ii) Investments in India | 20.00 | - | 6,961.78 | - | 6,961.78 | 24,821.08 | 31,802.86 |
| Total (B) | 20.00 | - | 6,961.78 | - | 6,961.78 | 24,821.08 | 31,802.86 |
| Less: Allowance for impairment (C) | - | - | - | - | - | - | - |
| Total Net (A-C) | 20.00 | - | 6,961.78 | - | 6,961.78 | 24,821.08 | 31,802.86 |

Note:

Refer note 10.B & 10.C for further details

10.B Investments in redeemable preference shares measured at amortised cost:

i) Credit quality of assets:

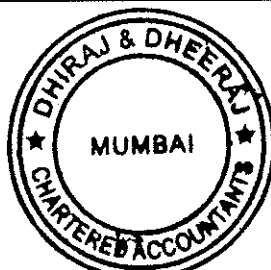
The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading for stage classification are explained in Note 46.D.1 and policies on ECL allowances are set out in Note 4.6.

| Particulars | March 31, 2024 | | | | March 31, 2023 | | | |
|-------------|----------------|----------|-----------|--------------|----------------|----------|-----------|----------|
| | Stage I | Stage II | Stage III | Total | Stage I | Stage II | Stage III | Total |
| Performing | 20.00 | - | - | 20.00 | 20.00 | - | - | 20.00 |
| High grade | - | - | - | - | - | - | - | - |
| | 20.00 | - | - | 20.00 | 20.00 | - | - | - |

ii) Reconciliation of changes in gross carrying amount for investments in redeemable preference shares:

| Particulars | March 31, 2024 | | | | March 31, 2023 | | | |
|---|----------------|----------|-----------|--------------|----------------|----------|-----------|--------------|
| | Stage I | Stage II | Stage III | Total | Stage I | Stage II | Stage III | Total |
| Gross carrying amount - opening balance | 20.00 | - | - | 20.00 | - | - | - | - |
| Assets acquired or recognised | - | - | - | - | 20.00 | - | - | 20.00 |
| Unwinding of discount (recognised in interest income) | - | - | - | - | - | - | - | - |
| Changes to contractual cash flows due to modifications not resulting in derecognition | - | - | - | - | - | - | - | - |
| Assets derecognised or matured | - | - | - | - | - | - | - | - |
| Closing balance | 20.00 | - | - | 20.00 | 20.00 | - | - | 20.00 |

Refer note 10.C for further details



V

Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

10. Investments (continued)

10.C Scrip wise details of Investments

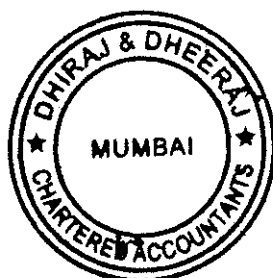
| | As at March 31, 2024 | | | As at March 31, 2023 | | |
|--|----------------------|----------------|------------------|----------------------|--------------|------------------|
| | Face Value (Rs.) | Quantity | Amount | Face Value (Rs.) | Quantity | Amount |
| Equity Instruments (Fully paid up) | | | | | | |
| <i>At Cost</i> | | | | | | |
| Subsidiary company | | | | | | |
| Edelweiss Rural & Corporate Services Limited | | | | | | |
| Equity instruments @ | 10 | 6,65,80,367 | 5,556.62 | 10 | 4,65,35,367 | 5,356.17 |
| Investments in Compulsory Convertible Preference Shares | 10 | 13,59,955 | 500.00 | 10 | 13,59,955 | 500.00 |
| 0.01% Unsecured Compulsory Convertible Debenture* | 1,000 | 1,25,00,000 | 12,500.00 | 1,000 | 90,00,000 | 9,000.81 |
| Nido Home Finance Limited | 100 | 2,75,80,225 | 2,934.53 | 100 | 2,75,80,225 | 2,934.53 |
| Edelweiss Retail Finance Limited | 10 | 30,00,000 | 264.00 | - | - | - |
| 0.01% Unsecured Compulsory Convertible Debenture- ECap Equities Limited | 1,000 | 20,00,000 | 2,000.00 | - | - | - |
| 0.01% Unsecured Compulsory Convertible Debenture- ECap Equities Limited | 10 | 76,00,00,000 | 7,600.00 | - | - | - |
| ECL Finance Limited | 1 | 2,13,82,16,650 | 24,471.85 | - | - | - |
| <i>At Cost</i> | | | | | | |
| Fellow Subsidiaries | | | | | | |
| Edelweiss Retail Finance Limited | - | - | - | 10 | 30,00,000 | 264.00 |
| Edelweiss Asset Management Limited** | 10 | 69,67,613 | 733.89 | 10 | 69,67,613 | 733.89 |
| 0.01% Unsecured Compulsory Convertible Debenture- ECap Equities Limited | - | - | - | 1,000 | 20,00,000 | 2,000.18 |
| ECL Finance Limited | - | - | - | 1 | 55,00,00,000 | 4,031.50 |
| Edelweiss Alternative Asset Advisors Limited | 10 | 31,81,872 | 329.87 | - | - | - |
| <i>At Cost</i> | | | | | | |
| Associate companies | | | | | | |
| Edelweiss Securities And Investments Private Limited | 10 | 2,94,473 | 5,968.05 | - | - | - |
| Others | | | | | | |
| <i>At fair value through profit and loss account</i> | | | | | | |
| Nuvama Wealth Management Limited (Formerly Edelweiss Securities Limited) | 10 | 18,34,455 | 7,291.19 | 10 | 18,34,455 | 4,103.16 |
| Total (A) | | | 70,150.00 | | | 28,924.24 |
| Debt Securities | | | | | | |
| <i>At fair value through profit and loss account</i> | | | | | | |
| 9.75% Edelweiss Retail Finance Limited Perpetual Bonds | 10,00,000 | 71 | 60.26 | 10,00,000 | 71 | 60.24 |
| 10.25% ECL Finance Limited Perpetual Bonds @ | 10,00,000 | 2,400 | 2,692.44 | 10,00,000 | 2,400 | 2,691.45 |
| ECap Equities Limited- Nifty Linked Debenture | - | - | - | 1,00,000 | 564 | 86.15 |
| Edelweiss Asset Reconstruction Company Limited - Nifty Linked Debenture | 1,00,000 | 107 | 23.00 | 1,00,000 | 107 | 20.78 |
| Total (B) | | | 2,775.70 | | | 2,858.62 |
| Others - Non-Convertible Redeemable Preference Shares | | | | | | |
| <i>At Amortised Cost</i> | | | | | | |
| Subsidiary company | | | | | | |
| Edelweiss Rural & Corporate Services Limited | 10 | 20,00,000 | 20.00 | 10 | 20,00,000 | 20.00 |
| Total (C) | | | 20.00 | | | 20.00 |
| Total (A+B+C) | | | 72,945.70 | | | 31,802.86 |

@ 65,00,000 equity shares are pledged with Beacon Trusteeship Limited as security against Non-Convertible debentures issued by the Company

* 90,00,000 CCDs are pledged with Beacon Trusteeship Limited as security against issue of Non Convertible Debentures issued by Edelweiss Financial Services Limited

** Equity share investments are pledged with Catalyst Trusteeship Limited as security against issue of Nifty Linked Debentures issued by ECap Equities Limited (formerly Edel Land Limited)

@ Debt securities are earmarked in the matter of Nuvama Clearing Services Limited



W

Edel Finance Company Limited**Notes to the financial statements for the year ended March 31, 2024**

(Currency: Indian rupees in millions)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| 11. Other financial assets | | |
| Deposits placed with/ for exchange/ depositories | 2.40 | 1.90 |
| Deposits- others | 0.18 | 0.18 |
| Advances recoverable in cash or in kind or for value to be received | 1.77 | 0.13 |
| | 4.35 | 2.21 |
| 12. Current tax assets (net) | | |
| Advance income taxes (net of provision for tax) | 493.35 | 411.99 |
| | 493.35 | 411.99 |
| 13. Deferred tax assets (net) | | |
| Deferred tax assets / (Liabilities) | | |
| <u>Loans</u> | | |
| Provision for expected credit loss | 0.02 | 9.65 |
| <u>Unused tax losses</u> | | |
| Accumulated losses | 1,420.51 | 662.30 |
| <u>Employee benefit obligations</u> | | |
| Disallowances under section 43B of the Income Tax Act, 1961 | (0.30) | (0.04) |
| <u>Property, plant and equipment and intangibles</u> | | |
| Difference between book and tax depreciation | (0.05) | 0.05 |
| <u>Investments and other financial instruments</u> | | |
| Unrealised (gain) / loss on investments (net) | (572.53) | (458.35) |
| Others | 47.24 | 33.06 |
| | 894.89 | 246.67 |



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Edel Finance Company Limited

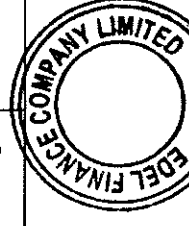
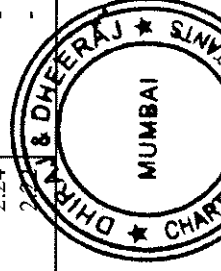
Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

14. Property, plant and equipment and intangible assets

| Particulars | Building (Flat) s | Property, plant and equipment Vehicles | Office equipment | Computers | Total | Intangible Assets Computer Software | Total | Grand total |
|--|----------------------|---|---------------------|-----------|--------|---|-------|-------------|
| Gross Block | | | | | | | | |
| as at March 31, 2022 | 2.90 | 0.47 | - | 0.20 | 3.57 | 6.94 | 6.94 | 10.51 |
| Additions | - | (0.47) | - | - | (0.47) | - | - | - |
| Disposals | - | - | - | - | - | - | - | (0.47) |
| as at March 31, 2023 | 2.90 | - | - | 0.20 | 3.10 | 6.94 | 6.94 | 10.04 |
| Additions | - | - | - | 0.11 | 0.11 | - | - | 0.11 |
| Disposals | - | - | - | (0.05) | (0.05) | - | - | (0.05) |
| as at March 31, 2024 | 2.90 | - | - | 0.26 | 3.16 | 6.94 | 6.94 | 10.10 |
| Depreciation / Amortisation: | | | | | | | | |
| as at March 31, 2022 | 0.54 | 0.42 | - | 0.19 | 1.15 | 6.94 | 6.94 | 8.09 |
| Depreciation/amortisation for the year | 0.12 | 0.01 | - | 0.01 | 0.14 | - | - | 0.14 |
| Disposals | - | (0.43) | - | - | (0.43) | - | - | (0.43) |
| as at March 31, 2023 | 0.66 | - | - | 0.20 | 0.86 | 6.94 | 6.94 | 7.80 |
| Depreciation/amortisation for the year | 0.11 | - | - | 0.02 | 0.13 | - | - | 0.13 |
| Disposals | - | - | - | (0.05) | (0.05) | - | - | (0.05) |
| as at March 31, 2024 | 0.77 | - | - | 0.17 | 0.94 | 6.94 | 6.94 | 7.88 |
| Net Block | | | | | | | | |
| As at March 31, 2023 | 2.24 | - | - | - | 2.24 | - | - | 2.24 |
| As at March 31, 2024 | 2.13 | - | - | 0.09 | 2.22 | - | - | 2.22 |

\$ Provided as security against redeemable non-convertible debentures issued by the company



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| 15. Other non-financial assets | | |
| (Unsecured considered good, unless stated otherwise) | | |
| Prepaid expenses | 0.02 | 0.50 |
| Vendor Advances | 1.89 | 1.61 |
| Advances to employees | 0.47 | 0.45 |
| Others | 3.31 | 0.24 |
| | 5.69 | 2.80 |

| | | |
|---|-------------|--------------|
| 16. Trade Payables | | |
| (i) total outstanding dues of micro enterprises and small enterprises | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 5.87 | 16.28 |
| | 5.87 | 16.28 |

| | | |
|---------------------------------------|-------------|--------------|
| Payable to : | | |
| Trade payables to non-related parties | 4.21 | 13.96 |
| Trade payables to related parties | 1.66 | 2.32 |
| | 5.87 | 16.28 |

16.A Details of dues to micro and small enterprises

Trade Payables includes Rs.Nil (March 31, 2023 : Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

16.B Trade Payables ageing schedule

| As at March 31, 2024 | Outstanding for following periods from due date of payment | | | | | | Total |
|----------------------|--|----------|------------------|-----------|-----------|-------------------|-------------|
| | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | - | - | - | - | - | - |
| (ii) Others | 3.88 | - | 1.99 | - | - | - | 5.87 |
| Total | 3.88 | - | 1.99 | - | - | - | 5.87 |

| As at March 31, 2023 | Outstanding for following periods from due date of payment | | | | | | Total |
|----------------------|--|----------|------------------|-------------|-------------|-------------------|--------------|
| | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | - | - | - | - | - | - |
| (ii) Others | 13.23 | - | 3.00 | 0.05 | 0.00 | 0.00 | 16.28 |
| Total | 13.23 | - | 3.00 | 0.05 | 0.00 | 0.00 | 16.28 |

| | | |
|---------------------------------------|------------------|------------------|
| 17. Debt securities | | |
| At amortised cost | | |
| <u>Secured</u> | | |
| Non-convertible redeemable debentures | | |
| Benchmark linked debentures | 6,966.84 | 2,216.24 |
| Non-Convertible Debentures | 2,155.63 | 2,155.07 |
| <u>Unsecured</u> | | |
| Benchmark linked debentures | 5,736.06 | 5,748.71 |
| Commercial paper | 5,366.54 | 4,690.09 |
| | 20,225.07 | 14,810.11 |
| Debt Securities in India | 20,225.07 | 14,810.11 |
| Debt Securities outside India | - | - |
| | 20,225.07 | 14,810.11 |



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

17 Debt securities (continued)**17.A Details of debt securities :****Benchmark linked debentures**

Benchmark linked debentures are secured by way of a pari passu charge over the immovable property, charge against receivable and investment and corporate guarantee from the holding company.

In case of benchmark linked debentures, the interest rate is linked to the performance of the underlying indices and is fluctuating in nature.

Certain benchmark linked debentures have a clause which may trigger redemption event on hitting a pre determined level benchmark index.

Redeemable Non-Convertible Debentures

Redeemable Non-Convertible Debentures are secured by way of exclusive and/or pari passu charge on the assets of the company including loans and advances, receivables, investments, current & others assets and immovable property/fixed assets held by the Company.

17.B Maturity profile of debt securities are set out below:

| Maturity Month | Secured Benchmark Linked Debentures Amount outstanding as at | | Unsecured Benchmark Linked Debentures Amount outstanding as at | |
|-----------------------|---|-----------------|---|-----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| within 1 year | - | 1,974.40 | - | - |
| 1 - 3 years | 3,453.17 | 21.40 | 3,789.88 | 3,749.88 |
| > 3 years | 3,633.39 | 170.00 | 1,896.15 | 1,936.15 |
| | 7,086.56 | 2,165.80 | 5,686.03 | 5,686.03 |
| Associated accruals * | (119.73) | 50.44 | 50.04 | 62.68 |
| Total | 6,966.83 | 2,216.24 | 5,736.07 | 5,748.71 |

* Interest accrued but not due and payable on maturity of debentures.

| Maturity | Secured Redeemable Non-Convertible Debentures | |
|-------------------------|--|-----------------|
| | March 31, 2024 | March 31, 2023 |
| Rate of interest | 10.18% p.a. | 10.18% p.a. |
| within 1 year | - | - |
| 1 - 3 years | - | - |
| > 3 years | 2,000.00 | 2,000.00 |
| | 2,000.00 | 2,000.00 |
| Associated accruals | 155.63 | 155.07 |
| Total | 2,155.63 | 2,155.07 |

| Maturity | Commercial Paper | |
|----------------------------|-------------------|-------------------|
| | March 31, 2024 | March 31, 2023 |
| Rate of interest | 8.70 - 9.90% p.a. | 8.70 - 9.90% p.a. |
| within 1 year | 5,420.00 | 4,800.00 |
| | 5,420.00 | 4,800.00 |
| Less: Unamortized discount | 53.46 | 109.91 |
| Total | 5,366.54 | 4,690.09 |



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| 18. Borrowings (other than debt securities) | | |
| <i>At amortised cost</i> | | |
| <u>Secured</u> | | |
| Term loan | | |
| from other parties | 3,000.00 | - |
| Less: unamortized expenses | 42.03 | - |
| | <u>2,957.97</u> | <u>-</u> |
| <u>Unsecured</u> | | |
| Loan and advances from related parties | 24,924.21 | 11,775.09 |
| | <u>27,882.18</u> | <u>11,775.09</u> |
| Borrowings in India | 27,882.18 | 11,775.09 |
| Borrowings from outside India | - | - |
| | <u>27,882.18</u> | <u>11,775.09</u> |

Terms of Secured Loan:

1. The loan is secured by owned and group's listed equity shares and corporate guarantee from group company.
2. Rate of Interest is 12.00% p.a. payable monthly.
3. The loan is repayment within 12 months from the date of disbursement.
4. Bullet repayment is to be made on the final date of maturity.

18.A Details of Borrowings other than Debt Securities

| Maturity | Loan and advances from related parties - Amount outstanding as at | |
|-------------------------|--|--------------------|
| | March 31, 2024 | March 31, 2023 |
| Rate of interest | 12.00%-14.10% p.a. | 13.25%-14.25% p.a. |
| within 1 year | 3,000.00 | - |
| 1 - 3 years | 24,790.00 | 11,619.53 |
| | <u>27,790.00</u> | <u>11,619.53</u> |
| Associated accruals * | 92.18 | 155.56 |
| Total | <u>27,882.18</u> | <u>11,775.09</u> |

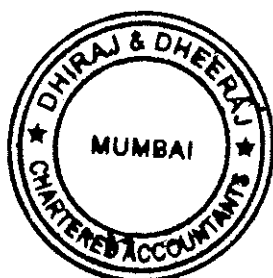
* Associated accruals include interest accrued and unamortized expenses.

| | | |
|--|----------------|----------------|
| 19. Subordinated Liabilities | As at | As at |
| <i>At amortised cost</i> | March 31, 2024 | March 31, 2023 |
| <u>Unsecured</u> | | |
| Subordinated debentures | | |
| Privately placed redeemable non-convertible debentures | 161.17 | 161.12 |
| | <u>161.17</u> | <u>161.12</u> |
| Subordinated liabilities in India | 161.17 | 161.12 |
| Subordinated liabilities outside India | - | - |
| | <u>161.17</u> | <u>161.12</u> |

19.A Maturity profile and rate of interest of subordinated liabilities are set out below:

| Maturity Month | Unsecured subordinated liabilities - Interest Rate 11.00% p.a. Amount outstanding as at | |
|------------------------|---|----------------|
| | March 31, 2024 | March 31, 2023 |
| July-2025 | 150.00 | 150.00 |
| | <u>150.00</u> | <u>150.00</u> |
| Add: interest accrued* | 11.17 | 11.12 |
| Total | <u>161.17</u> | <u>161.12</u> |

* Interest accrued but not due is payable on next interest payment date.



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| 20. Other financial liabilities | | |
| Unclaimed matured debentures | 2.41 | 6.61 |
| Accrued salaries and benefits | 20.50 | 0.60 |
| Interest payable on compulsorily convertible debentures | 0.01 | - |
| | <u>22.92</u> | <u>7.21</u> |
| 21. Current tax liabilities (net) | | |
| Provision for taxation (net of advance tax) | 18.15 | 18.15 |
| | <u>18.15</u> | <u>18.15</u> |
| 22. Provisions | | |
| Provision for employee benefits | | |
| Gratuity | 1.87 | 0.07 |
| Compensated leave absences | 0.25 | 0.01 |
| | <u>2.12</u> | <u>0.08</u> |
| 23. Other non-financial liabilities | | |
| Statutory liabilities* | 63.53 | 15.70 |
| Others | 0.03 | 0.08 |
| | <u>63.56</u> | <u>15.78</u> |

* Includes withholding taxes, profession tax and other statutory dues payables



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

24. Equity share capital

Authorised :

Equity Shares of Rs.100 each

Preference shares of Rs.100 each

| As at March 31, 2024 | | As at March 31, 2023 | |
|----------------------|------------------|----------------------|------------------|
| No. of shares | Amount | No. of shares | Amount |
| 22,85,00,000 | 22,850.00 | 22,85,00,000 | 22,850.00 |
| 5,00,00,000 | 5,000.00 | 5,00,00,000 | 5,000.00 |
| 27,85,00,000 | 27,850.00 | 27,85,00,000 | 27,850.00 |

Issued, Subscribed and Paid up:

Equity Shares of Rs.100 each

| | | | |
|--------------------|-----------------|--------------------|-----------------|
| 9,56,67,388 | 9,566.75 | 7,56,67,388 | 7,566.75 |
| 9,56,67,388 | 9,566.75 | 7,56,67,388 | 7,566.75 |

24.A Reconciliation of number of shares

Outstanding at the beginning of the year

Additional equity shares issued during the year

Outstanding at the end of the year

| As at March 31, 2024 | | As at March 31, 2023 | |
|----------------------|-----------------|----------------------|-----------------|
| No. of shares | Amount | No. of shares | Amount |
| 7,56,67,388 | 7,566.75 | 5,56,67,388 | 5,566.75 |
| 2,00,00,000 | 2,000.00 | 2,00,00,000 | 2,000.00 |
| 9,56,67,388 | 9,566.75 | 7,56,67,388 | 7,566.75 |

Notes:

During the financial year 2023-24 the Company has issued 2,00,00,000 fully paid-up equity shares of Rs 100 each aggregating to Rs. 2,000 millions to Edelweiss Financial Services Limited.

24.B Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of Rs. 100/- Each holder of equity shares is entitled to one vote per share held.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

24.C Shares held by holding/ultimate holding company and/or their subsidiaries/associates

Holding company

Edelweiss Financial Services Limited (EFSL)*

| As at March 31, 2024 | | As at March 31, 2023 | |
|----------------------|----------------|----------------------|----------------|
| No. of shares | % holding | No. of shares | % holding |
| 9,56,67,388 | 100.00% | 7,56,67,388 | 100.00% |
| 9,56,67,388 | 100.00% | 7,56,67,388 | 100.00% |

* including 6 shares held by Nominees of EFSL

24.D Details of shares held by promoters in the Company

As at March 31, 2024

Promoter name

Edelweiss Financial Services Limited*

Total

| No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % Change during the year |
|--|------------------------|--------------------------------------|-------------------|--------------------------|
| 7,56,67,388 | 2,00,00,000 | 9,56,67,388 | 100.00% | - |
| 7,56,67,388 | 2,00,00,000 | 9,56,67,388 | 100.00% | - |

As at March 31, 2023

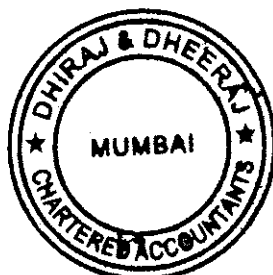
Promoter name

Edelweiss Financial Services Limited*

Total

| No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of total shares | % Change during the year |
|--|------------------------|--------------------------------------|-------------------|--------------------------|
| 5,56,67,388 | 2,00,00,000 | 7,56,67,388 | 100.00% | - |
| 5,56,67,388 | 2,00,00,000 | 7,56,67,388 | 100.00% | - |

* including 6 shares held by Nominees of EFSL



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

24.E Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---------------------------------------|----------------------|----------------|----------------------|----------------|
| | No. of shares | % holding | No. of shares | % holding |
| Edelweiss Financial Services Limited* | 9,56,67,388 | 100.00% | 7,56,67,388 | 100.00% |
| | 9,56,67,388 | 100.00% | 7,56,67,388 | 100.00% |

* including 6 shares held by Nominees of EFSL

24.F There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

25. Instruments entirely equity in nature

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | No. of shares | Amount | No. of shares | Amount |
| A. Compulsory Convertible Preference Shares (CCPS) (16,500,000 CCPS - 0.01% Compulsory Convertible Preference Shares ("CCPS") of face value of Rs. 100/-) | 1,65,00,000 | 1,650.00 | 1,65,00,000 | 1,650.00 |
| | 1,65,00,000 | 1,650.00 | 1,65,00,000 | 1,650.00 |

The entire CCPS issued by the company of Rs. 1,650 millions is held by Edelweiss Financial Services Limited.

Reconciliation of number of shares

| | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | No. of shares | Amount | No. of shares | Amount |
| Outstanding at the beginning of the year | 1,65,00,000 | 1,650.00 | 1,65,00,000 | 1,650.00 |
| Additional shares issued during the year | - | - | - | - |
| Outstanding at the end of the year | 1,65,00,000 | 1,650.00 | 1,65,00,000 | 1,650.00 |

Terms of Compulsory Convertible Preference Shares ("CCPS")

The Company has issued and allotted 65,00,000 0.01% CCPS on March 9, 2021 convertible into Equity shares on March 8, 2026 at a ratio of 1:1.

The Company has issued and allotted 1,00,00,000 0.01% CCPS on March 20, 2021 convertible into Equity shares on March 19, 2026 at a ratio of 1:1.

| | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|-----------------|----------------------|----------|
| | No. of shares | Amount | No. of shares | Amount |
| B. Compulsorily Convertible Debentures (CCD) (80,00,000 CCD - 0.01% Compulsory Convertible Debentures ("CCD") of face value of Rs. 1000/-) | 80,00,000 | 8,000.00 | - | - |
| | 80,00,000 | 8,000.00 | - | - |

The entire CCD issued by the company of Rs. 8,000 millions is held by Edelweiss Financial Services Limited.

Reconciliation of number of shares

| | As at March 31, 2024 | | As at March 31, 2023 | |
|--|----------------------|-----------------|----------------------|----------|
| | No. of shares | Amount | No. of shares | Amount |
| Outstanding at the beginning of the year | - | - | - | - |
| Additional CCD issued during the year | 80,00,000 | 8,000.00 | - | - |
| Outstanding at the end of the year | 80,00,000 | 8,000.00 | - | - |

Terms of Compulsory Convertible Debentures ("CCD")

The Company has issued and allotted 80,00,000 0.01% CCDs on March 28, 2024 and CCDs will be converted into equity shares within period not exceeding 10 years from the date of allotment.

| | As at March 31, 2024 Amount | As at March 31, 2023 Amount |
|--|-----------------------------------|-----------------------------------|
| Total of Instruments entirely equity in nature (A+B) | 9,650.00 | 1,650.00 |



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

26. Other Equity

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| a. Capital redemption reserve | 84.34 | 84.34 |
| b. Capital Reserve | (3,999.11) | (3,999.11) |
| c. Securities premium reserve | 4,485.38 | 4,485.38 |
| d. Statutory reserve | 1,572.06 | 1,413.76 |
| e. Retained earnings | 4,634.96 | 3,999.47 |
| f. Deemed capital contribution - Equity | 2.25 | 2.25 |
| g. Impairment reserve | 32.27 | 32.27 |
| | 6,812.15 | 6,018.36 |

26.A Nature and purpose of Reserves

a. Capital redemption reserve

The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

b. Capital Reserve

Capital reserve is created on merger of Edelweiss Finvest Limited in Edel Finance Company Limited.

c. Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

d. Statutory reserve

Reserve created under 45-IC(1) The Reserve Bank of India Act, 1934 by transferring a sum not less than twenty per cent of net profit as disclosed in the profit and loss account and before declaring dividend.

e. Retained earnings

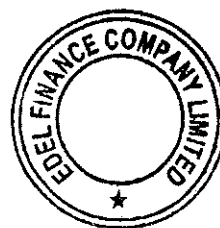
Retained earnings comprises of the Company's undistributed earnings after taxes.

f. Deemed capital contribution - Equity

Deemed capital contribution relates to share options granted to eligible employees of the Company by the parent company under its employee share option plan.

g. Impairment reserve

As per the RBI circular RBI/2019-20/170 dated 13th March, 2020, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRAC (including standard asset provisioning), NBFCs (CICs) shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. Further, no withdrawals shall be permitted from this reserve without prior permission from the RBI.

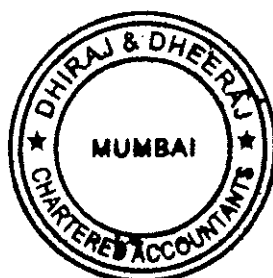


Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| 27. Interest Income | | |
| on financial assets measured at amortised cost | | |
| Interest on loans | 535.20 | 585.88 |
| Interest on fixed deposits with banks | 0.33 | - |
| Interest income on debt securities | 1.83 | 1.10 |
| on financial assets measured at fair value through profit or loss | | |
| Interest income on debt securities | 253.61 | 75.63 |
| | 790.97 | 662.61 |
| 28. Fee income | | |
| Processing and other fees | - | 0.09 |
| | - | 0.09 |
| Below is the disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in statement of profit and loss: | | |
| Service transferred at a point in time | - | - |
| Service transferred over time | - | 0.09 |
| Total revenue from contract with customers | - | 0.09 |
| 29. Net gain / (loss) on fair value changes | | |
| Net gain/ (loss) on financial instruments at fair value through profit or loss | | |
| On investments and securities held for trading | 3,255.80 | 1,916.30 |
| | 3,255.80 | 1,916.30 |
| Fair value changes | | |
| Realised | 81.87 | 700.69 |
| Unrealised | 3,173.93 | 1,215.61 |
| | 3,255.80 | 1,916.30 |
| 30. Other income | | |
| Profit on sale of investments | - | 448.85 |
| Interest on Income Tax refund | - | 0.70 |
| Miscellaneous income | 0.08 | 77.37 |
| | 0.08 | 526.92 |



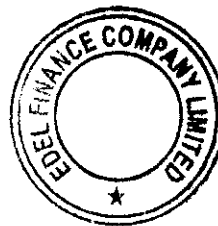
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Edel Finance Company Limited**Notes to the financial statements for the year ended March 31, 2024**

(Currency: Indian rupees in millions)

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--|--|
| 31. Finance costs | | |
| On financial liabilities measured at amortised cost | | |
| Interest on borrowings other than debt securities | 2,007.55 | 1,607.23 |
| Interest on debt securities | 1,725.80 | 550.68 |
| Interest on subordinated liabilities | 16.55 | 16.50 |
| Other finance cost and bank charges | 14.21 | 10.50 |
| | 3,764.11 | 2,184.91 |
| 32. Impairment on financial instruments | | |
| On financial instruments measured at amortised cost | | |
| Expected credit loss | | |
| Loans and financial instruments | (38.25) | 30.80 |
| | (38.25) | 30.80 |
| 33. Employee benefits expense | | |
| Salaries and wages | 38.92 | 2.38 |
| Contribution to provident and other funds | 0.23 | 0.13 |
| Staff welfare expenses | - | 0.18 |
| | 39.15 | 2.69 |



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| 34. Other expenses | | |
| Advertisement and business promotion | 0.11 | - |
| Auditors' remuneration (<i>refer note 34.A</i>) | 1.27 | 1.36 |
| Directors' sitting fees | 1.85 | 1.41 |
| Legal and professional fees & Clearing & custodian charges | 17.10 | 1.54 |
| Rates and taxes | 0.03 | 0.32 |
| Repairs and maintenance | 0.14 | 0.12 |
| Corporate guarantee commission | 6.36 | 6.82 |
| Rating support fees | 3.39 | 2.79 |
| Membership and subscription | 0.17 | - |
| Office expenses | 2.17 | 2.55 |
| Goods & Service tax expenses | 102.53 | 5.97 |
| Stamp duty | 1.18 | 0.46 |
| Stock exchange expenses | 2.90 | 1.24 |
| Travelling and conveyance | 0.03 | - |
| | 139.23 | 24.58 |
| 34.A Auditors' remuneration: | | |
| As Auditor | | |
| Audit fees | 0.60 | 0.75 |
| Limited Review | 0.45 | 0.45 |
| Certification | - | 0.13 |
| Reimbursement of expenses | 0.22 | 0.03 |
| | 1.27 | 1.36 |

34.B Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, employees' costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 33 and 34 include reimbursements paid.



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Edel Finance Company Limited**Notes to the financial statements for the year ended March 31, 2024**

(Currency: Indian rupees in millions)

35. Income Tax**Component of income tax expenses**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Current tax | - | - |
| Deferred tax relating to origination and reversal of temporary differences | (649.00) | 208.78 |
| Total tax charge for the year | (649.00) | 208.78 |
| Current tax | - | - |
| Deferred tax | (649.00) | 208.78 |

35.A The income tax expenses for the year can be reconciled to the accounting profit as follows:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Profit/ (loss) before taxes | 142.48 | 862.80 |
| Statutory Income Tax rate | 25.168% | 25.168% |
| Tax charge at statutory rate | 35.86 | 217.15 |
| Adjustment in respect of current income tax of prior year | - | - |
| Tax effect of: | | |
| Difference between tax base due to Indexation Benefit available on Capital Assets | - | (8.26) |
| Impact of tax rate differential on capital asset and statutory tax rate | (684.63) | - |
| Others | (0.23) | (0.11) |
| Current Tax Expenses Reported in Statement of Profit and Loss | (649.00) | 208.78 |
| Effective Income Tax Rate | 25.17% | 25.17% |



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

35.B Movement of Deferred Tax assets

Financial Year 2023-24

| | As on March 31, 2023 | Movement for the period (2023-24) | | | As on March 31, 2024 |
|---|----------------------|-----------------------------------|-------------------|----------------------------|----------------------|
| | | Recognised in profit or loss | Recognised in OCI | Recognised in other equity | |
| Deferred Tax Assets / (Liabilities) | | | | | |
| Employee benefits obligations | (0.04) | 0.52 | (0.78) | - | (0.30) |
| Expected credit loss provision on Loans | 9.65 | (9.63) | - | - | 0.02 |
| Unused tax losses | 662.30 | 758.21 | - | - | 1,420.51 |
| Property, plant and equipment & intangible assets | 0.05 | (0.10) | - | - | (0.05) |
| Fair valuation of financial assets | (458.35) | (114.18) | - | - | (572.53) |
| Others | 33.06 | 14.18 | - | - | 47.24 |
| Deferred Tax Asset (net) | 246.67 | 649.00 | (0.78) | - | 894.89 |

Financial Year 2022-23

| | As on March 31, 2022 | Movement for the period (2022-23) | | | As on March 31, 2023 |
|---|----------------------|-----------------------------------|-------------------|----------------------------|----------------------|
| | | Recognised in profit or loss | Recognised in OCI | Recognised in other equity | |
| Deferred Tax Assets / (Liabilities) | | | | | |
| Employee benefits obligations | (0.02) | (0.02) | - | - | (0.04) |
| Expected credit loss provision on Loans | 1.90 | 7.75 | - | - | 9.65 |
| Unused tax losses | 421.03 | 241.27 | - | - | 662.30 |
| Property, plant and equipment & intangible assets | 0.21 | (0.16) | - | - | 0.05 |
| Fair valuation of financial assets | - | (458.35) | - | - | (458.35) |
| Others | 32.33 | 0.73 | - | - | 33.06 |
| Deferred Tax Asset (net) | 455.45 | (208.78) | - | - | 246.67 |



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

36. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company with the weighted average number of equity shares outstanding during the period adjusted for assumed conversion of all dilutive potential equity shares.

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|---------|--------------------------------------|--------------------------------------|
| Net profit / (loss) attributable to equity holders of the Company | (A) | 793.79 | 654.02 |
| Weighted average number of shares | | | |
| - Number of equity shares outstanding at the beginning of the year | | 7,56,67,388 | 5,56,67,388 |
| - Number of equity shares issued during the year | | 2,00,00,000 | 2,00,00,000 |
| Total number of equity shares outstanding at the end of the year | | 9,56,67,388 | 7,56,67,388 |
| Total number of CCPS outstanding at the end of the year | | 1,65,00,000 | 1,65,00,000 |
| Total number of CCD outstanding at the end of the year | | 80,00,000 | - |
| Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) | (B) | 10,24,27,060 | 7,23,86,566 |
| Weighted average number of diluted equity shares outstanding during the year | (C) | 10,24,27,060 | 7,23,86,566 |
| Adjusted net profit / (loss) for diluted EPS | (D) | 793.79 | 654.02 |
| Basic earnings per share (in rupees) | (A / B) | 7.75 | 9.04 |
| Diluted earnings per share (in rupees) | (D / C) | 7.75 | 9.04 |

37. Contingent Liability:

- a. In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

Details of contingent liability

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Taxation matters of assessment year AY 2014-15 & AY 2015-16 in respect of which appeal is pending with tax authorities | 114.88 | 114.88 |

The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favourable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote"

- b. Pursuant to the Income Tax Authorities ("the ITA") search during March 2023. The Company is filing necessary responses to the notices received from the ITA. Post March 31, 2024, the Company has received assessment order from ITA for AY 2022-23 with Nil tax demand. Thus, no adjustment has been made or is required in the stand alone financial statements of the Company.



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

38. Segment reporting

Primary Segment (Business segment)

The Company being CIC, has only capital business segment in the current year i.e March 31, 2024. The Company has operated only in one business segment during the year viz. Capital based business comprising of income from investments. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. Hence, no disclosures are required under Segment Reporting.

| Segment | Activities covered |
|------------------------|---|
| Capital based business | Income from investments and dividend income |

Secondary Segment

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

39. Defined benefit plan

a) Defined contribution plan - Provident funds

The Company recognised Rs.0.10 million (Previous year : Rs. 0.11 million) for provident fund and other contributions in the Statement of profit and loss.

b) Defined benefit plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non-contributory defined benefit arrangement providing lump-sum gratuity benefits expressed in terms of final monthly salary and year of service, covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

i) Movement in defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for defined benefit liability and its components:

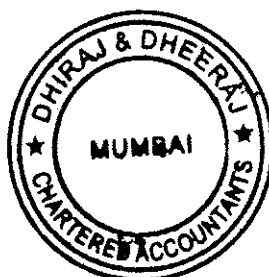
| Particulars | Defined benefit obligation | |
|-------------------------------------|----------------------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Opening Balance | 0.07 | (0.01) |
| Current service cost | 0.03 | 0.02 |
| Interest cost | 0.13 | - |
| | 0.23 | 0.01 |
| Other comprehensive Income | | |
| Remeasurement loss (gain): | | |
| Actuarial loss (gain) arising from: | | |
| Experience | (0.04) | 0.02 |
| Financial assumptions | - | 0.01 |
| Demographic assumptions | - | - |
| | (0.04) | 0.03 |
| Others | | |
| Transfer In/ (Out) | 1.68 | 0.03 |
| Benefits paid | - | - |
| Closing Balance | 1.87 | 0.07 |

ii) Components of defined benefit plan cost:

| Particulars | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Recognised in Statement of profit or loss | | |
| Current service cost | 0.03 | 0.02 |
| Interest cost | - | - |
| Net Interest on net defined benefit liability/ (asset) | 0.12 | - |
| Total | 0.15 | 0.02 |
| Recognised in other comprehensive income | | |
| Remeasurement of net defined benefit liability/(asset) | 3.09 | 0.14 |
| Total | 3.09 | 0.14 |

iii) Reconciliation of Fair Value of Plan Assets

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| | | |
| Fair Value of Plan Assets at start of the year | 2.90 | 2.80 |
| Contributions by Employer | - | - |
| Benefits Paid | - | - |
| Interest Income on Plan Assets | 0.21 | 0.17 |
| Re-measurements | | |
| Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset) | 0.20 | (0.07) |
| Fair Value of Plan Assets at end of the year | 3.31 | 2.90 |
| Actual Return on Plan Assets | 0.40 | 0.10 |



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

39. Defined benefit plan (continued)

b) Defined benefit plan - Gratuity (continued)

iv) Net Liability/ (Asset) recognised in the Balance Sheet

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Present Value of DBO | 1.87 | 0.07 |
| Fair Value of Plan Assets | 3.31 | 2.90 |
| Liability/ (Asset) recognised in the Balance Sheet | (1.44) | (2.83) |
| Funded Status [Surplus/(Deficit)] | 1.44 | 2.83 |
| Amount not recognized as asset [Effect of limiting net assets to asset ceiling] | - | 2.65 |
| Net Liability/ (Asset) recognised in the Balance Sheet | (1.44) | (0.18) |
| Of which, Short term Liability | - | - |
| Experience Adjustment on Plan Liabilities: (Gain)/Loss | (0.04) | 0.02 |

v) Percentage Break-down of Total Plan Assets

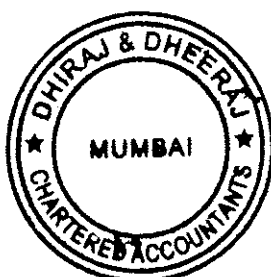
| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Equity instruments | 0% | 0% |
| Debt instruments | 0% | 0% |
| Real estate | 0% | 0% |
| Derivatives | 0% | 0% |
| Investment Funds with Insurance Company | 99.6% | 99.5% |
| Of which, Unit Linked | 85.9% | 85.0% |
| Of which, Traditional Non-Unit Linked | 13.7% | 14.5% |
| Asset-backed securities | 0% | 0% |
| Structured debt | 0% | 0% |
| Cash and cash equivalents | 0.4% | 0.5% |
| Total | 100.00% | 100.00% |

vi) Movement in Other Comprehensive Income

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Balance at start of year (Loss)/ Gain | (0.82) | (0.96) |
| Re-measurements on DBO | - | - |
| a. Actuarial (Loss)/ Gain from changes in demographic assumptions | - | - |
| b. Actuarial (Loss)/ Gain from changes in financial assumptions | - | (0.01) |
| c. Actuarial (Loss)/ Gain from experience over the past year | 0.04 | (0.02) |
| Re-measurements on Plan Assets | - | - |
| Return on Plan assets, excluding amount included in net interest on the net defined benefit liability / (asset) | 0.20 | (0.07) |
| Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset) | 2.85 | 0.24 |
| Balance at end of year (Loss)/ Gain | 2.27 | (0.82) |

vii) Movement in Surplus/ (Deficit)

| | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------------------|-------------------------|-------------------------|
| Surplus/ (Deficit) at start of year | 0.18 | 0.08 |
| Net Transfer (In)/ Out | (1.68) | (0.03) |
| Movement during the year | - | - |
| Current Service Cost | (0.03) | (0.02) |
| Net Interest on net DBO | (0.12) | - |
| Re-measurements – (Losses)/ Gains | 3.09 | 0.14 |
| Contributions/ Benefits | - | - |
| Surplus/ (Deficit) at end of year | 1.44 | 0.18 |



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

39. Defined benefit plan (continued)**b) Defined benefit plan - Gratuity (continued)****Actuarial assumptions:**

The following were the principal actuarial assumptions at the reporting date:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------------|----------------------------|
| Discount Rate | 7.00% | 7.10% |
| Salary Growth Rate | 7.00% | 7.00% |
| Withdrawal/Attrition Rate (based on categories) | 16.00% | 16.00% |
| Interest Rate on Net DBO (% p.a.) | 7.10% | 5.90% |
| Mortality Rate | IALM 2012-14 (Ultimate) | IALM 2012-14 (Ultimate) |
| Expected weighted average remaining working lives of employees | 3.5 | 3.5 |

Notes:

a) The discount rate are based on the benchmark yields available on Government Bonds at the valuation date with terms matching that of the liabilities.

b) The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.

c) Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| | As at March 31, 2024 | | As at March 31, 2023 | |
|-----------------------------|----------------------|----------|----------------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Salary Growth Rate (+/- 1%) | 0.01 | 0.01 | 0.01 | 0.01 |
| Discount Rate (+/- 1%) | 0.01 | 0.01 | 0.01 | 0.01 |
| Withdrawal Rate (+/- 1%) | - | - | - | - |

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

c) Compensated absences :

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation. The leave encashment on separation is paid on basic salary.



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

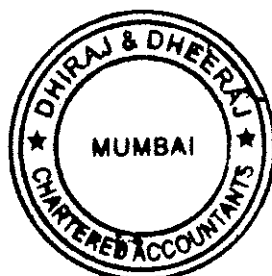
(Currency: Indian rupees in millions)

40. Change in liabilities arising from financing activities

| Particulars | As at April 1, 2023 | Cash Flows | Changes in Fair value | Others (net)* | As at March 31, 2024 |
|---|------------------------|------------------|--------------------------|---------------|-------------------------|
| Debt securities | 14,810.11 | 5,241.78 | - | 173.18 | 20,225.07 |
| Borrowings (other than debt securities) | 11,775.09 | 16,128.44 | - | (21.35) | 27,882.18 |
| Subordinated liabilities | 161.12 | (0.00) | - | 0.05 | 161.17 |
| | 26,746.32 | 21,370.22 | - | 151.88 | 48,268.42 |

| Particulars | As at April 1, 2022 | Cash Flows | Changes in Fair value | Others (net)* | As at March 31, 2023 |
|---|------------------------|------------------|--------------------------|-------------------|-------------------------|
| Debt securities | 6,691.33 | 9,445.79 | - | (1,327.01) | 14,810.11 |
| Borrowings (other than debt securities) | 10,771.37 | 931.63 | - | 72.09 | 11,775.09 |
| Subordinated liabilities | 161.12 | - | - | - | 161.12 |
| | 17,623.82 | 10,377.42 | - | (1,254.92) | 26,746.32 |

* Includes the effect of interest accrued but not paid on borrowing, securities premium on issue of debt securities



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Edel Finance Company Limited

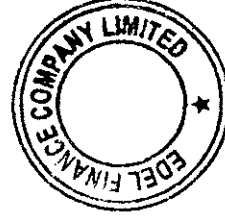
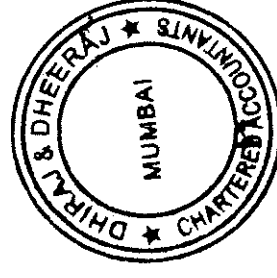
Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

41. Maturity Analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|--|----------------------|------------------|------------------|----------------------|------------------|------------------|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| Financial Assets | | | | | | |
| Cash and cash equivalents | 8.84 | - | 8.84 | 20.63 | - | 20.63 |
| Bank balances other than cash and cash equivalents | 30.30 | - | 30.30 | - | - | - |
| Loans | 24.60 | - | 24.60 | 7,312.43 | 2,237.10 | 9,549.53 |
| Investments | 13,030.72 | 59,914.98 | 72,945.70 | 86.15 | 31,716.71 | 31,802.86 |
| Other financial assets | 2.72 | 1.63 | 4.35 | 1.07 | 1.14 | 2.21 |
| Non-financial assets | | | | | | |
| Current tax assets (net) | - | 493.35 | 493.35 | - | 411.99 | 411.99 |
| Deferred tax assets (net) | - | 894.89 | 894.89 | - | 246.67 | 246.67 |
| Property, Plant and Equipment | - | 2.22 | 2.22 | - | 2.24 | 2.24 |
| Other non- financial assets | 2.38 | 3.31 | 5.69 | 2.80 | - | 2.80 |
| Total Assets | 13,099.56 | 61,310.38 | 74,409.94 | 7,423.08 | 34,615.85 | 42,038.93 |
| Financial Liabilities | | | | | | |
| Trade payables | 5.87 | - | 5.87 | 16.28 | - | 16.28 |
| Debt securities | 5,522.17 | 14,702.90 | 20,225.07 | 6,858.89 | 7,951.22 | 14,810.11 |
| Borrowings (other than debt securities) | 3,092.18 | 24,790.00 | 27,882.18 | 155.56 | 11,619.53 | 11,775.09 |
| Subordinated Liabilities | 11.17 | 150.00 | 161.17 | 11.12 | 150.00 | 161.12 |
| Other financial liabilities | 22.92 | - | 22.92 | 7.21 | - | 7.21 |
| Non-financial liabilities | | | | | | |
| Current tax liabilities (net) | - | 18.15 | 18.15 | - | 18.15 | 18.15 |
| Provisions | - | 2.12 | 2.12 | 0.08 | - | 0.08 |
| Other non-financial liabilities | 63.51 | 0.05 | 63.56 | 15.78 | - | 15.78 |
| Total Liabilities | 8,717.82 | 39,663.22 | 48,381.04 | 7,064.92 | 19,738.90 | 26,803.82 |
| Net total assets/ (liabilities) | 4,381.74 | 21,647.16 | 26,028.90 | 358.16 | 14,876.95 | 15,235.11 |



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in million)

42. Disclosure of Related Party Transactions pursuant to IND AS 24 "Related Party Transactions"

List of related parties and relationship:

| | | |
|--|---|--|
| Holding Company | Edelweiss Financial Services Limited | |
| Subsidiary Company with whom the transactions have taken place in current or previous year | ECap Equities Limited (formerly Edel Land Limited) ECL Finance Limited Edelweiss Retail Finance Limited Edelweiss Rural & Corporate Services Limited Allium Finance Private Limited Contrade Commodities Services Limited Edelcap Securities Limited Edelweiss Investment Adviser Limited Nido Home Finance Limited | |
| Fellow subsidiaries and associates with whom transactions have taken place in current or previous year | ECap Securities And Investments Limited Edel Investments Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Asset Management Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Global Wealth Management Limited Edelweiss Securities and Investments Private Limited | |
| Name of related parties over whom significant influence is exercised | Edelweiss Multi Strategy Fund Advisors LLP India Credit Investment Fund III India Credit Investment Fund - 5 Edelweiss Private Equity Tech fund Edelweiss Value and Growth Fund | |
| Associate Companies (till 30.03.23) (Refer Note 2) | Nuvama Asset Management Limited Nuvama Wealth and Investment Limited Nuvama Wealth Finance Limited | |
| Key Management Personnel (KMP) | Tarun Khurana Ananya Suneja Vidya Shah Christina D'souza Atul Ambavat Sunil Pharterpekar Vinod Juneja Priyadeep Chopra | Company Secretary (upto February 9, 2024) Executive Director and Chief Financial Officer Executive Director Company Secretary (w.e.f. February 9, 2024). Independent Director Independent Director Independent Director Non- executive director |



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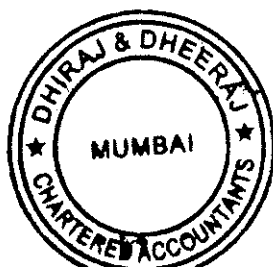
Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in million)

42. Disclosure of Related Party Transactions pursuant to IND AS 24 "Related Party Transactions" (continued)

| Sr.No. | Nature of Transaction | Related Party Name | 2023-24 | 2022-23 |
|---|---|--|-----------|-----------|
| Transactions with related parties: | | | | |
| (I) Capital account transactions | | | | |
| 1 | Issue of equity shares to | Edelweiss Financial Services Limited | 2,000.00 | 2,000.00 |
| 2 | Issue of CCD to | Edelweiss Financial Services Limited | 8,000.00 | - |
| 3 | Purchase of equity shares from | Edelweiss Financial Services Limited | 26,408.40 | 4,031.50 |
| 4 | Purchase of equity shares from | Edelweiss Securities and Investments Private Limited | 329.87 | - |
| 5 | Sale of equity shares to | Edelweiss Securities And Investments Private Limited | - | 578.18 |
| 6 | Issue of Non- Convertible Debentures to | ECap Equities Limited (formerly Edel Land Limited) | - | 1,640.00 |
| | | ECL Finance Limited | - | 220.00 |
| | | Edelweiss Retail Finance Limited | - | 140.00 |
| 7 | Investments in preference shares of | Edelweiss Rural & Corporate Services Limited | - | 20.00 |
| 8 | Investments in Compulsory Convertible Debentures | ECap Equities Limited (formerly Edel Land Limited) | 7,600.00 | - |
| | | Edelweiss Rural & Corporate Services Limited | 3,500.00 | - |
| 9 | Investment in equity shares | Edelweiss Rural & Corporate Services Limited | 200.45 | - |
| (II) Current account transactions | | | | |
| 1 | Loans taken from | Edelweiss Rural & Corporate Services Limited | - | 8,373.80 |
| | | ECap Equities Limited (formerly Edel Land Limited) | 5,862.70 | 1,400.00 |
| | | Edelweiss Financial Services Limited | 21,937.88 | 9,698.30 |
| | | Allium Finance Private Limited | 1,125.00 | 230.00 |
| 2 | Loans repaid to | Edelweiss Rural & Corporate Services Limited | - | 11,006.40 |
| | | ECap Equities Limited (formerly Edel Land Limited) | 4,962.70 | 1,400.00 |
| | | Edelweiss Financial Services Limited | 9,437.41 | 6,364.08 |
| | | Allium Finance Private Limited | 1,355.00 | - |
| 3 | Loans given to | Edelweiss Rural & Corporate Services Limited | 610.00 | 2,620.70 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 4,961.10 |
| | | Edelweiss Securities And Investments Private Limited | 762.90 | 5,706.08 |
| | | Edelweiss Global Wealth Management Limited | 27.16 | 685.71 |
| | | Comtrade Commodities Services Limited | 5.68 | 18.85 |
| | | Edelcap Securities Limited | 2,547.30 | 2,193.55 |
| | | ECap Securities And Investments Limited | 274.46 | 3,371.27 |
| | | Edel Investments Limited | 200.30 | - |
| 4 | Loans given repaid by | Edelweiss Rural & Corporate Services Limited | 2,281.50 | 949.20 |
| | | ECap Equities Limited (formerly Edel Land Limited) | 643.80 | 5,793.95 |
| | | Edelweiss Securities and Investments Private Limited | 2,308.98 | 4,560.00 |
| | | Edelcap Securities Limited | 4,102.08 | 638.78 |
| | | Edelweiss Global Wealth Management Limited | 712.87 | - |
| | | Comtrade Commodities Services Limited | 24.53 | - |
| | | ECap Securities And Investments Limited | 3,645.72 | - |
| | | Edel Investments Limited | 200.30 | - |
| 5 | Buyback / redemption- benchmark linked debentures | ECap Equities Limited (formerly Edel Land Limited) | 1,191.49 | 3,554.02 |
| | | Nuvama Wealth Finance Limited | - | 18.84 |
| | | Edel Investments Limited | 107.83 | - |
| | | Edelcap Securities Limited | 1.08 | - |
| 6 | Issue of benchmark linked debentures | ECap Equities Limited (formerly Edel Land Limited) | - | 1,700.00 |
| | | Edel Investments Limited | - | 700.00 |
| | | Edelcap Securities Limited | - | 970.00 |
| | | Edelweiss Investment Adviser Limited | - | 380.00 |
| 7 | Redemption/Sale of investment in benchmark linked debenture | ECap Equities Limited (formerly Edel Land Limited) | 95.38 | 3,810.32 |
| 8 | Purchase of perpetual bond from | ECap Equities Limited (formerly Edel Land Limited) | - | 492.28 |
| | | Edelweiss Rural & Corporate Services Limited | - | 2,130.43 |



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in million)

42. Disclosure of Related Party Transactions pursuant to IND AS 24 "Related Party Transactions" (continued)

| Sr.No. | Nature of Transaction | Related Party Name | 2023-24 | 2022-23 |
|--|--|--|-----------|----------|
| 9 | Interest expense on loans taken from | Edelweiss Rural & Corporate Services Limited | - | 151.55 |
| | | ECap Equities Limited (formerly Edel Land Limited) | 42.18 | 1.67 |
| | | Edelweiss Financial Services Limited | 1,768.01 | 1,445.50 |
| | | Allium Finance Private Limited | 125.57 | 8.52 |
| 10 | Other financial cost paid to | Nuvama Wealth and Investment Limited | - | 3.83 |
| | | Nuvama Asset Management Limited | - | 5.70 |
| 11 | Interest expense on subordinate debt | ECap Equities Limited (formerly Edel Land Limited) | 7.72 | 7.70 |
| | | ECL Finance Limited | 6.18 | 6.16 |
| | | Edelweiss Rural & Corporate Services Limited | 2.65 | 2.64 |
| 12 | Interest expense on non-convertible debentures | ECap Equities Limited (formerly Edel Land Limited) | 105.13 | 127.38 |
| | | ECL Finance Limited | 86.06 | 17.09 |
| | | Edelweiss Retail Finance Limited | 2.93 | 10.87 |
| | | Nido Home Finance Limited | 10.04 | - |
| 13 | Interest income on securities | Edelweiss Retail Finance Limited | 6.94 | 6.88 |
| | | ECL Finance Limited | 246.67 | 68.75 |
| 14 | Interest income on loan given to | ECap Equities Limited (formerly Edel Land Limited) | 4.11 | 232.85 |
| | | Edelweiss Rural & Corporate Services Limited | 13.35 | 25.03 |
| | | Edelweiss Securities And Investments Private Limited | 240.20 | 217.24 |
| | | Edelweiss Global Wealth Management Limited | 23.51 | 36.74 |
| | | Edelcap Securities Limited | 111.90 | 12.36 |
| | | Comtrade Commodities Services Limited | 1.79 | 0.64 |
| | | ECap Securities And Investments Limited | 131.88 | 7.63 |
| | | Edel Investments Limited | 8.46 | - |
| 15 | Interest income on debentures (CCD) | Edelweiss Rural & Corporate Services Limited | 0.90 | 0.90 |
| | | ECap Equities Limited (formerly Edel Land Limited) | 0.92 | 0.20 |
| 16 | Legal and professional fees paid to | Edelweiss Rural & Corporate Services Limited | 0.04 | 0.05 |
| | | Edelweiss Financial Services Limited | 5.00 | - |
| 17 | Cost reimbursements paid to (net) | Edelweiss Rural & Corporate Services Limited | 2.11 | 2.54 |
| 18 | Corporate guarantee support fee received from | Edelweiss Financial Services Limited | - | 0.09 |
| 19 | Corporate guarantee support fee paid to | Edelweiss Financial Services Limited | 1.07 | 0.71 |
| | | Edelweiss Rural & Corporate Services Limited | 6.36 | 6.82 |
| 20 | Remuneration to Key Management Personnel (Refer note 1) | Vidya Shah | 16.70 | - |
| 21 | Directors' sitting fees | Atul Ambavat | 1.00 | 0.39 |
| | | Vinod Juneja | 0.80 | 0.37 |
| | | Sunil Phatarphekar | 0.45 | 0.35 |
| (III) Secondary market transactions | | | | |
| 1 | Sale of Property, Plant & Equipment | Nuvama Wealth and Investment Limited | - | 0.00 |
| (IV) Balances with related parties | | | | |
| 1 | Investments in equity shares | Edelweiss Retail Finance Limited | 264.00 | 264.00 |
| | | Edelweiss Rural & Corporate Services Limited | 5,556.62 | 5,356.17 |
| | | ECL Finance Limited | 24,471.85 | 4,031.50 |
| | | Nido Home Finance Limited | 2,934.53 | 2,934.53 |
| | | Edelweiss Asset Management Limited | 733.89 | 733.89 |
| | | Edelweiss Securities And Investments Private Limited | 5,968.05 | - |
| | | Edelweiss Alternative Asset Advisors Limited | 329.87 | - |
| 2 | Investments in compulsory convertible preferences shares | Edelweiss Rural & Corporate Services Limited | 500.00 | 500.00 |
| 3 | Investments in Preference shares | Edelweiss Rural & Corporate Services Limited | 20.00 | 20.00 |
| 4 | Investments in compulsory convertible debentures | Edelweiss Rural & Corporate Services Limited | 12,500.00 | 9,000.00 |
| | | ECap Equities Limited (formerly Edel Land Limited) | 9,600.00 | 2,000.00 |
| 5 | Debenture and bonds (Investments) of | ECap Equities Limited (formerly Edel Land Limited) | - | 86.15 |
| | | Edelweiss Retail Finance Limited | 58.40 | 58.40 |



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Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in million)

42. Disclosure of Related Party Transactions pursuant to IND AS 24 "Related Party Transactions" (continued)

| Sr.No. | Nature of Transaction | Related Party Name | 2023-24 | 2022-23 |
|--------|--|--|-----------|-----------|
| | | Edelweiss Asset Reconstruction Company Limited | 23.01 | 20.78 |
| | | ECL Finance Limited | 2,474.04 | 2,474.04 |
| 6 | Subordinate debt issued to | ECap Equities Limited (formerly Edel Land Limited) | 70.00 | 70.00 |
| | | ECL Finance Limited | 56.00 | 56.00 |
| | | Edelweiss Rural & Corporate Services Limited | 24.00 | 24.00 |
| 7 | Interest accrued on subordinate debt | ECap Equities Limited (formerly Edel Land Limited) | 5.21 | 5.19 |
| | | ECL Finance Limited | 4.17 | 4.15 |
| | | Edelweiss Rural & Corporate Services Limited | 1.79 | 1.78 |
| 8 | Non- convertible debentures held by | ECap Equities Limited (formerly Edel Land Limited) | 870.00 | 1,640.00 |
| | | ECL Finance Limited | 1,001.00 | 220.00 |
| | | Edelweiss Retail Finance Limited | - | 140.00 |
| | | Nido Home Finance Limited | 129.00 | - |
| 9 | Interest accrued on non- convertible debentures held by | ECap Equities Limited (formerly Edel Land Limited) | 67.70 | 127.16 |
| | | ECL Finance Limited | 77.89 | 17.06 |
| | | Edelweiss Retail Finance Limited | - | 10.85 |
| | | Nido Home Finance Limited | 10.04 | - |
| 10 | Long term loans taken from | Edelweiss Financial Services Limited | 23,890.00 | 11,389.53 |
| | | Allium Finance Private Limited | - | 230.00 |
| | | ECap Equities Limited (formerly Edel Land Limited) | 900.00 | - |
| 11 | Short term loans given to | Edelweiss Rural & Corporate Services Limited | - | 1,671.50 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 643.80 |
| | | Edelweiss Securities And Investments Private Limited | - | 1,546.08 |
| | | Edelweiss Global Wealth Management Limited | - | 685.71 |
| | | Edelcap Securities Limited | - | 1,554.78 |
| | | Comtrade Commodities Services Limited | - | 18.85 |
| | | ECap Securities And Investments Limited | - | 3,371.27 |
| 12 | Trade Payables to | Edelweiss Financial Services Limited | 1.05 | 0.13 |
| | | ECap Equities Limited (formerly Edel Land Limited) | 0.00 | 0.00 |
| | | Edelweiss Rural & Corporate Services Limited | 0.57 | 2.19 |
| 13 | Other Receivable | Edelweiss Securities And Investments Private Limited | - | 0.09 |
| | | Edel Investments Limited | - | 0.03 |
| 14 | Interest receivable-Accrued -Group Company | Edelweiss Rural & Corporate Services Limited | 2.42 | 7.72 |
| | | ECap Equities Limited (formerly Edel Land Limited) | (0.01) | 13.76 |
| | | Edelweiss Securities And Investments Private Limited | 16.43 | 50.06 |
| | | Edelcap Securities Limited | 6.31 | 9.73 |
| | | Edelweiss Global Wealth Management Limited | (0.06) | 7.56 |
| | | Comtrade Commodities Services Limited | - | 0.21 |
| | | ECap Securities And Investments Limited | (0.36) | 6.86 |
| | | Edel Investments Limited | (0.02) | - |
| 15 | Interest payable -Accrued -Group company | ECap Equities Limited (formerly Edel Land Limited) | 1.56 | 0.50 |
| | | Edelweiss Financial Services Limited | 132.64 | 152.73 |
| | | Allium Finance Private Limited | - | 2.33 |
| 16 | Interest receivable - accrued on debentures and bonds of | Edelweiss Retail Finance Limited | 1.85 | 1.84 |
| | | Edelweiss Rural & Corporate Services Limited | 0.00 | 0.81 |
| | | ECap Equities Limited (formerly Edel Land Limited) | - | 0.18 |
| | | ECL Finance Limited | 218.40 | 217.41 |
| 17 | Corporate Guarantee taken from | Edelweiss Financial Services Limited | 3,170.00 | 470.00 |
| | | Edelweiss Rural & Corporate Services Limited | 621.93 | 701.76 |
| | | ECap Equities Limited (formerly Edel Land Limited) | 3,000.00 | - |

* 0.00 indicates the number is smaller than 0.01 million



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in million)

42. Disclosure of Related Party Transactions pursuant to IND AS 24 "Related Party Transactions" (continued)

| Sr.No. | Nature of Transaction | Related Party Name | 2023-24 | 2022-23 |
|--------|---|--------------------|---------|---------|
| Notes | | | | |
| 1 | Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and provision made for bonus which are provided for group of employees on an overall basis. These are included on cash basis. Remuneration to KMP's shall be within the limit as prescribed by the Companies act. | | | |
| 2 | Pursuant to the Amendment Agreement dated March 9, 2023 to the Amended and Restated Shareholders' Agreement dated March 18, 2021 between Edelweiss Financial Service Ltd (Holding Company), Edelweiss Global Wealth Management Limited, PAGAC Ecstasy Pte Ltd and Nuvama Wealth Management Limited (formerly Edelweiss Securities Limited), the amendment to the articles of association of Nuvama Wealth Management Limited and the appointment of independent trustee, Nuvama Wealth Management Limited and its subsidiary Companies ceased to be associate of the Company w.e.f. March 30, 2023. | | | |



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

43. Utilisation of Borrowed funds and share premium

43.A During the year, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:

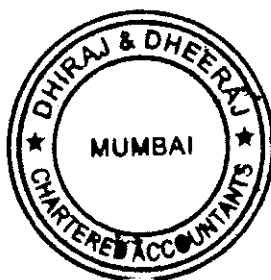
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

43.B During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries

Note:

1. Based on the legal opinion obtained by the Holding Company, the transactions undertaken by the Company (CIC-NBFC) of borrowing/lending/investment to and from its holding/subsidiary/affiliate/group entity(ies) (together referred to as the 'Group') or borrowing from outside the Group for onward lending/investments for carrying on their respective business in ordinary course will not attract reporting under Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 (the "Rules"). Accordingly, transactions undertaken by the Company is not disclosed under the Rules.



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

44. Capital Management

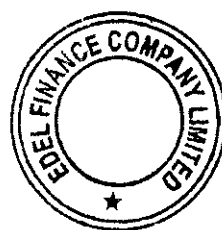
The Reserve Bank of India (RBI) sets and monitors capital adequacy requirements for the Company from time to time. The Core Investment Companies (Reserve Bank) Directions, 2016, stipulate that the Adjusted Net Worth of a CIC-ND-SI shall at no point in time be less than 30% its risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items as on date of the last audited balance as at the end of the financial year.

The Core Investment Companies (Reserve Bank) Directions, 2016, further stipulate that the outside liabilities of a CIC-ND-SI shall at no point of time exceed 2.5 times its Adjusted Net Worth as on date of the last audited balance as at the end of the financial year.

The Company's policy is to maintain a strong capital base to maintain investor, creditor and shareholder confidence and to sustain the future development of the business. The impact of the level of capital on shareholders' returns is also recognised and the Company recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a stronger capital position.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Company to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Company's longer-term strategic objectives. The Company's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

The Company has complied with minimum stipulated capital requirement which has been disclosed in the regulatory disclosures note in the financial statements.



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

45. Fair Value measurement:

45.A Valuation Principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

45.B Valuation governance framework

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

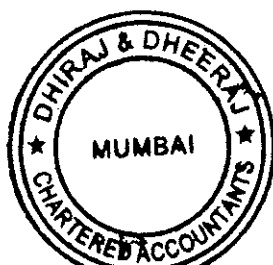
The responsibility of ongoing measurement resides with the business and product line divisions. However Finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

45.C The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

| As at March 31, 2024 | Level 1 | Level 2 | Level 3 | Total |
|--|---------|-----------|----------|-----------|
| Assets measured at fair value on a recurring basis | | | | |
| Investments | | | | |
| Equity instruments* | - | 7,291.19 | - | 7,291.19 |
| Other debt securities | - | 2,775.70 | - | 2,775.70 |
| Total investments measured at fair value | - | 10,066.89 | - | 10,066.89 |
| As at March 31, 2023 | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value on a recurring basis | | | | |
| Investments | | | | |
| Equity instruments | - | - | 4,103.16 | 4,103.16 |
| Other debt securities | - | 2,858.62 | - | 2,858.62 |
| Total investments measured at fair value | - | 2,858.62 | 4,103.16 | 6,961.78 |

***Note:**

Equity instruments includes investment in Nuvama Wealth Management Limited (NWML), a former associate of the holding Company which is subject to lock-in till September 2024 in accordance with Securities and Exchange Board of India regulations. This investment is reported under level 2 in fair value disclosure in accordance with Ind AS 113 - Fair Value measurement as at March 31, 2024.



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

45. Fair Value measurement: (Continued)

D. Valuation techniques:

Debt securities:

Fair value of debt securities is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. The Company has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded, the Company has used CRISIL Corporate Bond Valuer model for measuring fair value.

Security receipts

The market for these securities is not active. Therefore, the Company uses valuation techniques to measure their fair values. Since the security receipts are less liquid instruments therefore they are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Securities receipts with significant unobservable valuation inputs are classified as Level 3.

Equity instruments, preference shares, warrants and units of mutual fund:

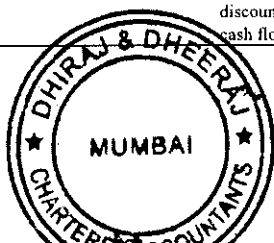
The majority of equity instruments are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are also classified as Level 1. Unquoted equity instruments, preference shares and warrants are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. All unquoted instruments are classified at Level 3.

E. The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

| Financial year ended March 2024 | Security receipts | Equity instruments | Preference Shares | Warrants | Total |
|--|-------------------|--------------------|-------------------|----------|------------|
| Investments - at April 1, 2023 | - | 4,103.16 | - | - | 4,103.16 |
| Purchase | - | - | - | - | - |
| Sale / redemption | - | - | - | - | - |
| Transfer into level 3 | - | - | - | - | - |
| Transfer from level 3 to level 2 | - | (4,103.16) | - | - | (4,103.16) |
| Profit / Fair value change for the year recognised in profit or loss | - | - | - | - | - |
| Investments - at March 31, 2024 | - | - | - | - | - |
| Financial year ended March 2023 | Security receipts | Equity instruments | Preference Shares | Warrants | Total |
| Investments - at April 1, 2022 | - | - | - | - | - |
| Purchase | - | - | - | - | - |
| Sale / redemption | - | - | - | - | - |
| Transfer into level 3 | - | 4,103.16 | - | - | 4,103.16 |
| Transfer from level 3 | - | - | - | - | - |
| Profit / Fair value change for the year recognised in profit or loss | - | - | - | - | - |
| Investments - at March 31, 2023 | - | 4,103.16 | - | - | 4,103.16 |

F. Impact on fair value of level 3 financial instrument of changes to key unobservable inputs

| Type of Financial Instruments | Fair value of asset as on March 31, 2024 | Valuation Techniques | Significant Unobservable input | Range of estimates for unobservable input | Increase in the unobservable input | Change in fair value because of increase in unobservable input | Decrease in the unobservable input | Change in fair value because of decrease in unobservable input |
|--|--|---|--------------------------------|---|------------------------------------|--|------------------------------------|--|
| Investments in unquoted equity shares categorised at Level 3 | - | Comparable transaction and P/E and discounted cash flow | Fair value per share | - | 5% | - | 5% | - |
| Type of Financial Instruments | Fair value of asset as on March 31, 2023 | Valuation Techniques | Significant Unobservable input | Range of estimates for unobservable input | Increase in the unobservable input | Change in fair value because of increase in unobservable input | Decrease in the unobservable input | Change in fair value because of decrease in unobservable input |
| Investments in unquoted equity shares categorised at Level 3 | 4,103.16 | Comparable transaction and P/E and discounted cash flow | Fair value per share | Rs. 2238 per share | 5% | 205.16 | 5% | (205.16) |



Edel Finance Company Limited**Notes to the financial statements for the year ended March 31, 2024**

(Currency: Indian rupees in millions)

45. Fair Value measurement: (Continued)**G. Fair value of financial instruments not measured at fair value:**

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

| As at March 31, 2024 | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
|---|------------------|----------|------------------|--------------|------------------|
| Financial Assets | | | | | |
| Loans | 24.60 | - | - | 24.60 | 24.60 |
| Investments | 62,878.81 | - | 62,878.81 | - | 62,878.81 |
| Total Financial Assets | 62,903.41 | - | 62,878.81 | 24.60 | 62,903.41 |
| Financial Liabilities | | | | | |
| Debt securities | 20,225.07 | - | 20,225.07 | - | 20,225.07 |
| Borrowings (other than debt securities) | 27,882.18 | - | - | 27,882.18 | 27,882.18 |
| Subordinated Liabilities | 161.17 | - | 161.17 | - | 161.17 |
| Total Financial Liabilities | 48,268.42 | - | 20,386.24 | - | 48,268.42 |

| As at March 31, 2023 | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
|---|------------------|----------|------------------|-----------------|------------------|
| Financial Assets | | | | | |
| Loans | 9,549.53 | - | - | 9,549.53 | 9,549.53 |
| Investments | 24,841.08 | - | 24,841.08 | - | 24,841.08 |
| Total Financial Assets | 34,390.61 | - | 24,841.08 | 9,549.53 | 34,390.61 |
| Financial Liabilities | | | | | |
| Debt securities | 14,810.11 | - | 14,810.11 | - | 14,810.11 |
| Borrowings (other than debt securities) | 11,775.09 | - | - | 11,775.09 | 11,775.09 |
| Subordinated Liabilities | 161.12 | - | 161.12 | - | 161.12 |
| Total Financial Liabilities | 26,746.32 | - | 14,971.23 | - | 26,746.32 |

H. Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Short Term Financial Assets and Liabilities

Carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, trade and other receivables, trade payables approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of other financial assets and other financial liabilities is not significant in each of the years presented.

Financial assets at amortised cost

The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model.



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

46. Risk Management

A. Introduction and risk profile

Risk is an inherent part of Company's business activities. When the Company extends a corporate or retail loan, buys or sells securities in market, or offers other products or services, the Company takes on some degree of risk. The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company believes that effective risk management requires:

- 1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company;
- 2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate; and
- 3) Firmwide structures for risk governance

The Company strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

B. Risk Management Structure

We have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. The Edelweiss Group has also established a Global Risk Committee that is responsible for managing the risk arising out of various business activities at a central level.

Our risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, we follow conservative lending norms. The Edelweiss Group centralises the risk monitoring systems to monitor our client's credit exposure which is in addition to the monitoring undertaken by the respective businesses.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

C. Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Our key business processes are regularly monitored by the head of our business or operations. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of the Company's operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

It is the Company's policy that a monthly briefing is given to the Board of Directors and all other relevant members of the Company in the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

D. Types of Risks

The Company's risks are generally categorized in the following risk types:

| Notes | Risks | Arising from | Measurement, monitoring and management of risk |
|-------|---|--|--|
| 1 | Credit risk Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. | Arises principally from financing, dealing in Corporate Bonds, Investments in Mutual Fund, Equity, but also from certain other products such as guarantees and derivatives | Measured as the amount that could be lost if a customer or counterparty fails to make repayments; Monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and Managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers. |
| 2 | Liquidity risk Liquidity risk is the risk that we do not have sufficient financial resources to meet our obligations as they fall due or that we can only do so at an excessive cost. | Liquidity risk arises from mismatches in the timing of cash flows. Arises when illiquid asset positions cannot be funded at the expected terms and when required. | Measured using a range of metrics, including Asset Liability mismatch, Debt Equity Ratio Regular monitoring of funding levels to ensure to meet the requirement for Business and maturity of our liabilities. Maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements of the Company. |
| 3 | Market risk Market risk is the risk that movements in market factors, such as Interest rates, equity prices and Index prices, will reduce our income or the value of our portfolios | Exposure to market risk is separated into two portfolios: trading and non-trading. | Measured using sensitivities, detailed picture of potential gains and losses for a range of market movements and scenarios. Monitored using measures, including the sensitivity of net interest income. Managed using risk limits approved by the risk management committee. |



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

46. Risk Management

46.D.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's Trade receivables and Loans. The Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Derivative Financial Instruments:

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet. With gross-settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

Impairment Assessment:

The Company applies the expected credit loss model for recognising impairment loss. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS. Accordingly, the loans are classified into various stages as follows:

| Internal rating grade | Internal grading description | Stages |
|-----------------------|------------------------------|---------|
| Performing | | |
| High grade | 0 dpd and 1 to 30 dpd | Stage 1 |
| Standard grade | 31 to 90 dpd | Stage 2 |
| Non-performing | | |
| Individually impaired | 90+ dpd | Stage 3 |

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Expected Credit Loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- 1) An unbiased and probability weighted amount that evaluates a range of possible outcomes
- 2) Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions,
- 3) Time value of money

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This has been achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Significant increase in credit risk (SICR)

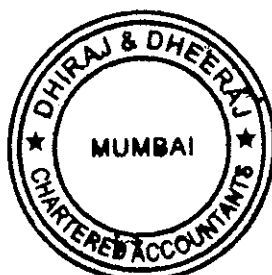
Company considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due. Classification of assets from stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

Probability of Default

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the Loans/portfolio and its credit performance. In case of assets where there is a significant increase in credit risk / credit impaired assets, lifetime PD has been applied.

Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Workout LGD is widely considered to be the most flexible, transparent and logical approach to build an LGD model. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding for each loan was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

46. Risk Management (continued)

46.D.1 Credit Risk (continued)

Exposure at Default (EAD)

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Company, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Company provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

$$\text{EAD} = \text{Drawn Credit Line} + \text{Credit Conversion Factor} * \text{Undrawn Credit Line}$$

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount

Undrawn Credit Line = Difference between the total amount which the Company has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD

Forward looking adjustments

"A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions."

To fulfil the above requirement Company has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. Keeping in mind Ind AS requirements around obtaining reliable and supportable information, without incurring undue cost or effort- based on advice of risk committee members and economic experts and consideration of a variety of external actual and forecast information, the Company formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

Data sourcing

The Company is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement macroeconomic information was aggregated from Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long term average. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters.

Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between macro-economic variables and credit risk and credit losses.

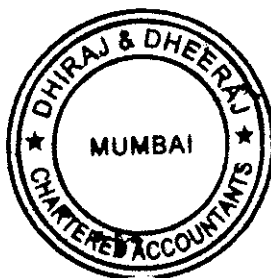
Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 years.

46.D.2 Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The following table shows the risk concentration by industry for the components of the balance sheet



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

46. Risk Management (continued)**Credit Risk (continued)****46.D.2 Industry analysis - Risk concentration as at March 31, 2024**

| Particulars | Financial Services | Others | Total |
|--|--------------------|----------|------------------|
| Financial Assets | | | |
| Cash and cash equivalents | 8.84 | - | 8.84 |
| Bank balances other than cash and cash equivalents | 30.30 | - | 30.30 |
| Loans | 24.60 | - | 24.60 |
| Investments | 72,945.70 | - | 72,945.70 |
| Other financial assets | 4.35 | - | 4.35 |
| Total Assets | 73,013.79 | - | 73,013.79 |

Industry analysis - Risk concentration as at March 31, 2023

| Particulars | Financial Services | Others | Total |
|---------------------------|--------------------|----------|------------------|
| Financial Assets | | | |
| Cash and cash equivalents | 20.63 | - | 20.63 |
| Loans | 9,549.53 | - | 9,549.53 |
| Investments | 31,802.86 | - | 31,802.86 |
| Other financial assets | 2.21 | - | 2.21 |
| Total Assets | 41,375.23 | - | 41,375.23 |

46.D.3 Collateral and other credit enhancements

No collateral is held against the exposure as at March 31, 2024

The tables below shows the maximum exposure to credit risk by class of financial asset along with details on collaterals held against exposure.

| | Maximum exposure to credit risk | | Principal type of collateral |
|--|---------------------------------|----------------------|------------------------------|
| | As at March 31, 2024 | As at March 31, 2023 | |
| Financial assets | | | |
| Cash and cash equivalents | 8.84 | 20.63 | |
| Bank balances other than cash and cash equivalents | 30.30 | | |
| Loans: | | | |
| Corporate Credit | 24.60 | 9,549.53 | Unsecured |
| Investments | 72,945.70 | 31,802.86 | |
| Other financial assets | 4.35 | 2.21 | |
| Total Financial Assets | 73,013.79 | 41,375.23 | |



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

46. Risk Management (Continued)

46.E Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Company has a Liquidity Contingency Policy in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario.

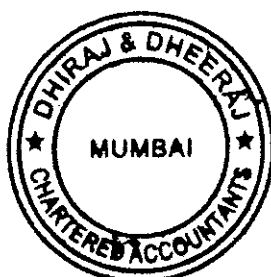
To manage the stressed circumstances the Company has ensured maintenance of a Liquidity Cushion in the form of Investments in Government Securities, Mutual Funds and Quoted Equity Shares. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 5-9% of the borrowings is sought to be maintained through such assets. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern. There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds. Funding is raised through diversified sources including Banks, Private issue of Debt, Sub Debt etc to maintain a healthy mix.

As at March 31, 2024 - Analysis of contractual maturities of financial assets and liabilities

| | On Demand | Upto 3 Months | 3 to 6 Months | 6 Months to 1 year | 1 year to 5 years | More than 5 years | Total |
|--|-------------|-----------------|-----------------|--------------------|-------------------|-------------------|------------------|
| Financial Assets | | | | | | | |
| (a) Cash and cash equivalents | 8.84 | - | - | - | - | - | 8.84 |
| (b) Bank balances other than cash and cash equivalents | - | - | - | 30.30 | - | - | 30.30 |
| (c) Loans | - | 24.60 | - | - | - | - | 24.60 |
| (d) Investments | - | 6,954.73 | 2,430.40 | 3,645.59 | 7,266.52 | 52,648.46 | 72,945.70 |
| (e) Other financial assets | - | 2.72 | - | - | 1.63 | - | 4.35 |
| Total undiscounted financial assets | 8.84 | 6,982.05 | 2,430.40 | 3,675.89 | 7,268.15 | 52,648.46 | 73,013.79 |
| Financial Liabilities | | | | | | | |
| (a) Trade payables | - | 5.87 | - | - | - | - | 5.87 |
| (b) Debt securities | - | 5,522.17 | - | - | 14,702.90 | - | 20,225.07 |
| (c) Borrowings (other than debt securities) | - | 134.21 | - | 2,957.97 | 900.00 | 23,890.00 | 27,882.18 |
| (d) Subordinated Liabilities | - | - | 11.17 | - | 150.00 | - | 161.17 |
| (e) Other financial liabilities | - | 22.91 | - | 0.01 | - | - | 22.92 |
| Total undiscounted financial liabilities | - | 5,685.16 | 11.17 | 2,957.98 | 15,752.90 | 23,890.00 | 48,297.21 |
| Total net financial assets / (liabilities) | 8.84 | 1,296.89 | 2,419.23 | 717.91 | (8,484.75) | 28,758.46 | 24,716.58 |

As at March 31, 2023 - Analysis of contractual maturities of financial assets and liabilities

| | On Demand | Upto 3 Months | 3 to 6 Months | 6 Months to 1 year | 1 year to 5 years | More than 5 years | Total |
|---|--------------|-----------------|---------------|--------------------|-------------------|-------------------|------------------|
| Financial Assets | | | | | | | |
| (a) Cash and cash equivalents | 20.63 | - | - | - | - | - | 20.63 |
| (b) Loans | - | 4,549.42 | 114.74 | 2,648.27 | 2,237.10 | - | 9,549.53 |
| (c) Investments | - | - | - | 86.15 | 12,808.05 | 18,908.66 | 31,802.86 |
| (d) Other financial assets | - | 1.06 | - | - | 1.14 | - | 2.21 |
| Total undiscounted financial assets | 20.63 | 4,550.48 | 114.74 | 2,734.42 | 15,046.29 | 18,908.66 | 41,375.23 |
| Financial Liabilities | | | | | | | |
| (a) Trade payables | - | 16.28 | - | - | - | - | 16.28 |
| (b) Debt securities | - | 4,212.89 | - | 2,646.00 | 7,951.22 | - | 14,810.11 |
| (c) Borrowings (other than debt securities) | - | 155.56 | - | - | 10,619.53 | 1,000.00 | 11,775.09 |
| (d) Subordinated Liabilities | - | - | 11.12 | - | 150.00 | - | 161.12 |
| (e) Other financial liabilities | - | 7.21 | - | - | - | - | 7.21 |
| Total undiscounted financial liabilities | - | 4,391.94 | 11.12 | 2,646.00 | 18,720.75 | 1,000.00 | 26,769.81 |
| Total net financial assets / (liabilities) | 20.63 | 158.54 | 103.62 | 88.42 | (3,674.46) | 17,908.66 | 14,605.42 |



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

46. Risk Management

46.F Market Risk (continued)

Interest Rate Risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

Asset Liability Committee (ALCO) is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of interest rate risk.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board has established limits on the non-trading interest rate gaps for stipulated periods. The Company's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held at March 31, 2024 and at March 31, 2023

Interest rate sensitivity

| As at March 31, 2024 | | | | | | |
|----------------------|-----------------------------|--------------------------|--------------------------|-----------------------------|--------------------------|--------------------------|
| | Increase in basis points | Sensitivity of Profit | Sensitivity of Equity | Decrease in basis points | Sensitivity of Profit | Sensitivity of Equity |
| Loans | 25 | 0.06 | - | 25 | (0.06) | - |
| Borrowings | 25 | (69.71) | - | 25 | 69.71 | - |
| As at March 31, 2023 | | | | | | |
| | Increase in basis points | Sensitivity of Profit | Sensitivity of Equity | Decrease in basis points | Sensitivity of Profit | Sensitivity of Equity |
| Loans | 25 | 23.97 | - | 25 | (23.97) | - |
| Borrowings | 25 | (29.44) | - | 25 | 29.44 | - |



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

46. Risk Management (Continued)

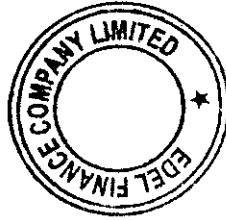
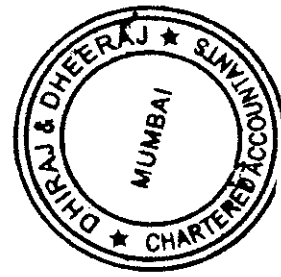
46.F Market Risk

Market risk is the risk which can affect the Company's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to interest rates, equity prices, foreign exchange rates and credit spreads. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters. The Company separates its exposure to market risks between trading and non-trading portfolios.

Total market risk exposure

Below table shows total market risk exposure of financial assets, liabilities and financial liabilities with primary risk associated with class of respective financial assets

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | | Primary market risk sensitivity |
|------------------|----------------------|-------------|-----------------|----------------------|-------------|-----------------|---------------------------------|
| | Carrying Amount | Traded Risk | Non traded risk | Carrying Amount | Traded Risk | Non traded risk | |
| Financial Assets | | | | | | | |
| Investments | 72,945.70 | - | 72,945.70 | 31,802.86 | - | 31,802.86 | Price risk, interest rate risk |



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

Regulatory disclosure of Core Investment Company (CIC)
47. CORE INVESTMENT COMPANY ("CIC") COMPLIANCE RATIOS :

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| a) Investments & loans to group companies as a proportion of Net Assets (%) * | 99.98% | 99.98% |
| b) Investments in equity shares and compulsorily convertible instruments of group companies as a proportion of Net Assets (%) * | 96.15% | 69.98% |
| c) Capital Adequacy Ratio (%) [Adjusted Net worth / Risk Weighted Assets] | 32.09% | 33.25% |
| d) Leverage Ratio (Times) [Outside liabilities / Adjusted Networth] | 2.14 | 2.03 |

***Note:**

Investment in Equity shares of Nuvama Wealth Management Limited ("NWML"), a former associate of the Holding Company is considered as group investment for the purpose of reporting these ratios. These shares are subject to lock-in till September, 2024 as per SEBI Regulation.

48. Exposure to real estate sector

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| a) Direct Exposures | | |
| (i) Residential Mortgages - Lending fully secured by Mortgages on residential property that is or will be occupied by the borrower or that is rented property that is or will be occupied by the borrower or that is rented - of which housing loans eligible for inclusion in priority sector advances are rendered | | |
| (ii) Commercial Real Estate- Lending secured by mortgages on commercial real estate (office buildings, retail space, multi purpose commercial premises, multi family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non fund based (NFB) limit | | |
| (iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures – | | |
| a. Residential | | |
| b. Commercial Real Estate | | |
| b) Indirect Exposures | | |
| Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs). | 2,934.53 | 2,934.53 |
| Total exposure to Real Estate Sector | 2,934.53 | 2,934.53 |

49. Disclosure of details as required by RBI/DNBR/2016-17/39 i.e. Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 dated 22, 2019)
Liabilities Side:

| Particulars | Amount Outstanding as at | | Amount Overdue as at | |
|--|--------------------------|----------------|----------------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| I) Loans and advances availed by the CIC inclusive of interest accrued thereon but not paid | | | | |
| a) Debentures: (other than those falling within the meaning of Public deposits) | | | | |
| (i) Secured | 9,122.46 | 4,371.31 | - | - |
| (ii) Unsecured | 5,736.07 | 5,748.71 | - | - |
| b) Deferred Credits | | - | - | - |
| c) Term Loans | 2,957.97 | - | - | - |
| d) Inter-corporate loans and borrowing | 24,924.21 | 11,775.09 | - | - |
| e) Commercial Paper | 5,366.54 | 4,690.09 | - | - |
| f) Other loans (Bank overdraft) | - | - | - | - |
| g) Other loans (Subordinated liabilities) | 161.17 | 161.12 | - | - |



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

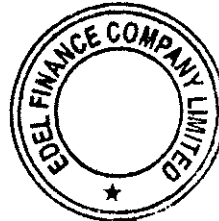
Regulatory disclosure of Core Investment Company (CIC)

49. Disclosure of details as required by RBI/DNBR/2016-17/39 i.e. Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 dated August 25, 2016 (Updated as on November 22, 2019) (continued)

| Assets Side: Particulars | Amount Outstanding as at | |
|--|--------------------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| 2) Break up of Loans and Advances | - | - |
| a) Secured | - | - |
| b) Unsecured | 24.60 | 9,549.53 |
| 3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities | - | - |
| i) Lease assets including lease rentals | - | - |
| (a) Financial Lease | - | - |
| (b) Operating Lease | - | - |
| ii) Stock on hire including hire charges | - | - |
| (a) Assets on hire | - | - |
| (b) Repossessed assets | - | - |
| iii) Other loans counting towards Asset | - | - |
| (a) Loans where assets have been | - | - |
| (b) Loans other than (a) above | - | - |
| 4) Break up of Investments | - | - |
| Current Investments: | - | - |
| 1. Quoted: | - | - |
| (i) Shares: | - | - |
| (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of Mutual Funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others | - | - |
| 2. Unquoted: | - | - |
| (i) Shares: | - | - |
| (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of Mutual Funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others | - | - |
| Long term Investments: | - | - |
| 1. Quoted: | - | - |
| (i) Shares: | - | - |
| (a) Equity | 7,291.19 | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | 2,775.70 | 2,858.62 |
| (iii) Units of Mutual Funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others | - | - |
| 2. Unquoted: | - | - |
| (i) Shares: | - | - |
| (a) Equity (refer note 1) | 62,858.81 | 28,924.24 |
| (b) Preference | 20.00 | 20.00 |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of Mutual Funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others | - | - |

Notes:

1. Unquoted equity include investment in equity, redeemable preference shares, compulsory convertible debentures and compulsory convertible preference shares



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Edel Finance Company Limited
Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

Regulatory disclosure of Core Investment Company (CIC)

49. Disclosure of details as required by RBL/DNBR/2016-17/39 i.e. Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 dated August 25, 2016 (Updated as on November 22, 2019) (continued)

5) Borrower group-wise classification of assets financed as in (2) and (3) above :
For 2023-24

| Category | Amount net of provisions | | |
|--------------------------------|--------------------------|--------------|--------------|
| | Secured | Unsecured | Total |
| 1. Related party | | | |
| a) Subsidiaries | - | 8.68 | 8.68 |
| b) Companies in the same group | - | 15.92 | 15.92 |
| 2. Other than related parties | - | - | - |
| Total | - | 24.60 | 24.60 |

For 2022-23

| Category | Amount net of provisions | | |
|--------------------------------|--------------------------|-----------------|-----------------|
| | Secured | Unsecured | Total |
| 1. Related party | | | |
| a) Subsidiaries | - | 1,672.50 | 1,672.50 |
| b) Companies in the same group | - | 7,877.03 | 7,877.03 |
| 2. Other than related parties | - | - | - |
| Total | - | 9,549.53 | 9,549.53 |

6) Investor group-wise classification of all investments (current and long-term)

| Category | As at March 31, 2024 | | As at March 31, 2023 | |
|--------------------------------|---|-----------------------------------|---|-----------------------------------|
| | Market Value / Breakup Value or Fair Value or NAV | Book Value (Net of Provisions) | Market Value / Breakup Value or Fair Value or NAV | Book Value (Net of Provisions) |
| 1. Related party | | | | |
| a) Subsidiaries | 58,599.70 | 58,599.70 | 14,856.98 | 14,856.98 |
| b) Companies in the same group | 7,031.81 | 7,031.81 | 12,842.72 | 12,842.72 |
| 2. Other than related parties | 7,314.19 | 7,314.19 | 4,103.16 | 4,103.16 |
| Total | 72,945.70 | 72,945.70 | 31,802.86 | 31,802.86 |

6.1) Investment in other CICs- Total amount representing any direct or indirect capital contribution made by one CIC in another CIC is Nil

6.2) Investments and movement in provision

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| 1. Value of Investments | | |
| i) Gross Value of Investments | | |
| a) In India | 72,945.70 | 31,802.86 |
| b) Outside India | - | - |
| ii) Provisions for Depreciation | | |
| a) In India | - | - |
| b) Outside India | - | - |
| iii) Net Value of Investments | | |
| a) In India | 72,945.70 | 31,802.86 |
| b) Outside India | - | - |
| 2. Movement of provisions held towards depreciation on investments | | |
| i) Opening balance | - | - |
| ii) Add : Provisions made during the year | - | - |
| iii) Less : Write-off / write-back of excess provisions during the year | - | - |
| iv) Closing balance | - | - |



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

Regulatory disclosure of Core Investment Company (CIC)

49. Disclosure of details as required by RBI/DNBR/2016-17/39 i.e. Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 dated August 25, 2016 (Updated as on November 22, 2019) (continued)

7) Other information

| Particulars | Amount Outstanding as at | |
|--|--------------------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| (i) Gross Non-Performing Assets | | |
| (a) Related Parties | - | - |
| (b) Other than Related Parties | - | - |
| (ii) Net Non-Performing Assets | | |
| (a) Related Parties | - | - |
| (b) Other than Related Parties | - | - |
| (iii) Assets acquired in satisfaction of | | - |

50. Disclosure on liquidity risk

As required in terms of paragraph 3 of RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

1. Funding concentration based on significant counterparty (borrowings)

As at March 31, 2024

| Number of significant counterparties* | Amount | % of Total Deposits | % of Total Liabilities |
|---------------------------------------|-----------|---------------------|------------------------|
| 10 | 39,613.10 | NA | 81.88% |
| Total | 39,613.10 | - | 81.88% |

As at March 31, 2023

| Number of significant counterparties* | Amount | % of Total Deposits | % of Total Liabilities |
|---------------------------------------|-----------|---------------------|------------------------|
| 9 | 18,731.73 | NA | 69.88% |
| Total | 18,731.73 | - | 69.88% |

* "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-ND-SI's total liabilities.

2. Top 20 large deposits

The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India got converted into Core Investment Company (CIC) as NBFC-CIC-ND-SI, does not accept public deposits.

3. Top 10 borrowings (amount in ₹ millions and % of total borrowings)

As at March 31, 2024

| Particulars | Amount* | % of Total Borrowings** |
|------------------|-----------|-------------------------|
| Top 10 Investors | 39,613.10 | 82.07% |

As at March 31, 2023

| Particulars | Amount* | % of Total Borrowings** |
|------------------|-----------|-------------------------|
| Top 10 Investors | 18,981.73 | 70.97% |

* Represents principal amount

** Total borrowings represents debt securities - borrowings (other than debt securities) - subordinated liabilities

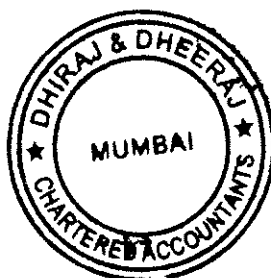
4. Funding concentration based on significant instrument / product

As at March 31, 2024

| Name of the instrument / product | Amount | % of Total Liabilities |
|----------------------------------|-----------|------------------------|
| Debt securities | 20,386.24 | 42.14% |
| Intra Group borrowings | 27,882.18 | 57.63% |

As at March 31, 2023

| Name of the instrument / product | Amount | % of Total Liabilities |
|----------------------------------|-----------|------------------------|
| Debt securities | 14,971.23 | 55.85% |
| Intra Group borrowings | 11,775.09 | 43.93% |



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

Regulatory disclosure of Core Investment Company (CIC)**50. Disclosure on liquidity risk (continued)****5. Stock Ratios**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Commercial papers as a % of total public funds | 11.12% | 17.54% |
| Commercial papers as a % of total liabilities | 11.09% | 17.50% |
| Commercial papers as a % of total assets | 7.21% | 11.16% |
| Non-convertible debentures (original maturity of less than one year) as a % of total public funds | 0.00% | 0.00% |
| Non-convertible debentures (original maturity of less than one year) as a % of total liabilities | 0.00% | 0.00% |
| Non-convertible debentures (original maturity of less than one year) as a % of total assets | 0.00% | 0.00% |
| Other short term liabilities * | - | - |
| Other short-term liabilities, if any as a % of total public funds** | 0.00% | 0.00% |
| Other short-term liabilities, if any as a % of total liabilities*** | 0.00% | 0.00% |
| Other short-term liabilities, if any as a % of total assets | 0.00% | 0.00% |

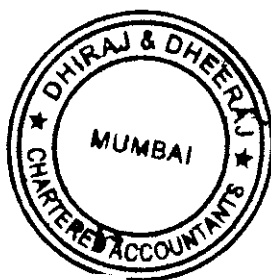
* "Other short-term liabilities" refers to the borrowing in short term in nature.

** "Total public funds" refers to the aggregate of Debt securities, Borrowing (other than debt securities) and Subordinated liabilities.

*** "Total liabilities" refers to total external liabilities (i.e. excluding total equity).

6. Institutional set-up for liquidity risk management

The Asset-Liability gap is being monitored from time to time to overcome the asset-liability mismatches, interest risk exposure, etc. if any. The Liquidity risk emanates from the possible mismatches due to differences in maturity and repayment profile of assets and liabilities. The Company ensures that the credit and investment exposure are only with the group companies and are within the statutory limits as prescribed by the Reserve Bank of India from time to time. The Company will continue to get support from the Holding Company in the form of equity infusion and the necessary support to repay its dues on a timely basis.



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

Regulatory disclosure of Core Investment Company (CIC)

51. Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No. 109/22.10.106/2019-20 dated March 13, 2020 pertaining to Asset Classification as per RBI Norms

As per the RBI circular RBI/2019-20/170 dated 13th March, 2020, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs (CICs) shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. Further, no withdrawals shall be permitted from this reserve without prior permission from the RBI.

As at March 31, 2024

| Asset Classification as per RBI Norms | classification as per Ind AS 109 | Amount as per Ind AS | (Provisions) as required under | Net Carrying Amount | required as per IRACP | Ind As 109 Provisions and IRACP norms |
|---------------------------------------|----------------------------------|----------------------|--------------------------------|---------------------|-----------------------|---------------------------------------|
| | | A | B | C = A - B | D | E = B - D |
| Performing Assets Standard | Stage 1 | 24.70 | 0.10 | 24.60 | 0.10 | - |

As at March 31, 2023

| Asset Classification as per RBI Norms | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind As 109 Provisions and IRACP norms |
|---------------------------------------|--|-------------------------------------|---|---------------------|--|--|
| | | A | B | C = A - B | D | E = B - D |
| Performing Assets Standard | Stage 1 | 9,587.88 | 38.35 | 9,549.53 | 38.35 | - |

52. Asset Liability Management -Maturity pattern of certain items of assets and liabilities

As at March 31, 2024

| Particulars | Liabilities | | Assets | |
|---------------------------------|-------------------|------------------------|--------------|------------------|
| | Market borrowings | Inter group borrowings | Advance | Investments |
| 1 day to 30/31 days (One month) | - | 134.21 | 24.60 | 264.00 |
| Over One months to 2 months | 1,927.68 | - | - | 2,934.53 |
| Over 2 months up to 3 months | 3,594.49 | - | - | 3,756.20 |
| Over 3 months to 6 months | 11.17 | - | - | 2,430.40 |
| Over 6 months to 1 year | 2,957.97 | - | - | 3,645.59 |
| Over 1 year to 3 years | 7,447.67 | - | - | 7,206.26 |
| Over 3 years to 5 years | 7,405.23 | 900.00 | - | 60.26 |
| Over 5 years | - | 23,890.00 | - | 52,648.46 |
| Total | 23,344.21 | 24,924.21 | 24.60 | 72,945.70 |

As at March 31, 2023

| Particulars | Liabilities | | Assets | |
|---------------------------------|-------------------|------------------------|-----------------|------------------|
| | Market borrowings | Inter group borrowings | Advance | Investments |
| 1 day to 30/31 days (One month) | - | 155.56 | 162.24 | - |
| Over One months to 2 months | 2,043.16 | - | 2,091.60 | - |
| Over 2 months up to 3 months | 2,169.73 | - | 2,295.58 | - |
| Over 3 months to 6 months | 11.12 | - | 114.74 | - |
| Over 6 months to 1 year | 2,646.00 | - | 2,648.27 | 86.15 |
| Over 1 year to 3 years | 3,939.34 | 7,619.53 | 2,237.10 | 10,727.03 |
| Over 3 years to 5 years | 4,161.88 | 3,000.00 | - | 2,081.02 |
| Over 5 years | - | 1,000.00 | - | 18,908.66 |
| Total | 14,971.23 | 11,775.09 | 9,549.53 | 31,802.86 |



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

Regulatory disclosure of Core Investment Company (CIC)

53. Provisions and Contingencies:

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Provisions for depreciation on investment | - | - |
| Provision towards non-performing assets | - | - |
| Provision made towards Income tax (shown below profit before tax) | | |
| Current tax | - | - |
| Deferred tax | (649.00) | 208.78 |
| Current tax relating to earlier years | - | - |
| Impact of change in the rate on opening deferred tax | - | - |
| Other provision and contingencies: | | |
| Provision for standard assets | (38.25) | 30.80 |

54. Miscellaneous

I) Registration obtained from other financial sector regulators: No registration has been obtained from other financial sector regulators.

II) Penalties imposed by RBI and other regulators: No penalties have been imposed by RBI or other regulators during the year. (Previous Year: NIL)

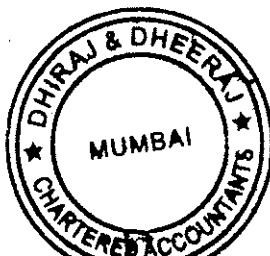
III) Ratings assigned by credit rating agencies and migration of ratings during the year:

As at March 31, 2024

| Instrument category | CRISIL | ICRA | CARE | Brickworks | Acuite |
|---|-----------------|---|-----------------|--------------|-----------|
| i) Long Term Instruments | | | | | |
| Rating | A+/Stable | A+/Placed on rating watch with negative implications | A/Stable | AA-/Negative | A+/Stable |
| Amount | 15,179.00 | 5,620.00 | 2,000.00 | 2,720.00 | 2,000.00 |
| ii) Short Term Instruments | | | | | |
| Rating | A1+ | - | A1 | A1+ | A1+ |
| Amount | 15,000.00 | - | 10,000.00 | 10,000.00 | 6,500.00 |
| iii) Market link debentures - Long term | PPMLD A+/Stable | PP-MLD A+/Placed on rating watch with negative implications | PP-MLD A/Stable | | |
| Rating | | | | - | - |
| Amount | 15,424.20 | 1,527.60 | 1,458.20 | - | - |
| iv) Market link debentures - Short term | PPMLD A1+ | - | - | - | - |
| Rating | | | | - | - |
| Amount | 5,000.00 | - | - | - | - |

As at March 31, 2023

| Instrument category | CRISIL | ICRA | CARE | Brickworks | Acuite |
|---|---------------------|-------------------------|--------------------|--------------|--------------|
| i) Long Term Instruments | | | | | |
| Rating | AA-/Negative | A+/Stable | A+/Negative | AA-/Negative | AA-/Negative |
| Amount | 13,670.00 | 6,120.00 | 2,000.00 | 2,720.00 | 2,000.00 |
| ii) Short Term Instruments | | | | | |
| Rating | A1+ | - | A1+ | A1+ | - |
| Amount | 15,000.00 | - | 10,000.00 | 10,000.00 | - |
| iii) Market link debentures - Long term | PP-MLD AA-/Negative | PP-MLD [ICRA] A+/Stable | PP-MLD A+/Negative | - | - |
| Rating | | | | - | - |
| Amount | 15,424.20 | 1,537.60 | 1,458.20 | - | - |
| iv) Market link debentures - Short term | PP-MLD A1+ | - | - | - | - |
| Rating | | | | - | - |
| Amount | 5,000.00 | - | - | - | - |



Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

Regulatory disclosure of Core Investment Company (CIC)

55. Other Additional Regulatory Information

- 55.1 Title deeds of Immovable Properties not held in name of the Company
The Company do not have any immovable properties where title deeds are not held in the name of the company.
- 55.2 Loans and Advances
There are no loans or advances in the nature of loans which are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:
(a) repayable on demand or
(b) without specifying any terms or period of repayment
- 55.3 Details of Benami Property held
The Company do not have any benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- 55.4 Security of current assets against borrowings
The Company has no borrowings from banks or financial institutions on the basis of security of current assets.
- 55.5 Wilful Defaulter
The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.
- 55.6 Relationship with Struck off Companies
The Company do not have any transactions with companies struck off.
- 55.7 Registration of charges or satisfaction of charges with Registrar of Companies (ROC)
The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 55.8 Undisclosed income
The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 55.9 Details of Crypto Currency or Virtual Currency
The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and any of the previous financial years.
- 55.10 Compliance with number of layers of companies
The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.



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Edel Finance Company Limited

Notes to the financial statements for the year ended March 31, 2024

(Currency: Indian rupees in millions)

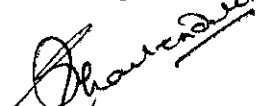
56. Figures for the previous year have been regrouped/ reclassified wherever necessary to confirm to current year presentation.

As per our report of even date attached

For Dhiraj & Dheeraj

Chartered Accountants

ICAI Firm Registration Number: 102454W



Shaileendra Dadhich

Partner

Membership No: 425098



Mumbai May 10, 2024

For and on behalf of the Board of Directors



Ananya Suneja

Executive Director & CFO

DIN : 07297081



Vidya Shah

Executive Director

DIN : 00274831



Christina D'souza

Company Secretary



May 10, 2024

Form AOC-I

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Currency : Indian rupees in millions)

| Name of the Subsidiary Company | Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited) | Edelweiss Investment Adviser Limited | Comtrade Commodities Services Limited (Formerly known as Edelweiss Comtrade Limited) | Allium Finance Private Limited |
|-------------------------------------|---|---|--|--------------------------------|
| Reporting currency | INR | INR | INR | INR |
| Exchange rate | | | | |
| Paid-up Equity Share Capital | 693.50 | 6,755.50 | 300.00 | 68.26 |
| Reserves of the Subsidiary | 7454.38 | (13,361.94) | (291.77) | 1365.55 |
| Total Assets of the Subsidiary | 37,649.46 | 5,003.45 | 33.62 | 1436.10 |
| Total Liabilities of the Subsidiary | 29,501.58 | 11,609.89 | 25.39 | 2.29 |
| Investments | 2,058.23 | 1,808.22 | - | - |
| Total Turnover | 4657.12 | 1,349.45 | 0.66 | 157.22 |
| Profit/(Loss) before taxation | 260.55 | (2,407.87) | (8.83) | 158.39 |
| Provision for taxation | 67.50 | - | 0.02 | 32.92 |
| Profit/(Loss) after taxation | 193.05 | (2,407.87) | (8.85) | 125.47 |
| Proposed dividend | - | - | - | - |
| % of shareholding | 95% | 100% | 100% | 88.28 |

| Name of the Subsidiary Company | Edelweiss Rural & Corporate Services Limited | Ecap Equities Limited | ECL Finance Limited | Edelcap Securities Limited |
|-------------------------------------|---|-----------------------|---------------------|----------------------------|
| Reporting currency | INR | INR | INR | INR |
| Exchange rate | | | | |
| Paid-up Equity Share Capital | 13,179.40 | 12,784.49 | 2,138.27 | 3639.25 |
| Reserves of the Subsidiary | -6,180.55 | -3,389.66 | 25,552.81 | 456.69 |
| Total Assets of the Subsidiary | 27,285.34 | 51,460.25 | 1,08,282.08 | 6901.62 |
| Total Liabilities of the Subsidiary | 20,286.49 | 42,065.42 | 80,591.00 | 2805.68 |
| Investments | 10,282.62 | 34,723.39 | 73,978.96 | 6094.22 |
| Total Turnover | 3,109.37 | 14,388.97 | 12,737.53 | 1524.52 |
| Profit/(Loss) before taxation | -1,008.71 | 865.67 | 1,844.22 | 239.85 |
| Provision for taxation | 17.66 | -534.22 | 492.35 | -39.57 |
| Profit/(Loss) after taxation | -1,026.37 | 1,399.89 | 1,351.87 | 279.43 |
| Proposed dividend | - | - | - | - |
| % of shareholding | 100% | 80.23% | 100% | 80.23% |

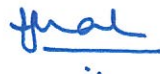
| Name of the Subsidiary Company | Edelweiss Retail Finance Limited | Edelweiss Private Equity Tech Fund | Edelweiss Value and Growth Fund | Edelweiss Multi Strategy Fund Advisors LLP | India Credit Investment Fund III | India Credit Investment Fund - 5 |
|-------------------------------------|-------------------------------------|---------------------------------------|------------------------------------|---|--|--|
| Reporting currency | INR | INR | INR | INR | | |
| Exchange rate | | | | | | |
| Paid-up Equity Share Capital | 429.50 | 266.84 | 593.70 | 6.13 | - | - |
| Reserves of the Subsidiary | 5,081.40 | 249.42 | 84.67 | 1.78 | - | - |
| Total Assets of the Subsidiary | 10,144.92 | 516.39 | 678.56 | 7.95 | - | - |
| Total Liabilities of the Subsidiary | 4,634.02 | 0.13 | 0.19 | 0.04 | - | - |
| Investments | 2,219.34 | 513.93 | 641.53 | - | - | - |
| Total Turnover | 1,085.45 | -17.04 | -111.17 | - | 67.98 | -765.11 |
| Profit/(Loss) before taxation | 181.84 | -19.13 | -114.78 | -0.08 | -361.50 | -791.94 |
| Provision for taxation | 37.66 | - | - | - | - | - |
| Profit/(Loss) after taxation | 144.18 | -19.13 | -114.78 | -0.08 | -361.50 | -791.94 |
| Proposed dividend | - | - | - | - | - | - |
| % of shareholding | 81.62% | 95.60% | 96.05% | 100% | 100% | 100% |

For and on behalf of the Board of Directors of
Edel Finance Company Limited


Ananya Suneja
Executive Director & CFO
DIN No.: 07297081

May 10, 2024





Vidya Shah
Executive Director
DIN No.: 00274831



Christina D'Souza
Company Secretary



Form AOC-I

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Account/) Rules, 2014
Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

Part "B": Associates

(Currency : Indian rupees in millions)

| Sr No | Name of the Associate | Edelweiss Securities and Investments Private Limited |
|-------|--|--|
| 1 | Latest Audited Balance sheet date | 31-Mar-24 |
| 2 | Share of Associate held by the Company on the year end | |
| | Number of shares | 2,94,473 |
| | Amount of Investment in Associates (' in millions) | 5,968.05 |
| | Extend of Holding % | 48.00% |
| 3 | Reason why the associate is not Consolidated | No Control |
| 4 | Networth attributable to Shareholding as per latest audited Balance Sheet (' in millions) | 2,896.57 |
| 5 | Profit / (Loss) for the year | |
| | i. Considered in Consolidation | (16.13) |
| | ii. Not Considered in Consolidation (including exceptional items) | (356.93) |

For and on behalf of the Board of Directors of
Edel Finance Company Limited

Ananya Suneja
Executive Director & CFO
DIN No.:07297081

Vidya Shah
Executive Director
DIN No.: 00274831

Christina D'souza
Company Secretary

May 10, 2024



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Christina D'souza

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