EW/Sec/2023-24/139

September 2, 2023

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

Dear Sir/Madam,

Sub: Annual Report for the Financial Year 2022-23

In accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year ended March 31, 2023 including the Notice convening the 28th Annual General Meeting of the Members to be held on Tuesday, September 26, 2023 at 4.00 p.m. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Edelweiss Financial Services Limited

TARUN KHURANA
Digitally signed by TARUN KHURANA
Date: 2023.09.02 17:05:11 +05'30'

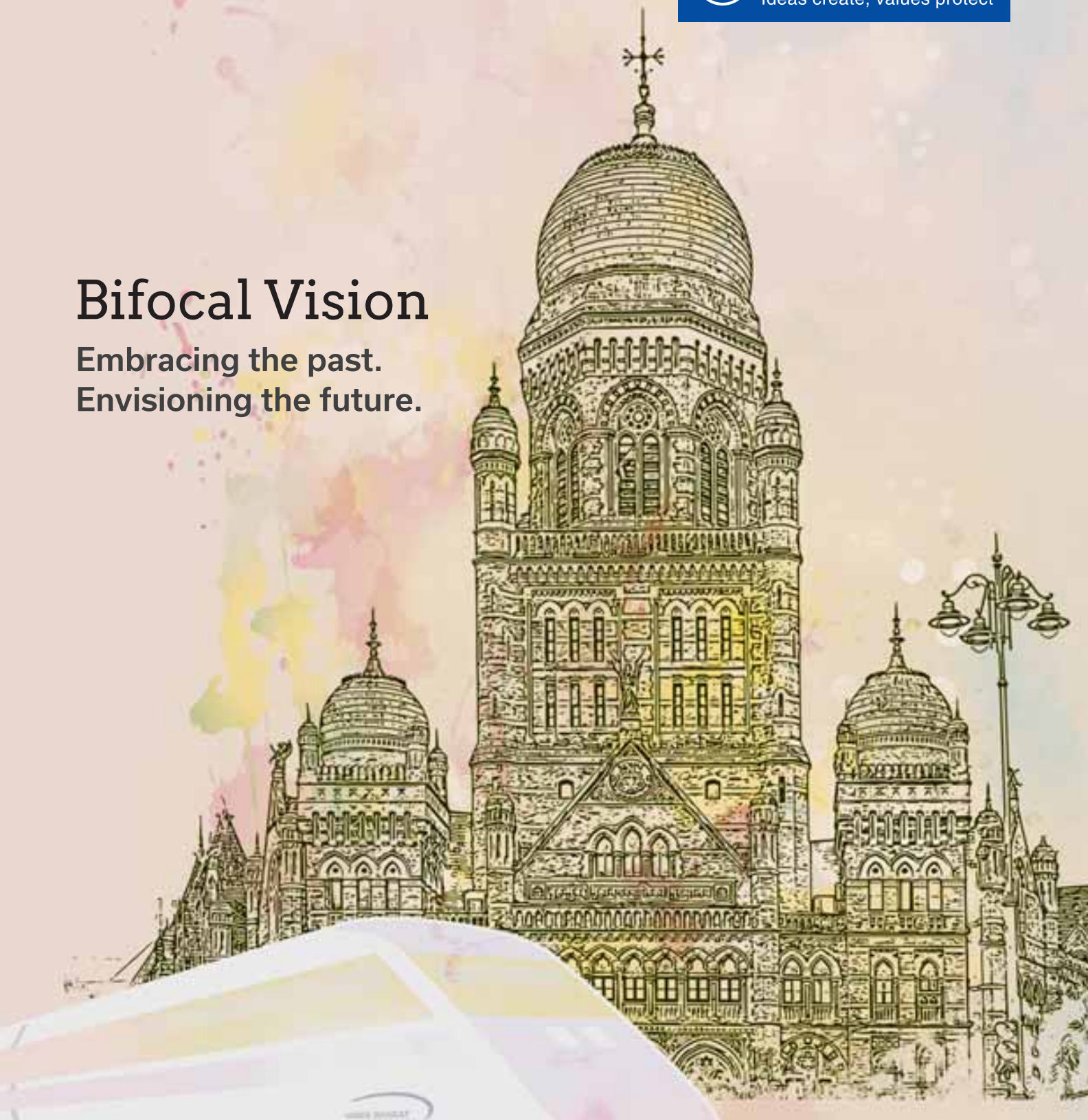
Tarun Khurana
Company Secretary

Encl.: as above

Edelweiss
Ideas create, values protect

Bifocal Vision

Embracing the past.
Envisioning the future.



2022-23
Annual Report

Index

01 Theme Note
02 FY23 Highlights
07 Our Guiding Principles
09 Our Diversified Business Model
21 Our Governance
23 Our Customer Experience
27 Our People
31 Our Technology
33 Chairman's Letter
45 Sustainability Overview
66 EdelGive Foundation
79 Board of Directors
82 Company Information
83 Board's Report
91 Management Discussion & Analysis
128 Corporate Governance Report
174 Consolidated Financial Statements
359 Standalone Financial Statements
471 Notice

Bifocal Vision

Embracing the past. Envisioning the future.

At Edelweiss, we embrace a bifocal vision that allows us to focus on our current goals while never losing sight of our future aspirations.

We are continually energised by the actions of the present while preserving excitement about future possibilities. Delivering on our quarterly objectives while remaining dedicated to the long-term strategy of value creation over the next five years defines our commitment. This outlook enables us to view the world through two distinct lenses: short-term and long-term, quality and quantity, internal and external, employees and customers, logic and emotion, profit and purpose. Although these perspectives may occasionally seem opposing, we recognise that striking a balance between them is not merely a skill but a deliberate choice, to which we are firmly committed.

Drawing inspiration from ancient architecture, we discover wisdom in the theme of the bifocal vision concept, where form and function, aesthetics and utility, art and science, tradition and modernity have converged to create marvels that have withstood the test of time, over centuries.



Representing the unmatched stone masonry skill of India's early medieval architecture is the Vittala Temple in Hampi, Karnataka. What makes these stone monuments fascinating is the artistic craftsmanship and a yet-unsolved mystery. Built for worship, the most baffling aspect is the group of 56 musical pillars in the complex. These musical pillars, divided into main and minor pillars, are also known as 'SA RE GA MA pillars', due to the musical notes produced by them when tapped gently.

– Hampi, Karnataka

FY23 Highlights

FINANCIAL PERFORMANCE

₹8,633 crores
Revenue (consolidated)

₹344 crores
Consolidated PAT

₹610 crores
Ex-Insurance PAT

51%
increase YoY

ROBUST BALANCE SHEET & LIQUIDITY

₹8,502 crores
Strong Net Worth

Reduced Debt
Net Debt **₹16,360 crores**
Gross debt declined by ~30% in the past 2 years

15% of debt
Comfortable Liquidity

VALUE UNLOCKING IN NUVAMA

NCLT order received, and demerger scheme made effective from May 18, 2023

June 2, 2023, announced as the Record Date for determining shareholders to receive equity shares of Nuvama

Listing of Nuvama Wealth Management by September 2023

Liquidity and Net Debt excludes Wealth Management.

WELL CAPITALISED BUSINESSES

CAPAD of **32%+**
(Credit and ARC businesses)

Solvency ratio of **180%+**
in insurance businesses

ROBUST CUSTOMER FRANCHISEE

Growing Customer Assets

Customer assets at **₹4.1 trillion**, grew **16%** YoY demonstrating the continued trust reposed by customers

Growing Customer Reach

Customer reach continues to expand to **~6.7 million**, growing **36%** YoY

ASSET MANAGEMENT

Alternatives

AUM **₹465 billion,** **~4x** growth in last 5 years

Fee Paying AUM - **₹232 billion**

Raised **₹140 billion**

>₹50 billion of AUM sourced domestically

Deployed **₹70 billion** and realised **₹86 billion** during the year

Consolidated PAT for the year grew by **3x** YoY to **₹1,590 million**

Steady annuity fees income; **85%** of AUM has tenor > 3 years

Mutual Fund

AUM grew **24%** YoY to **₹1,050 billion** (market share of 2.61%; improved 45 bps YoY)

Inflows of **₹221 billion** (market share of ~29%)

Retail folios grew by **20%** in FY23 to ~1.2 million

Industry rank improved from 13 to **12**

Equity AUM grew steadily by **16%**; Equity AUM **~22%** of total AUM

ASSET RECONSTRUCTION

AUM of **₹371 billion**

Robust recoveries of **₹75 billion**; of which **13%** were from retail portfolio

Share of retail assets in capital employed grew to **16%** (up ~280 bps YoY)

CREDIT

NBFC

Focussed workouts have helped accelerate reduction in wholesale book by **~40%** in the year; expect momentum to continue

GNPA at **2.07%**; improved 69 bps YoY

Nido Housing Finance



Rebranded as Nido Home Finance Limited



Steady GNPA at **1.91%**



Quarterly collection efficiency at **97.79%**



Total disbursals of **~₹1,000 crores** for the year

INSURANCE: LIFE & GENERAL INSURANCE

Zuno General Insurance



53% YoY growth in Gross Direct Premium Income (GDPI); highest amongst GI players



Motor and Health insurance business grew by **52%** and **56%** in FY23 against industry average of 15% and 20%



Total policies issued in the year doubled from FY21 to **388,000**; up **31%** YoY

Life Insurance



Crossed the **₹5 billion** APE milestone (20% YoY Growth)



Achieved Embedded Value break-even with focus on margin and capital management.
EV at **₹1,844 crores**



Recorded highest ever Claim Settlement Ratio of **99.20%** and full year Customer NPS score of **54**

WEALTH MANAGEMENT

Nuvama Wealth Management



Assets under Advice at **₹2.25 trillion** (12% YoY Growth)



Customer reach increased by **~27%** to **1.1 million** customers

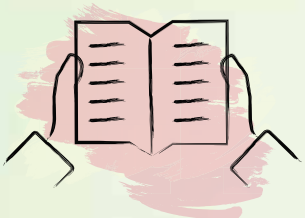


Robust net new money of **~₹14,930 crores** in the year; growth of **16%** YoY

Mahabodhi Temple

In the ancient city of Bodh Gaya, India, stands the magnificent Mahabodhi Temple, an embodiment of faith and devotion. The Bodhi tree, under which Lord Buddha attained enlightenment, is the highlight of the temple, drawing thousands of devotees every year to seek spiritual guidance and enlightenment. The temple's design embodies a bifocal approach with the Bodhi tree representing the physical world and the stupa symbolising the spiritual world. This iconic temple stands as a symbol of the harmony between man and nature, where spirituality and physicality intertwine. Its spiritual significance and architectural grandeur make it a true marvel and a testament to the rich cultural heritage of India.





Our Guiding Principles

At Edelweiss, our guiding principles are our steadfast anchor which keep us centred and focussed. These principles form the foundation of our business and are deeply ingrained in our corporate culture. A blend of our ideals, culture and values, these principles bring purpose to our business and into our lives. We strive to be ethical, transparent, and customer-centric in all our dealings, always putting our stakeholders' interests first. Our guiding principles provide a strong foundation with inspirational values and will continue to drive us towards success.

Values that Inspire Success

01 **We are a Thinking Organisation.** We constantly bring thought to everything we do. Our clients' and our own success depend on our ability to use greater ideation and more imagination in our approach.

02 **We are Fair** to our clients, our employees, and all stakeholders.

03 **We operate as a Partnership, internally and externally.** Though individuals are often brilliant, we believe teamwork and collaboration always ensure a better and more balanced organisation. We also treat our clients as partners and extend them the same respect and consideration as our internal team members.

04 **We focus on the Long-Term.** As the world is poised on the threshold of change and may not hold up our assumptions for the future in the coming years, we reflect on the long-term implications of our actions. Even short-term decisions are made with an awareness of long-term implications.

05 **We focus on Growth** for our clients, employees, and shareholders.

06 **Our Reputation and Image is more important than any financial reward.** Reputation is hard to build and even harder to rebuild. It is impacted by our ability to think for our clients, maintain confidentiality and by adherence to our ethical value system.

07 **We Obey and Comply with the rules of the land.** We maintain the highest standards of integrity and honesty. When we are unclear, we seek clarifications from experts.

08 **We take care of our People.** Our policies – in letter and spirit – ensure transparency and equal opportunity for all. We go beyond the normal goals of attracting, recruiting, retaining, and rewarding fine talent. We ensure that every individual in Edelweiss has an opportunity to achieve their fullest potential.

09 **We Respect Risk.** Our business presents a constant challenge of balancing risk and reward. Our ability to continually keep an eye on risk guides us through this fine balance.

10 **Our Financial Capital is a critical resource for growth.** We endeavour to grow, protect, and use our financial capital wisely.

11 **Our Customer Experience defines us.** We strive to make it outstanding every time.

12 **We Listen and Fulfil the customer's needs.** Listening is the start of the relationship with our customers wherein we understand their needs and fulfil these with the most appropriate products and solutions.

13 **We satisfy the needs of all stakeholders.** Shareholders who entrust us with their capital, employees who create the organisation, customers who are the reason we exist and society which gives us the resources and opportunity to create value.

Sindhudurg Fort

Built on an island in the Arabian Sea, the Sindhudurg fort is a result of the vision of Chhatrapati Shivaji Maharaj and stands as a testament to the will and tenacity of the Maratha empire. It was designed to deter enemies and keep the people of the region safe, even in the most difficult times. Remarkably, the fort has endured the test of time for over 400 years, with its foundation still as strong as ever. This was achieved through the innovative use of materials, involving transporting thousands of tonnes of lead to the middle of the sea for use in the fort's foundation. Today, the Sindhudurg island-fort is not just a physical structure, but a symbol of the courage, perseverance, and strength that the people of India possess. It reminds us of the power of determination and the ability to overcome the toughest challenges.





Our Diversified Business Model

Edelweiss is committed to creating long-term shareholder value, and the approach involves creating businesses that are both legacy-driven and innovative. We strive to transform traditional businesses into modern and forward-thinking enterprises, while incubating and nurturing new-age ventures. Our focus is on building strong foundations and quality, so businesses can thrive and scale. By doing this, Edelweiss seeks to transform the landscape of business and make a positive impact on society.

Legacy Meets Modern: Building Thriving Businesses for the New Age

Our businesses saw a healthy performance in FY23 leading to our ex-Insurance PAT growing at 51% YoY to ₹6.1 billion. The year saw significant growth in our Asset Management and Insurance businesses. The AUM of our Asset Management businesses grew ~1.8x over the past 2 years and 31% YoY to ₹1,515 billion. Our Alternatives business saw an AUM growth of 52% YoY to ₹465 billion, whereas our Mutual Fund business saw its AUM grow at ~25% YoY to ₹1,050 billion. Our Alternatives business also saw a robust increase in profitability with its profit after tax more than tripling YoY. Our Mutual Fund business improved its AUM market share by 45 bps to 2.61% and had a market share of nearly 30% in inflows for the year which stood at ₹221 billion; leading to an uptick in its rank to # 12.

The Asset Reconstruction business saw a steady performance with recoveries of ₹75.3 billion and a profit after tax of ₹3.18 billion; up 26% YoY. There has been a steady gain in the retail share in capital employed which increased 16% during FY23, up ~280 bps YoY, in line with our focussed retailisation strategy.

Our Credit businesses showed improvement in asset quality with GNPA for the NBFC improving 69 bps YoY to 2.07% while HFC impoved 8 bps to 1.91%. Wholesale reduction was on track, ECFL Wholesale loan assets saw a reduction of ~40% in the year to ₹57 billion. We expect the momentum to continue with planned reduction of ~50% in FY24 to ₹30 billion.

Our Insurance businesses collected a combined premium of ₹22.28 billion and issued ~445,000 policies during the year. Both businesses have consistently outperformed industry growth rates and have been amongst the fastest growing companies. The Life Insurance business recorded gross premium growth of 15% YoY to ₹16.76 billion with its AUM growing 21% YoY to ₹66 billion. The performance of our General Insurance business was the second highest in the industry in terms of gross written premium (GWP), a growth of 53% YoY to ₹5.5 billion aided by a 31% increase in polices issued to ~388,000.

Our Customer Franchise also witnessed an increase with customer reach growing 36% YoY to 6.7 million and customer assets growing 16% YoY to ₹4.13 trillion. The growth is attributable to our steadfast focus on the retail segment by way of innovative product offerings and customer-centric processes. This also demonstrates the continued trust reposed in us by our customers.

Our businesses, structured under nine key entities, are well-capitalised, operationally autonomous with robust platforms and poised for growth. Economic tailwinds provided headroom for growth of each of our businesses. We will continue to fund and support these businesses on their journey to value creation. Robust equity, comfortable liquidity and agile operating platforms provide a solid foundation, as we confidently look forward to FY24 with optimism.

		STRENGTHS	STRATEGIC EQUITY PARTNERS	KEY ENTITIES	EQUITY	EFSL STAKE
Asset Management	Alternatives	Largest Alternative assets platform	-	Edelweiss Alternate Asset Advisors Ltd (EAAA)	₹6.14 billion	100%
	Mutual Fund	One of the fastest growing AMCs	-	Edelweiss Asset Management Ltd (EAML)	₹2.00 billion	100%
Asset Reconstruction	Asset Reconstruction	Largest asset reconstruction company (ARC) in the country	Caisse de dépôt et placement du Québec (CDPQ)	Edelweiss Asset Reconstruction Company Ltd (EARC)	₹27.94 billion	60%
Credit	NBFC	Capital-light model focussed on co-lending, and securitisation	Caisse de dépôt et placement du Québec (CDPQ) in ECL Finance Ltd	ECL Finance Ltd (ECLF) Edelweiss Retail Finance Ltd (ERFL)	₹38.64 billion	100%
	Housing Finance		-	Nido Home Finance Ltd (NHFL)	₹7.94 billion	100%
Insurance	General Insurance	Fast growing digital insurance	-	Zuno General Insurance Ltd (ZGIL)	₹1.74 billion	100%
	Life Insurance	Among the fastest growing Life Insurers	Tokio Marine Holdings	Edelweiss Tokio Life Insurance Company Ltd (ETLI)	₹6.78 billion	75%
Wealth Management	Wealth Management	One of India's largest wealth management platforms	Pacific Alliance Group (PAG)	Nuvama Wealth Management Ltd (NWML)	₹22.56 billion	44%*

*Consequent upon the demerger, the subsidiaries of the company hold 14% in Nuvama Wealth Management Ltd.



ASSET MANAGEMENT

Asset management has grown significantly over the last couple of years; with its AUM tripling in the last three years to ~₹1,515 billion. Our AMC continued to make rapid strides, with improvement in both market share and industry ranking. We continue to be a leading alternatives asset manager in the country offering a dominant yield focussed alternatives platform.

ALTERNATIVES

The business has had a robust year both in terms of scale and profitability. Our AUM increased 52% YoY to ₹465 billion and profit after tax saw a 3x jump YoY to ₹1.59 billion. We deployed nearly ₹70 billion which led to our fee-paying AUM increasing by 32% YoY. The business raised ₹140 billion during the year, of which >50% was sourced domestically. One of the key drivers of AUM growth was the funds raised in 2nd series fund of Infrastructure yield strategy and 3rd series fund of Special Situations strategy and the launch of AnZen InvIT and Rental Yield launched in Mar-23. In addition to the increasing fee paying AUM, onset of operating leverage was also a key driver for the rise in profitability and we expect incremental improvement in margins with economics of scale. Our vision, mission and values serve as the foundation for the organisation's strategic plan. These convey the purpose, direction and underlying values of Edelweiss. As a business, we aim to – 'Be the trusted and respected India alternative asset advisor, creating value for all stakeholders.'

Net Worth	Net Revenue	Profit After Tax
₹6.14 billion	₹3.96 billion	₹1.59 billion



Validating Investor / Customer Trust 2,000+ unique LPs spread across 11 geographies | 700+ repeat LPs across strategies

- Raised ~₹140 billion in FY23 | Upsizing by existing investors, reflective of continued trust
- ~70% of AUM from insurance companies and pension funds
- Opening door for Indian institutional capital through AnZen InvIT
- More than 50% of incremental AUMs coming from domestic investors in FY23



Operating Leverage Leading to Increased Profitability

- Profitability grew by 3x YoY to ₹1.59 billion
- Margins set to improve further as operating leverage takes effect

MUTUAL FUNDS

Our business continues to be the fastest growing among the top 15 AMCs in the industry with ₹1,050 billion in assets, growth of ~24% in FY23, considerably exceeding industry growth. We witnessed steady performance in our Equity AUM with ₹227 billion in assets, growth of ~16% with a market share of 1.14% as of March 2023. Our total fixed income portfolio crossed ₹800 billion in assets as of March 2023 while we reinforced our leadership in the target maturity space with the widest basket of 12 product offerings with maturities ranging from 2023 to 2037. The business has improved its ranking to 12th in FY23 from 13th in FY22 and caters to 878,000 unique investors, compared with 732,000 at the end of FY22.

Net Worth	Gross Revenue	Profit After Tax
₹2.00 billion	₹1.68 billion	₹0.18 billion

Expanding Customer Assets

- The business manages an AUM of ₹1,050 billion under 60 schemes across categories
- Crossed ₹227 billion of equity assets with a market share of 1.14%
- Total net inflows stood at ₹221 billion as of March 2023 with a market share of ~29%
- Total net equity inflows of ₹34 billion with a market share of ~2%
- During the year, we launched a basket of 11 product offerings across asset classes, many of which were industry firsts

Earned Investor Trust

- Retail folios increased by 20% in FY23 to ~1.2 million vs industry growth at 13%
- Unique active investor base grew by ~20% from 732,000 in FY22 to 878,000 in FY23
- Our systematic transactions increased by ~21% from 334,000 in FY22 to 403,000 in FY23

Business Leadership

- Our MF AUM market share improved ~45 bps to 2.61% with rank improving from 13th to 12th during the year
- Hybrid funds maintained competitive performance in the long-term horizon, with ~14% growth in overall Hybrid AUM
  - ~12% AUM growth in our Balanced Advantage Fund (5th largest in the category)
- Leadership position in the target maturity space with the widest basket of 12 product offerings with maturities ranging between 2023 and 2037
- This year, continuing our journey of innovation, we introduced India's first open-ended debt index fund in the short-term category
- In FY23, we have focussed on strengthening our long-only equity team and enhancing our capabilities in this crucial asset class

Technology

- **Galaxy Live:** A platform that provides a seamless onboarding experience for distributors. We revamped our platform this year, thus paving the way for faster transactions with fewer errors and a completely paperless process that caused the number of partners transacting through it, to double
- **SWIFT:** Optimised our internal efficiencies by developing a digital platform to enable distributors and employees to onboard business customers for alternative investments. This technological shift has substantially reduced manual tasks, resulting in significant improvements in turn-around-time (TATs)
- **Evault:** Replaced legacy-based reporting system with a more advanced and efficient version that provides a wide range of dashboards to assist teams deliver top performance and make informed decisions, thereby making business MIS more effective

ASSET RECONSTRUCTION

As India's largest asset reconstruction platform, with a market share of ~39%, Edelweiss ARC plays an important role in the reconstruction and redeployment of productive assets into the economy. With a focus on optimal resolution and turnaround of portfolio assets, we have recovered ₹381 billion over the last five years despite the pandemic. In the year, we have recovered ₹75 billion and deployed ₹14.67 billion.

Net Revenues	Profit After Tax (pre-MI)	Net Worth	Assets under Management
₹10 billion	₹3.18 billion	₹27.94 billion	₹371 billion

Robust Recoveries

- Specialist team focussed on facilitating turnaround of portfolio assets
- Robust recoveries of ₹75 billion of which 13% was from retail portfolio during the year
- Acquired assets worth ₹28 billion during the year

Thrust on Retail Assets

- Share of retail assets in capital employed grew to 16% as of March 2023
- Deployment of ₹3.15 billion towards retail assets, which is ~30% of the deployment by the industry in retail NPAs
- Diverse retail assets with deployment across various asset classes like mortgages, auto, commercial vehicles, microfinance, educational loans, and other unsecured loans

Robust Balance Sheet, Steady Income & Profitability

- Strong, well-capitalised balance sheet with well-matched ALM across all durations
- Steady fee income anchoring profitability - Profit (PAT): 3.9% of the AUM since FY18
- 5.5% Return on Assets (RoA) 12.2% Return on Equity (RoE)



CREDIT

Our credit business is focussed on an asset-light model through bank collaborations. While we are scaling down our wholesale book, we remain focussed on building a digital-led asset-light, credit portfolio, through partnerships with banks. There was significant improvement in asset quality despite the third wave of COVID-19. Going forward, we shall have a smaller mid-corporate credit book and scale up retail credit. Being conservative and consistently providing higher than IRAC norms for our credit assets, has resulted in a strong balance sheet and adequately capitalised businesses, which will provide a robust foundation for future growth.

SME & BUSINESS LOANS (ECLF & ERFL)

Net Worth	AUM	Capital Adequacy
₹38.64 billion	₹74.47 billion	34.3%



Asset-Light Business Model

- Forged three new CLM partnerships with IDFC First Bank, Central Bank of India and Standard Chartered Bank
- Broader coverage of products under the ambit of CLM. Business loan and vendor finance products approved by partner banks



Successful Workouts & Strong Recoveries

- Wholesale book reduction of ~40% in the year; expect momentum to continue



Improved Asset Quality

- GNPA improved to 69 bps to 2.07%

HOUSING FINANCE (NIDO)

Edelweiss Housing Finance has been rebranded as Nido Home Finance Limited (Nido). Nido has continued to focus on building a granular, retail business through acquisition of affordable housing and informal income customer segments. More than 90% of our retail customers have loan ticket sizes below ₹3 million. We have completely pivoted towards an asset-light business model, enabled by co-lending and portfolio sell-downs. We have also expanded our CLM partnerships with four banks to offer both, HL and LAP products. In FY23, we disbursed ₹9.96 billion. The portfolio quality continues to be stable with GNPA at 1.91% on March 31, 2023. The Company's focus on governance and compliance has led to a positive regulatory perception of the Company's practices.

Net Worth	AUM	Capital Adequacy
₹7.94 billion	₹41.15 billion	32.0%

Disbursed ₹9.96 billion in FY23

Steady PAT at ₹161 million in FY23

Continued focus on asset-light growth; Expanded our CLM partnerships to include 5 CLM banking partners to offer HL and LAP products

Diversified liabilities mix; almost one-third distribution between bank lines, NCD and securitisation. ~₹9 billion securitised in FY23

We continue to leverage data sciences primarily for the purpose of portfolio management and are focussing on 360-degree usage across customer value management (CVM) and process efficiency

Improved Asset Quality & Collection Efficiency

- GNPA improved to 1.91% as on March 31, 2023, compared with 1.99% on March 31, 2022
- Collection efficiency remained robust at 98% despite restructured accounts coming out of moratorium during the year and significant repo rate hikes leading to increase in EMIs

Strategic Partnerships

- Co-lending tie-up with State Bank of India, Standard Chartered Bank, Bank of Baroda and UCO Bank across HL and LAP products
- Added 6 new strategic investors in DA-PTC and did repeat transactions with more than 10 investors

INSURANCE

Our Insurance businesses have demonstrated strong performance and remained amongst the fastest growing in the industry. With a focus on digitalising the entire insurance value chain, we have enabled higher efficiencies and provide superior customer experience. With an innovative product bouquet and strong partnerships, our insurance franchisees have outperformed industry benchmarks. With a customer reach of 4.7 million, our insurance businesses, focussed on customer needs, continue to build a quality proposition. Leveraging on digital prowess, these businesses are trying to scale up sustainably and profitably over the coming years.

GENERAL INSURANCE (ZUNO)

Edelweiss General Insurance Limited (EGIL) underwent a rebranding exercise last year to better reflect its digital identity and operating model. Therefore, to represent its challenger brand positioning more accurately, EGIL established a new, independent identity, "ZUNO".

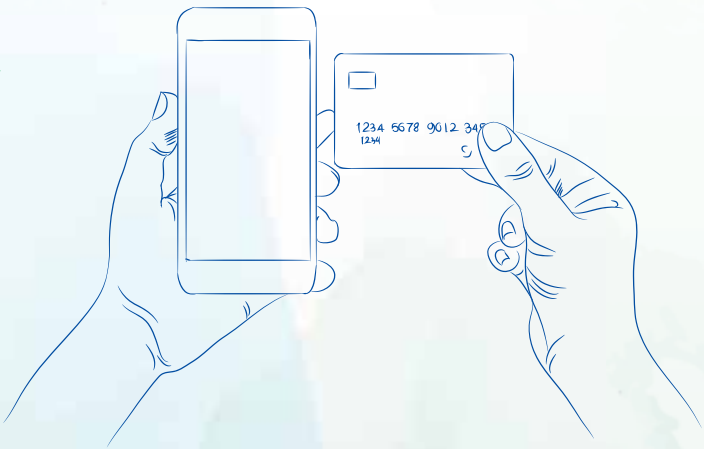
Zuno GI is a digital native Insurer that started its operations a little over 5 years ago. Zuno GI started with the purpose of reimagining Insurance to make it easy, friendly, and transparent through the pillars of customer experience, innovation, and an efficient digital delivery platform.

Zuno GI has consistently ranked among the top 3 fastest growing General Insurers. In FY23, Zuno grew at a growth rate of 53%. Its Gross Written Premium (GWP) for the year was ₹5.52 billion, growing 4 times over FY20. With steady growth in the target markets in FY23, the Motor and Health segments expanded by 52% and 56%, respectively, versus industry averages of 15% and 20%.

Gross Written Premium	Solvency Ratio	Policies Issued
₹5.52 billion	190%	388,000

Technological Edge

- Digital payments - 92%
- Digital issuance - 99.7%
- Digital motor claims - 42%
- Application programmable interface (APIs) offered - ~300
- Unassisted transactions - 85%
- AI-based claims intimation - 42%



Significant Growth Aided by Innovative Products & Synergistic Partnerships

- Fastest growing General Insurer in FY23 – GDPI growth of 53% for FY23; highest amongst private GI players
- Motor insurance business growth at 52% (Industry average at 15%)
- Health insurance business growth at 56% YoY (Industry average at 20%)
- Issued 3.88 lakhs policies during the year; 31% growth YoY

Product Innovations

- Piloted Switch 2.0 in FY23 – a subscription model with usage and driving behaviour-based pricing
- Launched India's first telematics integrated insurance app, encouraging customers to drive safe
- Deployed AI voice-based BOTs, allowing garages to register claims quickly, in a hassle-free manner
- Pay As You Drive add-on for customers to personalise, as per driving needs
- Forged partnerships with marquee industry OEM's like LG, TATA, Maruti
- First Insurer to integrate with Ayushman Bharat Digital Mission (ABDM) – a government-led initiative, to establish a unified health infrastructure to enhance customer experience and operations
- Partnered with new-age digital players and offered customised niche bite-size products on platforms such as Cleartrip, Ola etc.
- Adding more NBFC's and new corporate clients to our existing list such as Art Housing Finance, Orange Retail Finance, Repco Home Finance, Anandrathi Global Finance, Inditrade, Policy Bazaar and Aditya Birla Broking
- Became official insurance partner for RCB in Women's Premier League (WPL) to support game changing idea in cricket

LIFE INSURANCE

FY23 was a vital year in Edelweiss Tokio Life's business journey of almost 12 years. It was distinguished by numerous landmark achievements, the most noteworthy being an Individual APE of ₹502 crores, a 20% YoY growth and an earlier Embedded Value break-even than planned. The Company's quality parameters also continued to improve, as indicated by the claim settlement ratio of 99.20%, a net promoter score of 54 and a 13th month persistency ratio[1] of 75%. Since inception, the Company has grown at a CAGR of 44%.

Guided by its purpose of protecting people's dreams and aspirations and aligned with its Udaan strategy of becoming a multi-channel company targeting top quartile productivity, Edelweiss made significant advances across several critical vectors including personalisation, customer and distributor experience to create value for its stakeholders while being capital-efficient.

Customers	Agent	Branches	No. of Policies
~363,000	~69,000	109	~56,600



Long-Term Value Creation

- Individual APE crossing ₹5 billion in the year; YoY growth of 20%
- Gross Premium as per IndAS, at ₹16.76 billion in FY23, up 15% YoY
- AUM increasing 21% YoY to ₹66.37 billion



High Quality Franchise

- 13th month overall persistency at 75%; improved 453 bps YoY
- Achieved early Embedded Value break-even
- Indian Embedded Value (IEV) as on March 31, 2023, at ₹18.44 billion
- Solvency ratio at 220%
- Recorded highest ever claim settlement ratio of 99.20% and full year customer NPS score of 54



Customer-centric Focus on Product Innovation | New Products

- FY23 was led by Flexi Savings Plan, a participating product that marked its foray into the personalisation space. Flexi Savings Plan is a first-of-its-kind product which offers customers greater freedom and flexibility in personalising future cashflow requirements
- Additionally, introduced several other products like Guaranteed Savings STAR, Wealth Rise+, and Premier Guaranteed STAR into the market. New products[2] together contributed ~62% of the new business last year
- Products have also played a key role in delivering a superior distributor experience, with the Company being able to design relevant solutions required by customer segments of specific distribution partners

Notes:

1. *Persistency ratio is on premium basis for Individual (Regular Pay+ Limited Pay). Persistency figures correspond to policies issued during the period April-March of the relevant year*
2. *New product contribution refers to the business generated in the current financial year by the new products in the first 12 months since launch*

WEALTH MANAGEMENT

The wealth management business is an associate business where we entered into a partnership with PAG (Pacific Alliance Group), the leading Asia-focussed investment group, through a majority stake sale in FY21. Customer assets under advice have grown with a ~34% CAGR from ~₹295 billion in FY16 to ~₹2.25 trillion in FY23, which is a strong testament to the trust our customers repose in us.

NUVAMA WEALTH MANAGEMENT LIMITED

Net Worth	Gross Revenue	Profit After Tax
₹25.56 billion	₹22.15 billion	₹3.02 billion

Assets under Advice
₹2.25 trillion

No. of Customers
~1.1 million

Book Value Per Share (BVPS) ₹643

Diluted Earnings Per Share (EPS) ₹92

Value Unlocking in Nuvama Wealth Management

- Phase III of Demerger completed; NCLT order received, and scheme made effective from May 18, 2023
- June 2, 2023, fixed as the Record Date for determining shareholders who will receive equity shares of Nuvama
- Listing of Nuvama Wealth Management scheduled by September 2023

Konark Sun Temple

Rising majestically from the golden sands of Konark in Odisha, the 13th-century Konark Sun Temple is an example of India's rich cultural heritage and architectural prowess. What makes this temple truly remarkable is its unique design, which is built in the shape of a chariot, with twelve pairs of intricately-carved wheels - a marvel of engineering and art. These wheels not only serve a decorative purpose but also function as sundials, accurately measuring time to the minute, both day and night. The Sun Temple is not only a place of worship dedicated to the Sun God, but is a perfect example of how religion and science can coexist.





Our Governance

At Edelweiss, we are committed to upholding the values of integrity, transparency, and discipline in our corporate governance. Edelweiss has a culture that emphasises governance as a crucial aspect of its way of life. This approach enables the Company to build a robust foundation for its business growth and purpose, and at the same time, delivers value for all stakeholders. Our focus on governance is to enable independent functioning in our businesses while maintaining seamless interdependence.

Empowering Business Autonomy with Harmonious Interdependence

Through our Boards, Councils and various operating review mechanisms, we continue to ensure good governance.

The tenets of our Corporate Governance philosophy go beyond a set of policies and practices and are an integral element of the Edelweiss culture, guiding our efforts to conduct business in an ethical, responsible, and transparent manner.

Tenets of our Corporate Governance Philosophy

TRUST
No compromise on ethics and integrity

LEGITIMACY
Transparent, authentic and fair

ACCOUNTABILITY
Responsible decision-making and responsiveness

COMPETENCE
Simplification of processes for enhanced effectiveness

RESPECT
Uphold the laws of the land in letter and spirit

Key Highlights

8-member Board of Directors, of which 4 independent directors and 2 women directors - collectively represent over 287 years of rich and diverse experience

The Environmental, Social and Governance (ESG) strategy overseen by the ESG Council, is spearheaded by women leaders and aims to embed sustainability across Edelweiss

'Eleven-risk framework' is institutionalised to assess, avoid, manage and mitigate risks across businesses in a continual manner, along with Board-level oversight

Our subsidiaries are decentralised, with independent compliance officers, following a strong culture of compliance, regulatory standards and remediation of escalations

Major subsidiaries have independent directors to ensure keen external oversight and transparency

Regulatory compliance is automated through technology-based applications

Senior management and directors are governed by the conflict-of-interest policy, in addition to the Employees' code of conduct, that outline an ethical roadmap for conduct of business

Employees' regular participation in policy refresher workshops and e-learning modules conducted by the Company ensures awareness, assimilation, and adherence

EFSL is ISO/IEC 27001 certified in the Information Security Management Systems (ISMS) of the company and the policies adopted are in conformity with the applicable statutes/ guidelines/ polices/ rules and regulations

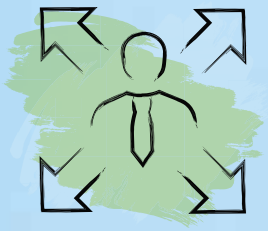
EFSL also holds ISO 27701:2019 certified and has implemented cloud security framework and state-of-the-art art security solutions for data classification, data protection, data loss prevention, advanced threat protection, zero-day protection etc.

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

Ajanta and Ellora Caves

The Ajanta and Ellora Caves are a true embodiment of India's rich heritage, showcasing the country's multifaceted nature. These caves are more than just historical structures and stand as a testament to the cultural, social, and religious significance of India while offering a unique insight into the country's past. The Ajanta Caves' arts offer a glimpse into the past through a variety of lenses, including gender studies, history, sociology, and anthropology. The art showcases the lifestyle of both the elite and common man, illuminating the lives of people in India around the mid-1st millennium CE. In contrast, the Ellora Caves are a set of 34 rock-cut Buddhist, Jain, and Hindu temples and monasteries that were constructed between 350 and 700 AD. The caves provide a contrast and perspective between the austere and ascetic life of monks and the opulent and luxurious lifestyle of the royalty and the rich. This contrast highlights the fusion of varying needs in the social strata, and the interplay between the spiritual and the social.





Our Customer Experience

At Edelweiss, we are focussing on creating memorable customer experiences. Our approach is to be intuitive yet insightful to our customers' needs and requirements. With an unwavering commitment to enable our customers achieve their aspirations, we are combining winning technologies with a personalised touch to build lasting relationships with over five million customers.

Building relationships through insightful precision and superior experience

At Edelweiss, we are focussed on creating memorable customer experiences. Our approach to customer experience is intuitive yet insightful and works to understand and empathise with our customers' needs and requirements. We believe that by providing exceptional customer experiences, we can build with our customers strong meaningful relationships that will grow and thrive over time. With an unwavering commitment to help customers achieve their aspirations; we are concertedly combining winning technologies that are personalised to build a business that resonates with our ~6.7 million customers.

Providing an assured customer experience



We will be **Accessible** to our customers



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



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



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



We will **Remove Limitations** for our customers



We will be **Dependable** and take ownership

Key Highlights

The onboarding platform (SWIFT) in our Alternatives business, revolutionised digital operations by transitioning into a completely paperless system. This transformation included digital signatures and digitisation of stamp papers, setting a new industry standard. Our Alternatives business pioneered the introduction of virtual accounts for all investors. By launching DWAR, a unique, first-of-its-kind central access system, we enabled customers to streamline money transfers and reduce the turnaround time through automated reconciliation.

Our Mutual Fund (MF) business introduced Galaxy Live, a platform that offers a seamless onboarding experience for distributors, thus paving the way for faster transactions with fewer errors and a completely paperless process that has resulted in doubling the number of partners transacting through it.

The MF business also implemented new features on its website edelweissmf.com and Invest mobile app for a seamless customer experience, including single transaction feature for lumpsum and systematic transfer plan (STP) investments, that enables customers to automate investments through SIPs and manage multiple folios.

Nido has focussed on enabling 'do it yourself' (DIY) tools, wherein our customers are able to access loan statements, update contact details, and raise QRC on real-time basis - 24/7 through 'Access Loan from Home'.



Nido has leveraged 360-degree usage across customer value management (CVM) and process efficiency through features like automation in credit scorecards, Aadhaar masking, signature matching and more.

Launch of Digital Lending Platform (DLP) which leverages analytics and accelerates decision-making and disbursement process for our MSME customers via smart eligibility checks, paperless functioning and instant validation of applicant's credit worthiness, thereby providing a seamless user experience.

Switch 2.0: A personalised policy that adapts based on a customer's driving behaviour and habits from Zuno GI. Pay As You Drive add-on is available for customers to customise coverage based on their driving needs.

Zuno GI relaunched its website that offers a 60-second buying journey, instant renewals and policy servicing options. The telematics-enabled Zuno mobile app was also introduced for convenient access to policy servicing, claims, and a range of value-added services. Improved call centre experience with 24/7 availability and no IVR was enabled for customer ease.

LI implemented a new digital, mobile-enabled Pragati platform for new business logins thereby eliminating a physical commute and paper form filling for customers and distributors. Currently, 100% of logins are done through this Pragati journey.

LI launched Flexi Savings Plan, a first-of-its-kind product personalising customers future cashflow requirements. Other products like Guaranteed Savings STAR, Wealth Rise+, Capital Secure+ and Premier Guaranteed STAR were introduced into the market for delivery of a superior customer experience.

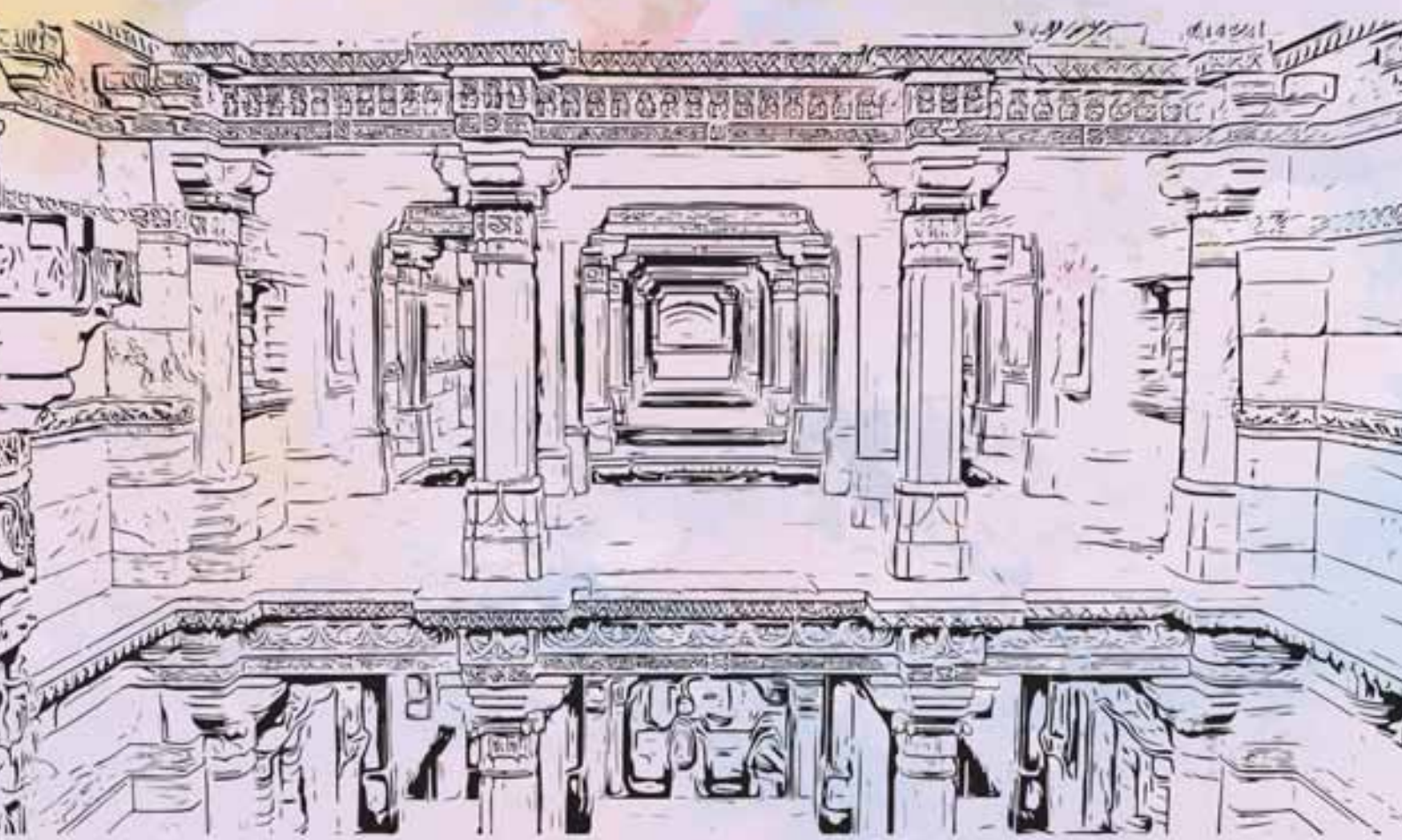
Digital claims processing for our life insurance customers, ensured a smooth, hassle-free experience, by enabling a claim settlement ratio of 99.20% which is amongst the lowest grievance ratio in the industry.

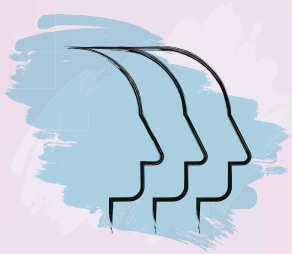
Use of analytics, algos to improve the customer journey and increase engagement levels.

Introduced several initiatives to ease customer interactions during the pandemic.

Rani Ki Vav

Rani Ki Vav in Patan, Gujarat is a 900-year-old UNESCO world heritage site that exemplifies the ingenuity of ancient Indian architecture. The temple's seven levels of stairs feature beautiful mythological and religious carvings, but it's the water storage tank on the fourth level that sets it apart. Queen Udaymati's brilliant solution to address the water scarcity in the region, ensured that people could access water during their visit to the temple, and the tank's four-level depth prevented it from drying up quickly in the summer. Rani Ki Vav is a stunning example of a structure that combines both form and function.





Our People

At Edelweiss, our approach integrates our deep commitment to the holistic growth and well-being of our people. We are constantly anchored in creating a conducive environment and culture that encourages creative enquiry and self-expression. At the same time, we strive to provide our people with opportunities that promote holistic professional growth.

Cultivating Excellence, Empowering Individuals

At Edelweiss, our people see great value in these wise words. In a world overloaded with inessential clutter, knowing what to ignore and zeroing in on what really matters enables our people to pursue excellence. A cross-cultural mosaic of over 8,000 people, collaborating together, embracing our diversity, encouraging and nurturing innovation, we foster a truly collaborative culture. With an empowered workforce, who seize opportunities and tackle challenges proactively, we are committed to building an agile and responsive, thriving organisation.

Key Highlights in our Businesses

Employee Engagement

Implemented a 3-F approach, emphasising Engagement centred around Fun, Family, and Fitness. Organised cross-functional team-building activities to foster employee engagement and strengthen bonds

Family-focussed initiatives included hosting Family Day events and organising celebrations where employees could spend quality time with their loved ones

In terms of Fitness, we arranged wellness sessions led by healthcare professionals and fitness sessions led by our own employees, promoting a healthy lifestyle among our workforce

Maintained a strong connection, trust, and engagement by conducting regular check-ins and town hall meetings led by our leaders, ensuring open communication and transparency

Employee support groups proactively reached out to provide assistance and support, fostering a sense of belonging and well-being among the workforce

Creativity & Innovation Quarter – In order to foster a culture of creativity and innovation, we implemented various initiatives. These included weekly highlights on creativity techniques and the introduction of a dedicated creative space called 'Eureka', which involved modifying our office infrastructure. This space served as a hub for ideation and innovative thinking

Employees encouraged to volunteer their time and expertise in delivering high quality solutions to issues faced by NGOs supported by EdelGive Foundation

Rewards & Recognition

We have a value-based culture that underlines the importance on recognising and appreciating the efforts of our employees. We have implemented comprehensive recognition programmes across our businesses to consistently celebrate excellence. These programmes include the Bandhan Awards, Aces, 'Shubhra', Vijayi, and Tycoons, which serve as robust platforms for acknowledging outstanding achievements and contributions.

Leadership Development

Enhanced leadership development by empowering businesses to take full ownership for nurturing high-quality talent till mid-level leadership pipeline.

Empowered leaders at all levels by providing deeper exposure to business operations, participation in key initiatives, decision-making processes, and timely information sharing.

Established programmes such as LEAD, Young Leaders, BL programme, Women's Leadership Programme, etc., to cultivate future leaders and strengthen the leadership pipeline.

Leadership programmes to identify and groom a select group of high-potential leaders, with approximately 5% of our employees participating in this pipeline. This collaborative approach spans across levels, ensuring an agile and prepared Edelweiss.



Employee Well-Being & Safety

Prioritised the accessibility of timely resources and platforms to support employees in their mental, emotional and physical well-being.

Launched initiatives such as the 'wellness calendar', health webinars and the fitness challenge under the 'What the Health' programme. These initiatives aim to raise awareness and mindfulness about overall health, fitness and well-being.

Organised various sports events such as the corporate badminton tournament, corporate bowling championship and corporate soccer series, besides active participation in events like the Tata Marathon. These initiatives promote sportsmanship and emphasise the importance of good health and fitness.

Adoption of a hybrid working model for eligible and applicable roles. This model offers employees greater flexibility, allowing them the option to work from home or any location where they can be productive.

Implementation of safety training programmes and workplace policies to promote employee well-being. We also extended our focus on the health and well-being of employees' families by providing support through our central incident room, which is available 24/7 to handle emergency situations and provide accurate information on emergency protocols.

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

Inclusion & Diversity

We foster an inclusive workplace, maintaining a zero-tolerance policy towards discrimination.

Our unique inclusion initiative, 'All In' promotes collaboration among employees with diverse backgrounds, gender, thinking styles and operating methods, allowing them to effectively leverage their strengths.

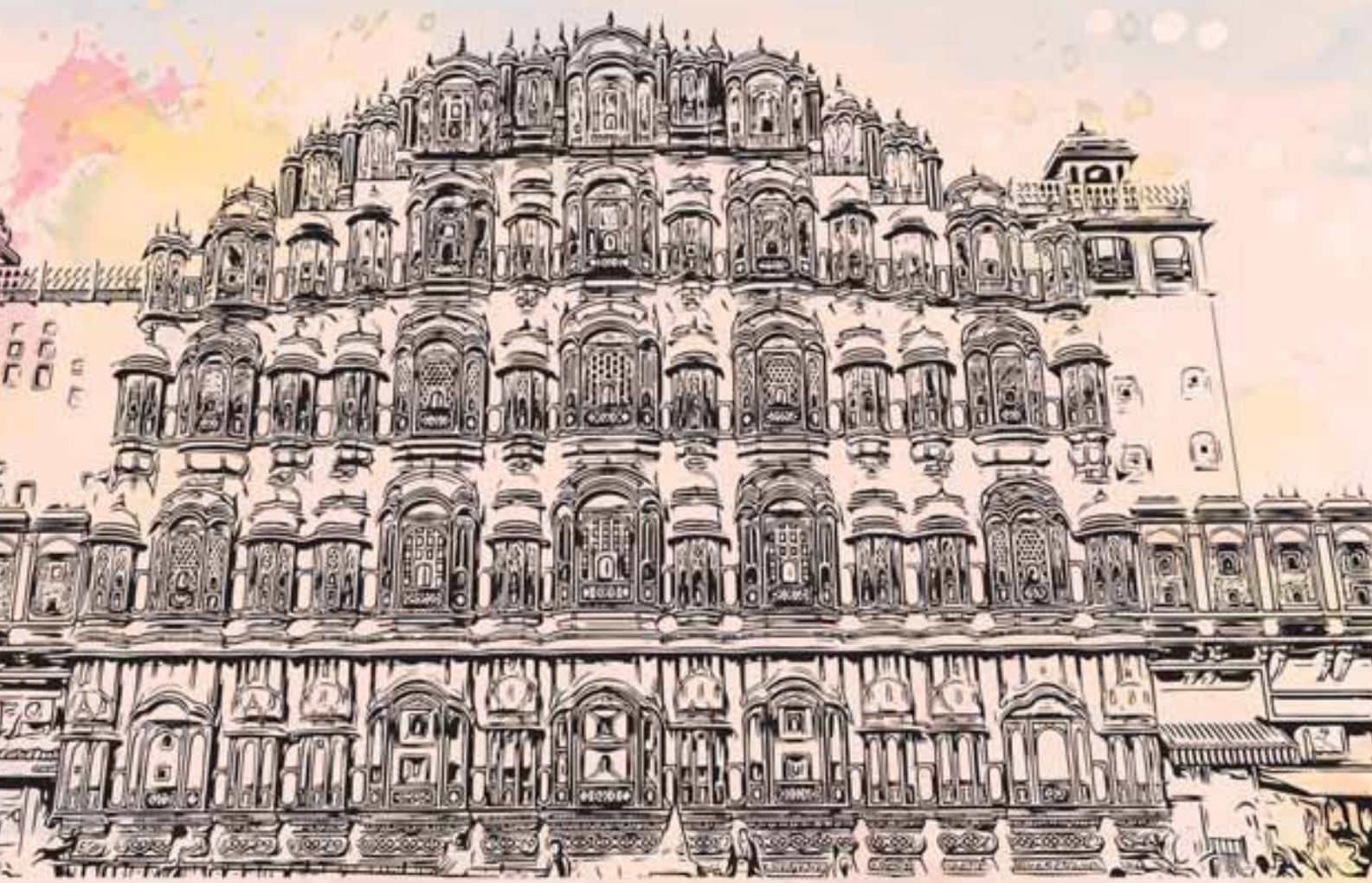
In FY23, we achieved a healthy gender ratio, with women making up 25% of our workforce.

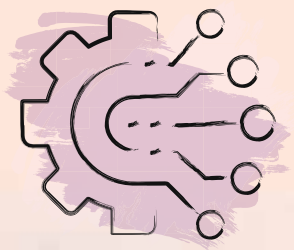
We have implemented focussed initiatives such as mentoring circle, writing her story, D&I for leaders and women branch head development. Additionally, we conducted sensitisation workshops and enhanced inclusion-friendly policies to strengthen our perspective and reinforce our commitment to inclusion.

We have adopted an explicit zero-tolerance policy against sexual harassment. To ensure compliance, we introduced an e-learning certification programme for all internal committees (ICs) and employees.

Hawa Mahal

Amidst the hustle and bustle of Jaipur city, stands a palace that is a testament to the grandeur and creativity of the Rajput architecture - the Hawa Mahal. Ingeniously designed to provide a comfortable space for the women of the royal family to observe the festivities of the city without compromising their privacy, what sets the Hawa Mahal apart is its unique honeycomb design, consisting of 953 small windows or jharokhas that create a natural air-conditioning system. The tallest building in the world constructed without a foundation, its curved structure leans at an 87-degree angle and has a pyramidal shape, which has helped it withstand the test of time for over two centuries. The Hawa Mahal is not just a palace, it is a masterpiece that showcases the original creativity and precise engineering of the Rajput architecture.





Our Technology

At Edelweiss, we leverage ageless human wisdom with transformative technology to combine the benefits of technology and human intervention, to provide a seamless and engaging experience to our stakeholders. Through deployment of the latest in Cloud and Digital tools, we are enhancing stakeholder experiences, driving operational efficiency, and ensuring business continuity. We continue to advance in our journey to build a high-tech organisation that is equally committed to embedding a high-touch connect with our stakeholders.

The key pillars of our technology resilience:

Data Privacy

We are now an ISO-27701 certified organisation that recognises our advanced compliance with information privacy management. It further strengthens our commitment to establish, implement, maintain and continually improve data privacy processes across Edelweiss for our employees and customers

Artificial Intelligence

Advanced machine learning algorithms were leveraged to deploy over 20 models for building efficiencies in business risk and surveillance processes

Enterprise API Gateway

Leveraging the partner ecosystem helped to accelerate product launches by reducing turnaround time

Cyber Security

Modern cyber security practices have been implemented to protect our cybersecurity infrastructure that ensures an effective response and quick recovery from cyber incidents. Consequently, our cyber maturity score is on par with our industry peers

Public Cloud Adoption

Resilient business applications, enabled by cloud technology paved the way for secure access 24x7 irrespective of device or location, enabling work from anywhere and ensuring minimal disruptions.

Unified Collaboration Suite

Increased employee productivity and collaboration with all stakeholders across the business

Intelligent Automation

Enabled development of new experiences and swift delivery of any process changes

Key Business Initiatives

ARC Retail Customer Website

An intuitive self-service portal that empowers retail customers to effortlessly manage their accounts, access balances, statements and conveniently make secure online payments

Virat

Our renewed mutual fund transaction processing system which is amongst the fastest in the industry. We have also revamped our mutual funds website to ensure maximum transparency in our mutual fund schemes for the investor community

Zoho CRM

Provides a single view of mutual fund customers across business lines with reduced customer service TATs; enables increased communication via SMS, emails and WhatsApp

Integrated Cloud-based Retail Collection System

Ensures automation, efficient monitoring and tracking that results in a faster turnaround time with clients for our ARC business. We have developed an end-to-end integrated collection system with mobile capabilities for our assets reconstruction business to improve efficiency

Paperless Onboarding

Onboarding journey for new life insurance customers is paperless, contactless and provides a seamless end-to-end experience

Project SWIFT

SWIFT is India's first, entirely paperless onboarding platform for Alternative Investment Funds (AIFs), which is integrated with Aadhaar-based e-sign, e-stamp paper, and generates a dynamic account for each investor

E-invest

Offers a seamless online investing experience from any location, anytime. Helps investors to make smart investment choices. Provides links to professional webinars with experts under the insights section besides numerous blogs and podcast

Bolt

A mobile application that enables self-inspection by workshops and customers alike through live streaming of our general insurance business. Adoption of Bolt remains high at 40% to 50% indicating users' changed preference for tech-enabled solutions

SWITCH Mobile App

Enables driver-based insurance where customers pay only for the number of days they drive their vehicle and save on premiums

Insurance Core

A generic product framework built to help shorten product roll-out timelines by 50%

Digital Lending Platform (DLP)

Accelerates decision-making and disbursement via smart eligibility checks, paperless functioning and instant validation of applicants' creditworthiness for loan origination

Digitised LOS

Revamped automated and decentralised loan origination and management systems across branches of our mortgage business

Chairman's Letter

FY23 was a year of whirlwind change and challenges for the global economy. We witnessed a series of significant events, starting with a global economic revival and the return to complete normalcy after recovering from the pandemic. This gave the world a glimmer of hope for a strong fiscal year ahead. However, this uptick remained short-lived and was overshadowed by the economic volatility that has characterised much of this fiscal period.

The Year Gone by – Volatility, War, Inflation and an Inverted Yield Curve

The global economic landscape experienced unprecedented volatility during FY23. The year began with the rallying of the US dollar to an all-time high, only to reverse all its gains by the end of the fiscal year. Gold prices reached record levels, bond yields remained elevated, and the yield curve was inverted. Most major advanced economies showed signs of a looming recession, with significant concerns over the Eurozone.

Amidst all these challenges in the global scenario, India emerged as a bright spot. According to World Bank's report, India's growth continues to be resilient despite macroeconomic headwinds and the country remains largely unaffected by the global environment. This decoupling can in parts be attributed to our local demand cycle which displays a slightly different cadence from global demand. During the year, India's composite Purchasing Managers' Index (PMI) reached a 13-year high, Consumer Price Index (CPI) touched an 18-month low and Wholesale Price Index (WPI) hit a 3-year low. The 10-year Government Securities yield has fallen below 7% after 13 months and Goods and Services Tax (GST) collections recorded the highest monthly collection in April.

India also entered the league of the top five global economies surpassing the United Kingdom and has defied all odds to become the fastest growing economy: a matter of immense pride for all of us. I can say that in my long career I have not seen a better economic environment in India as we are seeing now - A new dawn is on the horizon as India enters its Amrit Kaal, and is poised to become Vishwaguru.

> 66
>
> I can say that in my long career I have not seen a better economic environment in India as we are seeing now - India is poised for growth.

FY23 at Edelweiss – The Year Gone by and Where We Stand Today

At Edelweiss, the year was steady with its fair share of things that went well, and some things that require more work. This year has also been an inflection year as we continue our journey towards becoming more retail and asset-light with steadfast delivery on our key focus areas.

What went well...

Our first value unlock now stands complete! A process we began back in 2021, is now at the final leg of the journey. In the year, we received all necessary approvals to complete the demerger, subsequently allot Nuvama share to our Shareholders and now are at the cusp of listing. This was one of our key focus areas, given our strong belief in value creation and its subsequent unlocking at opportune moments. The process has now become a flagbearer of our value unlock philosophy which focusses on a principle of "win-win-win", for all stakeholders involved.

Nuvama

got fresh capital, focussed strategy, and flexibility to attract business-specific partners and investors.

Shareholders of Edelweiss

received the opportunity to directly participate in Nuvama's growth story in addition to Edelweiss' growth journey.

Edelweiss

enabling of strategic alignment towards creating and unlocking value as well as fresh capital for future investments.

This has been the year of significant growth and scale-up for our Asset Management business.

Our Alternatives business recorded a **52% YoY growth** in its assets under management (AUM); maintaining and furthering its dominant position in the Indian Alternatives space. Our deployments **grew 75% YoY** leading to a **32% growth** in fee-paying assets under management (FPAUM). The business also saw new fund launches with our maiden privately-listed Energy InvIT and acquisition of road and transmission assets from L&T Infrastructure Development Projects, deepening our investment in real assets. The robust performance, scale and onset of operating leverage has led to its **PAT tripling** in the year.

Our Mutual Fund **business now ranks #12** with its AUM crossing the 1 lakh crore milestone to reach ₹1,05,000 crores. Market share also improved by 45 bps to 2.61%. The business has seen its AUM more than triple and its **folios nearly quadruple** in the past 3 years. The year also saw launches of some unique funds like our first-of-a-kind Gold and Silver ETF. We are positive that the Asset Management business is poised for a significant growth runway ahead and are on the path of being our key profitability drivers for the future.

Our Insurance business followed the lead, with their **collective premiums up 22% YoY.** Our Life Insurance business achieved an Embedded Value break-even, a year ahead of plan. This is a key milestone on the path to profitability. The business also saw its **individual APE cross the ₹500 crores mark**, a 20% YoY improvement. Our General Insurance business, now called Zuno General Insurance, recorded the highest gross direct premium income (GPDI) growth amongst GI players and saw consistent growth in focus segments of Motor & Health of 52% and 56% respectively.



What needs more work...

One of our key focus for the year was to **reduce our wholesale assets**. This year, we achieved a ~40% reduction in our ECLF wholesale assets to ₹5,700 crores. Although we exceeded the planned target, we feel there is scope to further increase the pace. We have been evaluating newer strategies to this end and will see them playing out going ahead. We are targeting to take this down to ₹3,000 crores, i.e., a ~50% reduction hereon, by FY24.

Along with reduction of wholesale credit, **scaling our retail credit businesses** is a priority. Our retail credit franchise focusses on MSME & Mortgages and is designed to be inherently asset-light. We are in the process of stabilising co-lending partnerships and emphasising the generation of a high-quality loan book. Although progress has been slower than anticipated, we remain committed to this strategic priority.

Being Bifocal

We discussed global macros earlier and saw the impact of increased volatility on the world at large. However, this isn't the first crisis nor is it the last. The world has the innate ability to emerge stronger, like we saw in the case of the pandemic as well. Hence, what's important is to view the current situation not only from a lens "short-term immediate impact" but extend the horizon and see "long-term eventual outcome view".

> *Someone is sitting in the shade today because someone planted a tree a long time ago.*
>
> - Warren Buffett

Being Bifocal means to have both the short and the long-term horizon in mind.

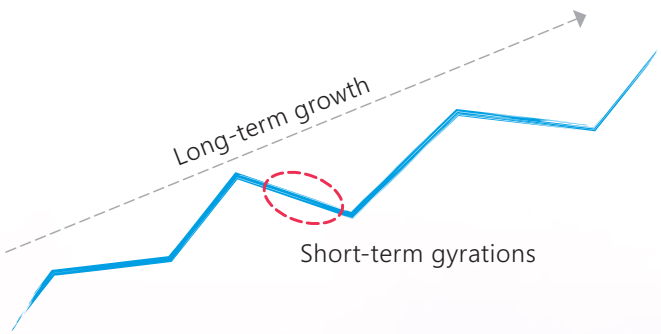
Economic uncertainty and crisis also require policymakers to address both the immediate effects of the crisis and the long-term issues that led to it. A bifocal view can ensure sustainable growth by avoiding excess emphasis on short-term gains that may lead to long-term instability.

The global economy is no stranger to volatility, uncertainty, and fear. Throughout history, we have witnessed cycles of prosperity and crisis, with each downturn paving the way for a stronger rebound. Notable instances like the crises of 1991, 1997, 2008, and 2020 underscore this phenomenon.

In **1991**, India faced a severe **balance of payments crisis**. There were some immediate measures implemented to stabilise the economy which included financial assistance from the IMF, curbing of unnecessary imports, and devaluing the rupee. However, bold reforms like liberalisation of the economy, privatisation & deregulation of industry and implementing financial sector reforms kept the long-term horizon in mind. This combination led to an immediate economic stability coupled with long-term growth. We saw similar efforts during the **Asian Financial Crisis of 1997** and the **Global Financial Crisis of 2008**. India's diversified economy, robust domestic demand and continued economic reforms helped India quickly rebound and maintain its steady growth.

Most recently, the COVID-19 Pandemic in 2020 brought unprecedented challenges to India's economy. India took immediate steps like lockdowns and healthcare infrastructure measures to contain the spread. At the same time, it also swiftly started to look at a long-term solution which culminated into an indigenously developed vaccine and the world's largest vaccination drive. Not only did India leverage digital to ensure seamless access of vaccines to its billion people, but also provided the same to other countries: aiding the global efforts. Immediate healthcare measures amplified by efforts to boost manufacturing and long-term demand, led to a new digital India emerging on the global stage.

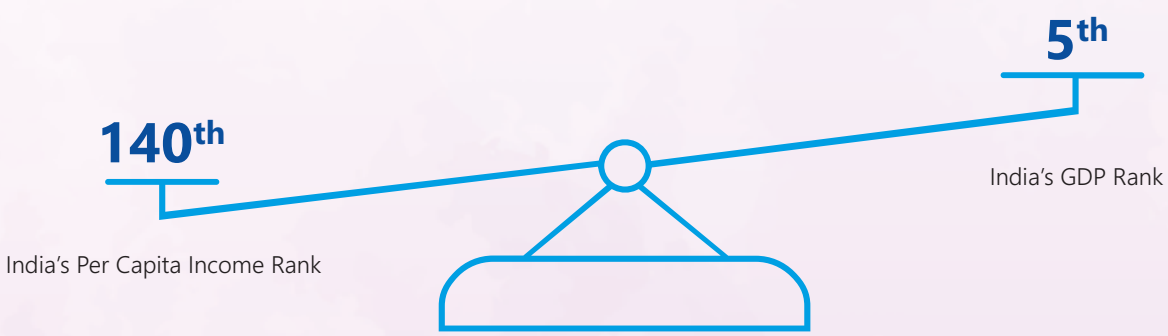
In capital markets, specifically in technical analysis, one well-known theory is the Elliott Wave Theory developed by Ralph Nelson Elliott (1871–1948). According to this theory, the market moves in repetitive patterns called waves, where a peak is followed by a trough, and this cycle repeats itself. Drawing a parallel to economic movements, it is observed that the economic scenario also seems to move in a similar wave-like pattern, oscillating between periods of prosperity and crisis. Just as in technical analysis, where analysts look at the long-term trend of the market and understand that the cycles lead to a long-term trend. In life as well, it is crucial to keep our long-term trend and trajectory upwards and not be deterred by short-term gyrations. With this understanding, every trough or downturn can be viewed as an opportunity rather than a setback.



India stands as a unique testament to the power of a bifocal view. It's a country that keeps both optimists and pessimists happy, thanks to its intriguing contradictions.

The Indian Economic Paradox

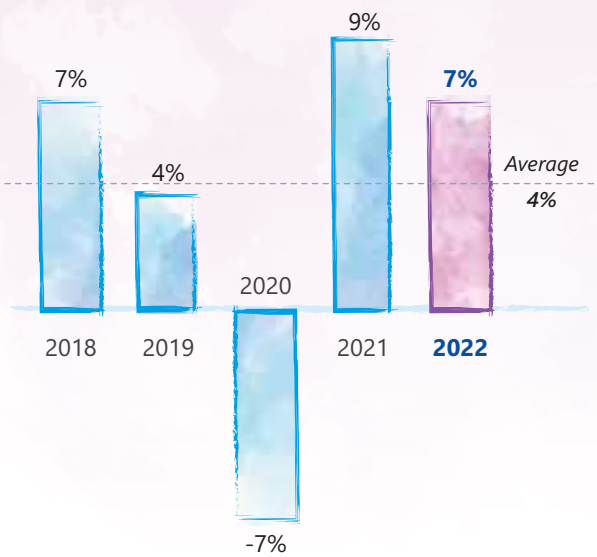
India ranks among the top economies in terms of GDP size, boasting immense scale and potential. However, it grapples with very low per capita income, revealing a stark inequality. A bifocal view demands policymakers address this disparity while harnessing the nation's economic prowess.



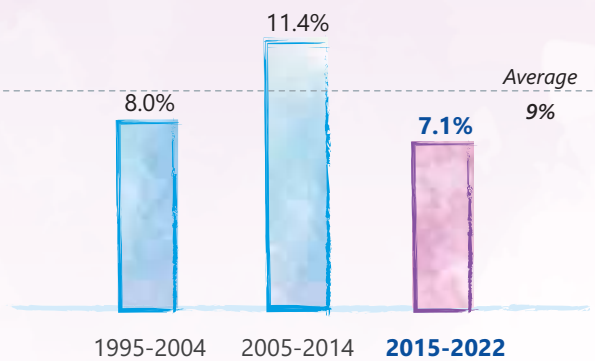
Short-term Volatility vs. Long-term Stability

India's economic landscape is characterised by short-term volatility, influenced by various internal and external factors. Yet, beneath the surface fluctuations, the country has displayed remarkable long-term stability; consistently progressing despite challenges.

GDP growth had been impacted in the recent times



Stable and predictable in the long term



Political maturity at 75 vs. Economic youth at 25

India's political landscape has matured over the years, with a robust democratic system. However, its economic journey is relatively young,

1947
"Universal Adult Franchise" right at its nascent years of democracy

1991
Liberalisation, Privatisation & Globalisation to adopt free market approach

2023
Politically-mature, Financially still young

Contradictions like these warrant us to keep a bifocal view. While we look at the short term, we must keep the long-term horizon in mind. As they say, "In India, things always work out in the Long Run – but never in the Short Run!"

Being Bifocal at Edelweiss - It All Boils Down to Choices

Strategy is about making choices, tradeoffs;
It's about deliberately choosing to be different.

- Michael Porter

At Edelweiss, adopting a bifocal perspective involved making certain strategic short-term choices that contribute to long-term resilience and quality growth.

In the past years, our focus has been on **becoming asset-light, scaling our portfolio** of businesses and marching toward **being truly diversified**. Our journey on these began in 2019, and we have made progress on many fronts. However, we still view this as work in progress.

Being **asset-light** is a key strategic priority for us. We believe it helps an organisation to maintain long-term financial resilience. We have made significant progress on this front since FY19. Our Balance Sheet size has reduced more than 50% over the past 4 years, chiefly driven by a 60% reduction in wholesale assets and a 55% reduction in our consolidated debt. Going ahead, the scale-up in our retail business will also follow our asset-light principles by adopting a co-lending-based partnership model to drive its AUM growth.

We have also been focussing on the growth of our portfolio of businesses. Our Asset Management AUM is 4x over FY19; driven by a 6x growth in our Mutual Fund AUM and 2.5x growth in our Alternatives AUM. Our Insurance businesses have also seen robust growth. Our Life Insurance premiums have doubled over FY19, and our General Insurance premiums are currently 5x over the same period.

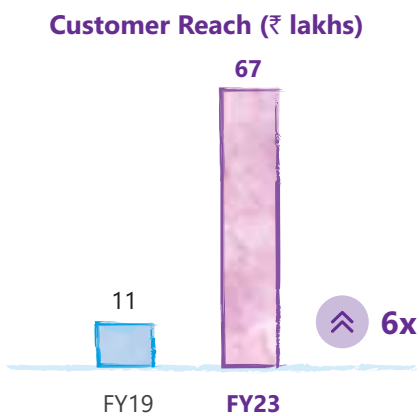
Mutual Fund AUM (₹ crores)		Alternatives AUM (₹ crores)		LI Premium (₹ crores)		GI Premium (₹ crores)	
FY19	FY23	FY19	FY23	FY19	FY23	FY19	FY23
17,500	**1,05,000**	19,600	**46,500**	885	**1,676**	104	**552**
	6x		**2.5x**		**2x**		**5x**

Our march towards becoming **truly diversified** began back in 2019. Although we were diversified even back then, our PAT was concentrated with nearly 60% coming from credit. Over time, we worked towards improving our earnings distribution. As we stand today, our credit concentration is down only to 20%, the remaining coming from our Asset Reconstruction, Mutual Fund and Alternatives businesses. **By FY26, we aim to have a well-diversified earnings pool with no business contributing more than 20% - 25% to our bottom line**; making us truly diversified and even more resilient. Our businesses have shown healthy profitability in recent years. Our ex-Insurance PAT grew 51% YoY on the back of a 164% YoY PAT growth in our Asset Management businesses, 26% in our Asset Reconstruction business and 38% in our Credit businesses. Going ahead, we see this momentum continuing.

Apart from the strategic focus areas mentioned above, a common theme that runs across is **retail orientation**. Going ahead, a strong retail portfolio is what we are working towards, and all our business pivots, strategic shifts and key focus areas lead us to it. Further, the retail contribution will also lead to more earnings predictability given its portfolio granularity. This retail orientation also means that we are focussed on **constant improvement in the quality** of the businesses we are building. To this end, we have prioritised on improving customer experience by innovating our offerings and increasing digitisation for a more seamless access to such offerings. As a case in point, our efforts have led to an improvement of our 13-month persistency in our Life Insurance business from the nearabout of 50% to 75% in the past 8 years. Significant digital issuance and overall customer satisfaction has also led to an improving NPS score in Insurance businesses to 58 in General Insurance and 54 for Life Insurance from the nearabout of 40 some years back. We have seen a similar phenomenon in our Mutual Fund business, which has seen an improvement in its rank from being # 20 in 2019 to # 12 today.

The rapid rise of our customer franchise is also a testament to the quality of our businesses and quality in their offerings & services. Our Customer Reach has grown nearly 6x over 2019 to nearly 7 million now. Key businesses contributing to this stupendous increase are General Insurance, Life Insurance and our Mutual Fund business – all wherein elements of innovation and digitisation had been implemented. In our Alternatives business, we saw upsizing by existing investors with more than a third being repeat customers, demonstrating their trust.

Going ahead, we shall continue our unwavering commitment towards building quality businesses and will keep updating you on the progress we've made at regular intervals.



Learning from the Past, Preparing for the Future

As we turn 28, we reflect on the past to learn from history; and create an evolved vision for the future.

In the past 28 years, we have demonstrated expertise in building businesses and creating value. Our ability to effectively allocate capital and efficiently organise management teams has led to building **India's top Wealth Management practice, India's dominant Alternative business** and **India's leading ARC.** Further, both our General Insurance and Mutual Fund business are top quartile performers in their industries and our Life Insurance business demonstrates franchise quality which surpasses the industry quality benchmarks at a similar vintage. As we go ahead, our steadfast focus will continue to be on creating more value for our shareholders, who have supported us in our journey that has nearly spanned three decades.

> *Yet, I am learning*
>
> *- Michelangelo at the age of 87.*

However, the beauty of life is that we never stop learning and as we progress, what we also learned is that it's not only important to build businesses. It is also equally important to make them independent and provide them with the wings they require to fly and further scale. **We learnt that the next level of business growth gets fuelled by providing the businesses with the flexibility to attract business-specific capital and the necessary partnerships** – **which became the basis for our win-win-win philosophy for value unlock!** Value unlocking is as important as value creation and we strive to execute it in a manner to benefit all the stakeholders involved – Shareholder, Business and Edelweiss.

However, this approach requires an important mindset shift, of not letting ownership get in the way of business growth or its need for further capital. This approach required a singular focus on continuous and ongoing value creation. The most recent example of how we've practised this philosophy was in the value unlock of Nuvama Wealth Management, which we have spoken at length in the past year and even earlier in the letter. We also exercised a similar outcome in our Insurance Broking business where we understood the business would derive more value going ahead with our partner, Arthur J Gallagher. Partnerships have always been a core tenet of the Edelweiss' growth journey.

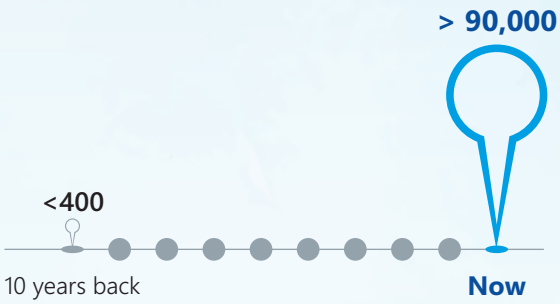
Given, we identify value creation and value unlock as the key pillars to growing shareholder value in the long run, we would also need to evolve to ensure this cycle goes ahead effectively and efficiently. Our evolution would then be guided by becoming an enabling platform for driving future growth. The foundations of which lie in structural simplicity and financial resilience; areas which have been our key focus for the past couple of years. Going ahead, we see ourselves evolving from a parent of subsidiaries to an investor in a portfolio of companies. **We see ourselves evolving from being a holding company to an efficient capital allocator and value provider to its portfolio of companies** which are designed to fly from their nest and create their own destinies at opportune moments. This evolution resonates with our core philosophical tenets and enables us to focus and further our demonstrated strength of creating and opportunely unlocking such value which provides long-term growth.

India is also Learning from the Past and is Focussing on Creating the Right Business Environment

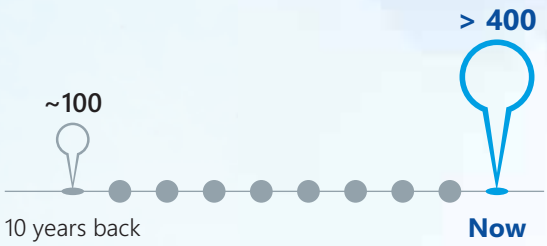
In the recent years, India has relooked at its past to create history! India has implemented wide-ranging reforms which will have compounding effects lasting decades. Key areas which these reforms have been targeted towards are – Technology & Innovation, Infrastructure, Capital Flow and Governance.

India has recognised the **power of technology innovations in the hands of relentless founders** who have the innate ability to organising resources to create disruptive and disproportionate impact on the lives of many.

Number of start-ups



Number of incubators

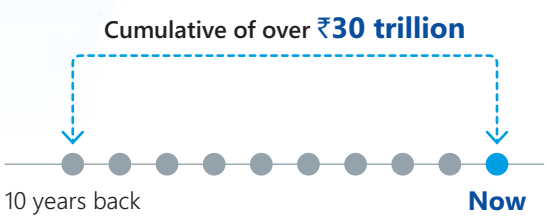


The **use of technology has also been to improve delivery** of social benefits by using the India Stack. The implementation of the United Payment Interface has been revolutionary and has given the country a digitally-backed financial backbone, waiting to be disrupted.

UPI transactions (launched in 2016)

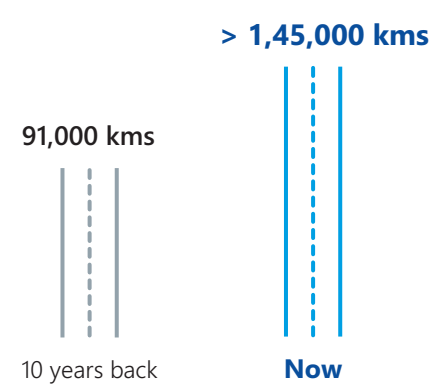


Direct benefit transfer

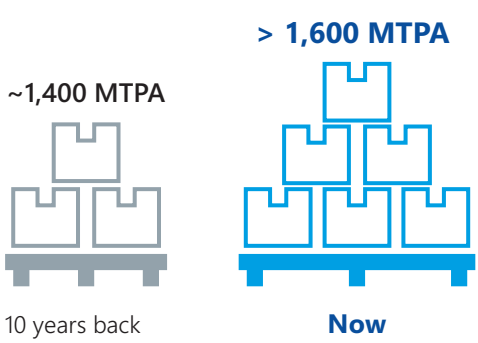


There also has been a **large capex investment to improve the infrastructure of the country**. India now has the second largest road network in the world. Various initiatives like National Infrastructure Pipeline, Bharatmala Programme amongst others have shown good results.

Road Network



Port Capacity

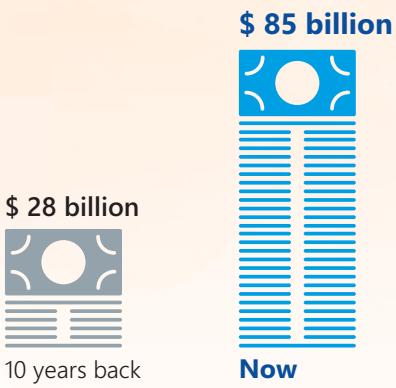


The **flow of capital**, or rather the restriction on the same, was a big challenge for the country. Reforms made to ease the flow have had a great impact on the buoyancy and depth of the capital markets.

Sensex



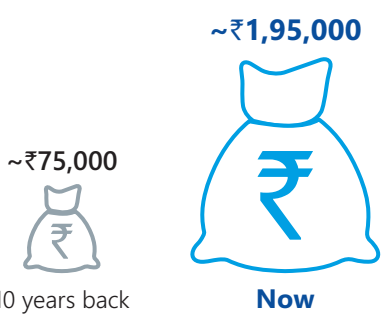
FDI Inflows



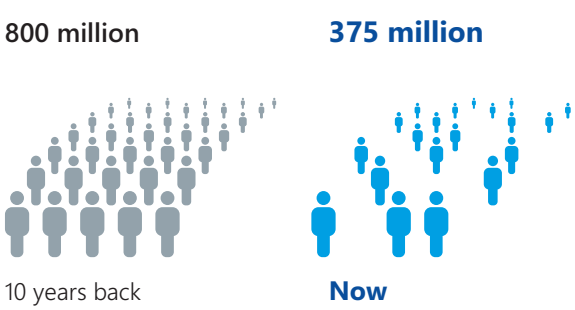
Governance was an area that needed attention. Today, there is a robust and simplified indirect tax system, improvements in the labour code and impetus on providing a domiciled manufacturing base for the country.

India has truly relooked at itself to redefine its growth trajectory. The outcome of the rapid progress and more inclusive development as evidenced in the rising per-capita income and declining below poverty line population.

Per Capita Income



Below Poverty Line Population

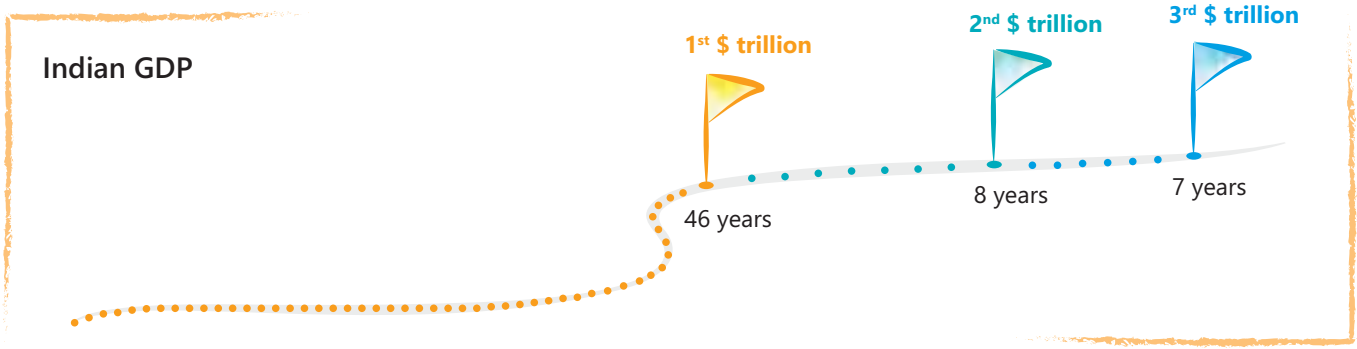


In addition to this, a big change was brought about for India's perception on the global stage. India's ease of business ranking improved from # 134 in 2014 to # 63 in 2020. India now ranks # 40 in the Global Innovation Index rankings (2022); a jump of 8 positions from 2020. **All in all, India has taken a good view in the past to recognise and redefine itself and is marching towards its future.**

Looking Ahead - India, on its Ascent

India is on track to become the 3rd largest economy by 2030. India has truly entered its golden age of compounding and has 4 key factors working in its favour – its **significant size**, a **digital push, democratised entrepreneurship**, and **demographic dividend** which will keep creating momentum for decades to come!

It took India approximately 46 years to reach its 1st $ trillion in GDP; 8 years for its 2nd and 7 years for its 3rd (including a full brunt of the pandemic). History suggests, India takes approximately 7 to 9 years to double its GDP. Going by this trend, we would comfortably **be around the $ 40 trillion mark by 2040**, a target we all should contribute towards.



A growth rate above 6% in the current global cycle for a large economy like India is no easy feat. India is probably the only large country that has truly leveraged digital. The digital transformation is further amplified by data prices which are by far the cheapest in the world. Easily accessible affordable data has created an environment where everything today can be done on your smartphone; something not many countries can boast of!

In India, digital is big. We have over 1 billion cellular connections and ~700 million internet users. Digital initiatives are making transacting in India easier than ever before. **It's the sheer scale of India that makes India difficult, if not impossible, to ignore**. Indians are now ~14% of global internet users, ~18% of global population and our GDP is ~3.3% of the global GDP.

In all of India's progress, the one achievement that has my heart is the democratisation of entrepreneurship that we have seen in the recent years. As an entrepreneur, it gives me immense joy to see the burning entrepreneurial spirit in more Indians, specially beyond the metros. ~50% of all recognised start-ups in India are from tier II and tier III cities. It's a matter of great pride that once seen as the remote rural part of the country, is now becoming a hotbed for disruption. India's odyssey is a long one, augmented by its young demographics – India is amongst the only few large economies with more than 65% of its population in the working age.

~14%	~18%	~3.3%
global internet users	global population	global GDP

> *In all of India's progress, the one achievement that has my heart is the democratisation of entrepreneurship that we have seen in the recent years.*



We are Excited to Leverage the India Story at Edelweiss!

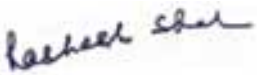
Like we discussed earlier, simplicity and resilience were key strategic focal points for us in the recent past. As we stand today, we are far simpler – our entity count has reduced by 30% from our peak of 2016 and is now at 24 entities. Our balance sheet remains robust with comfortable liquidity and well-capitalised businesses.

We see technology to be a big enabler for us, all our portfolio businesses are working towards incorporating technology to improve user experience and increase delivery efficiency – our digital lending platform in credit will help to improve underwriting efficiency, SWITCH app in general insurance enables customers to take control of their premiums.

Our Alternatives business, which is now well-scaled and capital-efficient, ties in well with India's growth story. India is currently making rapid development in infrastructure. Our focus on investing in high-yielding real assets provides a pathway as well as a platform for private capital towards such infrastructure needs. Our digital-first platforms in General Insurance, Life Insurance and Mutual Fund provide innovative products and offerings seamlessly at your fingertips. Additionally, we will focus on growing our retail businesses which serve and support India's demographics and their aspirations. Our credit businesses now fully focus on MSME and Affordable housing; themes we feel tie in with India's future needs. Staying true to our asset-light philosophy, we will spearhead the scale-up using a co-lending model with partners across the banking ecosystem. We have multiple industry firsts to our name and going ahead, we will continue our journey, sprinkled with innovation.

All in all, we are well poised to ride the tailwinds of the India growth story with our portfolio of retail-focussed businesses and will continue our value creation journey.

Yours sincerely,



Rashesh Shah
Chairman & MD

SUSTAINABILITY OVERVIEW

As one of India's leading diversified financial services company, Edelweiss has always been at the forefront of sustainable growth, both for its diverse stakeholders and for society at large.

Our 13 guiding principles, that form the basis of our governing philosophy and that are upheld by our management and employees, have determined the values with which we operate and conduct ourselves. Employees are frequently trained on the adoption of these principles in their day-to-day operations. This report elaborates on these values and our commitment to look beyond our own growth, towards addressing larger societal, environmental and governance challenges.



Responsible Governance



Contribution to Society



Protecting the Environment



Aligning with the SDG framework

As early adopters of SDGs, we have proactively committed to upholding these objectives across all our operations.

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

RESPONSIBLE GOVERNANCE

Sustainable Development Goals	Stakeholders impacted / Operating environment	Key Areas of Focus
PEACE, JUSTICE AND STRONG INSTITUTIONS	• Regulators • Investors • Customers • Employees	• Developing effective, accountable, and transparent institutions • Responsive, inclusive, participatory, and representative decision-making • Promote a culture of compliance with the highest standards of integrity

CONTRIBUTION TO SOCIETY

Sustainable Development Goals	Stakeholders impacted / Operating environment	Key Areas of Focus
GENDER EQUALITY	• Society	• Ending discrimination and violence against women • Promoting women's empowerment • Equal access to economic resources and equal opportunities for leadership
DECENT WORK AND ECONOMIC GROWTH	• Employees • Society • Economy	• Creating a safe and healthy working environment and enhancing efficiency and productivity • Supporting job creation • Promoting entrepreneurship, and encouraging growth of SMEs • Contribution to economy by financing real estate infrastructure and affordable housing
GOOD HEALTH AND WELL-BEING	• Employees	• Providing health-care facilities to employees • Encouraging healthy lifestyles • Supporting reproductive rights
QUALITY EDUCATION	• Society	• Ensuring access to quality early-childhood and primary education • Supporting development of education infrastructure and teaching capabilities
REDUCED INEQUALITIES	• Society	• Supporting women to get access to rights and entitlements • Ensure equal opportunities and reduce inequalities
INDUSTRY, INNOVATION AND INFRASTRUCTURE	• Society • Investors	• Improve access to financial services, including affordable credit for small-scale industrial and other MSMEs • Facilitating investments in quality, reliable, sustainable, and resilient infrastructure to support economic growth and increase quality of life

PROTECTING THE ENVIRONMENT

Sustainable Development Goals	Stakeholders impacted / Operating environment	Key Areas of Focus
CLIMATE ACTION	• Environment • Society	• Aiding the development of resilience and adaptability to climate-related changes • Enhancing awareness, education and capacity of climate change mitigation and adaptation
AFFORDABLE AND CLEAN ENERGY	• Environment	• Increasing the share of renewable energy in power consumption • Improving energy efficiency
RESPONSIBLE CONSUMPTION AND PRODUCTION	• Environment	• Using natural resources efficiently • Environmentally sound management of waste and limiting waste generation • Reducing release of emissions and GHGs

OUR STAKEHOLDERS AND OPERATING ENVIRONMENT

At Edelweiss, we view sustainability as an extension of our operating structures to ensure that sustainable practices are adopted across business functions.

We engage with diverse stakeholders to understand their key requirements and concerns. Our aim is to address their needs by instituting appropriate systems, processes, and strategies across the group, to deliver high value.

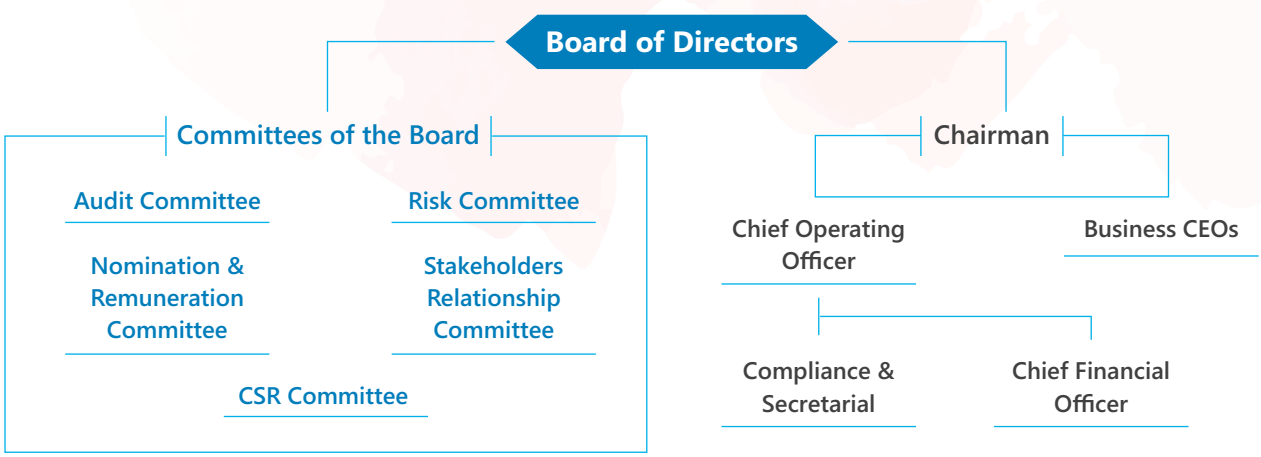
Key Stakeholder / Areas of Impact	Material Topics	Objective	SDG Mapping	Link to the detailed report
Regulators	• Corporate governance • Compliance • Ethical and transparent practices	Adhere to the highest standards of corporate governance practices and ethical behaviour; Create a safe and reliable financial services ecosystem through policy advocacy		Read More... Responsible Governance
Customers	• Satisfactory services • Multiple channels • Responsiveness • Data privacy & security	Ensure consistent, high-quality customer experience by creating a customer-centric culture focussed on their needs		Read More... Enhancing Customer Experience
Investors	• Shareholder value • Financial performance • Corporate governance • Compliance • Risk management • Disclosures & transparency	Protect and increase shareholder value and focus on sustainable growth and profitability		Read More... Catering to Our Shareholders
Employees	• Enriching career • Learning, development & training • Health & wellness • Benefits	Enable employees to thrive, be respected, and valued, and thereby achieve their full potential; Provide a safe and enabling environment with a focus on employee well-being		Read More... Our People
Society	• Women's empowerment • Gender equality • Education • Livelihoods • Rural development	Enable sustainable and equitable development		Read More... Contribution to Society
Economy	• Promotion of SMEs • Civic infrastructure and housing	Contribute to the national agenda by supporting small businesses, financially empower enterprises, and individuals and develop housing infrastructure		Read More... Contributing to Our Economy
Environment	• Responsible consumption • Waste and emissions • Efficient use of natural resources	Minimise adverse environmental impacts		Read More... Protecting the Environment

RESPONSIBLE GOVERNANCE

At Edelweiss, Governance is at the heart of everything we do. It enables us to support our stakeholders by creating a strong foundation to grow our business and realise our purpose. Our policies and procedures consider all applicable laws and regulations, both national and global, providing clear guidelines on expected professionalism and behaviour.



BOARD COMMITTEES AND ORGANISATION



GOVERNANCE STRUCTURE

8-member Board with majority Independent Directors and two Women Directors

- Balanced board composition with over 287 man-years of experience
- Board members strive for 100% attendance and active participation in all Board and Committee meetings

Board Composition (As on March 31, 2023)

Executive Directors

Mr. Rashesh Shah
(Chairman & MD)

Mr. Venkatchalam Ramaswamy
(Vice Chairman & Executive Director)

Mr. Himanshu Kaji
(Executive Director)

Non-Executive Director

Ms. Vidya Shah
(Non-Executive Non-Independent Director & Chairperson, Edelweiss ESG Council)

Independent Directors

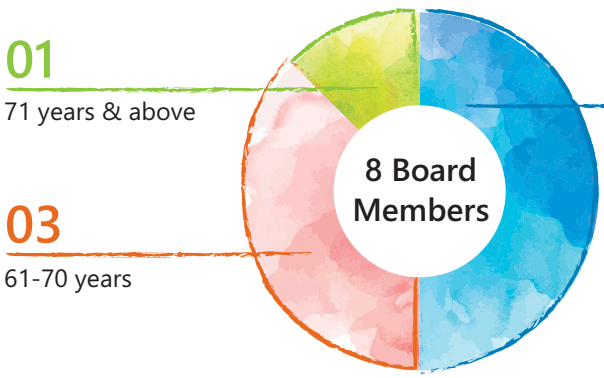
Mr. Shiva Kumar

Mr. Biswamohan Mahapatra

Mr. Ashok Kini

Dr. Ashima Goyal

Seven Board members in the age group of **55 to 70 years** and one in the age group above 71



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

ESG GOVERNANCE AT EDELWEISS

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

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

Brings together rich and varied experience of managing key stakeholder relationships

Supported by a team of sustainability champions from various enterprise units who monitor and track performance on various identified ESG parameters

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

LEGAL AND REGULATORY COMPLIANCE

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

Independent compliance officers and decentralisation of ownership

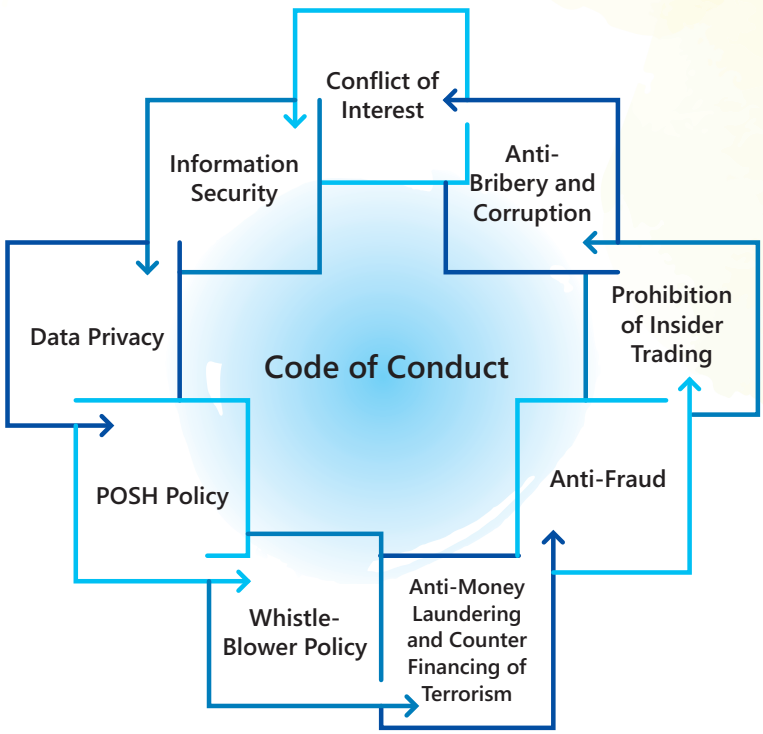
Automation of regulatory compliance through technology-based applications

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

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

FRAMEWORKS AND POLICIES

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



These policies are available for reference at Edelweiss investor relations web page. Additionally, our detailed report on responsible governance summarises the key highlights and details on implementation of these policies.

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

Over 89 members of the Internal Complaints Committee (IC) across businesses trained on Prevention of Sexual Harassment (POSH) policy, investing over 217 training hours

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

No POSH cases in EFSL in FY23.

06 POSH cases across businesses in FY23.

02 whistle-blower complaints received across group entities in FY23, were investigated and concluded by taking appropriate action.

RISK MANAGEMENT

Our Board has formulated a Risk Management Policy. It is included in our 13 guiding principles, and is a crucial element of our philosophy

Risk Management Committee constituted to devise and adopt risk management frameworks and plans for identification, evaluation, and assessment of risks

Eleven risk frameworks adopted to identify, quantify, and monitor risk events in a comprehensive risk register across the group

Incident/Exception reporting mechanism adopted to ensure timely reporting on any deviation from policies and processes

Risk management training programme facilitated for employees

Independent assurance on the effectiveness of the risk framework provided by Internal Audit



POLICY ADVOCACY

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

DATA PRIVACY

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

SECURITY & IT GOVERNANCE

- Adopted zero trust security model to optimise productivity and reduce risk. This shift in working model requires strict identity verification for every person and device trying to access resources on a private corporate network
- Enhanced cloud security framework and governance at Edelweiss Group
- Implemented state-of-the-art security solutions for data classification, data protection, data loss prevention, advanced threat protection, zero-day protection, etc.
- Strengthened IT governance and focus on process standardisation

SUPPLIERS AND VENDOR RELATIONSHIP MANAGEMENT

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

INVESTOR RELATIONSHIP MANAGEMENT

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

Shareholder-base of 2,13,576 retail and institutional investors as of March 2023

Timely and accurate disclosure of regulatory compliance w.r.t material events, updates, and financial performance

Proactive engagement with shareholders

Adoption of effective mechanisms and information systems to enable planning, execution, and tracking investor outreach initiatives

Multiple modes of communication with investors

Stock exchange filings | Investor collaterals | Analyst calls | E-mails | Investor Letters | Website | AGM

Continued focus on enhancing the quality of disclosures to investors and analysts, through benchmarking with peers

Proactively gathered investor feedback that was channelised to the company management after analysis for potential actionable inputs

User-friendly interface for contact through web query/request form on service and information requirements

Adoption of robust investor grievance redressal systems

- 368 investor complaints received and disposed in FY23

CUSTOMER EXPERIENCE

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

~6.7 million customer-base as of FY23

Addressing customer concerns through physical, digital, ATL and BTL engagement, across customer journey, from pre-sales to servicing

Robust customer experience framework adopted, based on the CWOW assured guidelines

Sophisticated complaint management systems adopted

Constitution of a customer council and retail forum comprises senior business leaders for improved synergies and collaboration

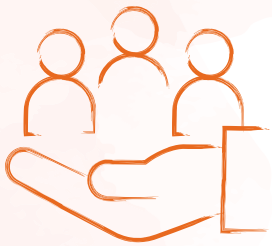
Customer experience officers forum initiated to share best practices and drive learning across customer representatives

Robust measurement of customer experience through a combination of metrics

Digital net promoter score | Customer satisfaction surveys | Individual business led performance measures

CONTRIBUTION TO SOCIETY

At Edelweiss, we remain committed to creating value for our stakeholders and the society at large. Our belief is that an inclusive society is built on the foundation of educated children, empowered women, and resilient communities. Through our business and philanthropic initiatives, we aim to build an equitable and sustainable environment of growth for communities to sustain and thrive.



Gender equality | Decent work and economic growth | Good health and well-being | Quality education | Reduced inequalities

GENDER EQUALITY

WOMEN EMPOWERMENT AND GENDER EQUALITY

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

Freedom from Violence and Discrimination | Access to Legal Justice | Grassroots Leadership | Access to Rights and Entitlements | Freedom from Economic Dependence

EdelGive has supported 13 projects with 11 NGO partners across 9 states in India in FY23. Over the years, through our NGO partners we have been able to create a significant impact:

2.4 lakhs, (25,000 in FY23) women and girls supported in their fight for addressing Gender Equality related issues

24,000 (300 in FY23) women and girls supported under financial inclusion programmes

52,000 (6,400 in FY23) women supported to get access to rights and entitlements

Supported 33,000 (5,300 in FY23) survivors of domestic violence and/or sexual violence in their legal journey

16,000 (7,700 in FY23) grassroots leaders developed and supported

Formed 6,000 (17 in FY23) SHGs/JLGs

The Coalition for Women Empowerment

This was initiated by EdelGive in 2019, bringing together funding organisations and grassroots organisations as stakeholders, united by a common mission of facilitating social and economic empowerment of women and girls in India. It focusses on providing 360-degree support to grassroots organisations through enabling funding for critical rights-based programmes. The coalition is currently supported by Ford Foundation, Chintu Gudiya Foundation, Forbes Marshall, and David and Lacile Packard Foundation.

The UdyamStree Campaign

EdelGive Foundation has launched the #UdyamStree Campaign in October 2020 as an initiative to boost women's entrepreneurial spirit and gradually create a conducive ecosystem for women to thrive.

Under this campaign, in April 2021, EdelGive Foundation launched the 'Landscape Study on Women Entrepreneurship' – a flagship initiative. The study offered insights into the multifaceted challenges women face during their entrepreneurial journeys and how policy implementation, advocacy and multi-stakeholder groups can overcome them. It was conducted with 1,235 women in 13 states of India, which was launched with key government stakeholders – NITI Aayog, MoWCD and MRD and industry leaders.

Collaborated with Haqdarshak, a social organisation that enables citizens and MSMEs with access to government welfare and financial services, in translating 300 Central and State government schemes into multilingual content, which is now accessible on Haqdarshikas app.

Accolades

UdyamStree Campaign was awarded Best Campaign in Not-for-Profit and Association Sector Campaign in the sector awards category at Fulcrum Awards 2022

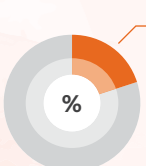
The Campaign won a Gold Award, under the Not-for-Profit category at the SABRE South Asia Awards 2022

WORKFORCE DISTRIBUTION

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

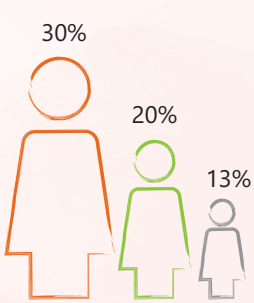


25% female employees in total workforce as of March 31, 2023

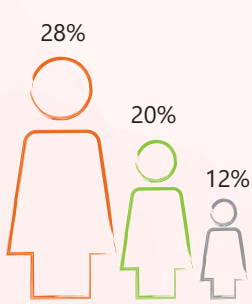


20% of the total 590 contract staff is female

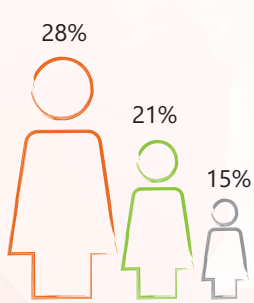
Proportion of Female employees by Management level as against total employees, new hires and exits:



Female employees as on March 2023



New Hires



Exits

Junior Mid Senior

DECENT WORK AND ECONOMIC GROWTH

INCLUSION & WORKPLACE DIVERSITY

At Edelweiss, Inclusion and Workplace diversity is embedded in all our practices. Our business entities across the group boast of experienced and diverse talent. Through our unique inclusion initiative All In., **we emphasise on ensuring everyone feels included at the workplace. We endeavour to enable and empower all our employees, with different backgrounds, gender, ways of thinking, and styles of operating, to work together effectively and holistically.** Our procedures ensure the absence of discrimination by providing fair and equal opportunities to all employees and applicants. A significant component of our value-based culture is commitment to acknowledge and appreciate efforts of employees through extensive recognition programmes.

Propagating an **inclusive workplace**, respecting distinctive skills, experiences, and perspectives

- Sensitivity towards inclusion strengthened across employees and leaders
- Inclusion as a competitive advantage for Edelweiss
- Implemented through policies and practices

Inclusive brand - **All IN** - ensures diversity across the group

- You are INtegral to the Edelweiss family
- Your INdividualism makes you unique
- Your opinions are INvaluable
- You should speak up without INhibitions
- You INspire others with your ideas
- You INvolve others to get a fresh perspective

Through our tenets of inclusion, we foster an inclusive workplace where employees have a voice, sense of belonging and uniqueness, feel valued, learn, and develop in a collaborative environment.

Inclusive leadership

Our Leaders walk the talk by demonstrating inclusion in their day-to-day practice. They consciously take the effort to recognise and mitigate any unconscious bias and propagate fair and equal treatment in their daily workings. Inclusion is also woven into leadership agendas and dialogues by design and reinforced as part of our culture. It was further accentuated during the pandemic crisis wherein leader connect series, senior leader huddles and regular townhalls enabled two-way communication at organisation and business levels.

Inclusive policies and working practices

We have put in place policies and initiatives that empower employees and managers with the necessary communication and collaboration tools to engage and interact with team members. These guidelines also take a broad set of work from home practices into consideration. Policies are implemented to foster an environment of fairness, accessibility, and opportunity.

Talent Acquisition

Edelweiss has always been extremely focussed on attracting the right talent, who bring in diverse perspectives and add to our strength as an organisation. It is a strategic approach with a differentiated model for junior, mid, and senior talent. In the new normal, our process of identification, interview and choice also evolved to adapt to remote and hybrid working, while keeping candidate experience and our brand at the core.

CANDIDATE EXPERIENCE JOURNEY MAP

Our endeavour to create a meaningful, unified, and holistic process of candidate journeys is key to each stage of experience – even in a hybrid or remote environment – as follows:

Awareness

Our efforts towards building and maintaining a skill set led pipeline through multiple channels enable our candidates to know about us. This also enables scalable personalisation of messaging based on candidate persona and role.

Consideration & Interest

At this stage, we enable candidates to research about us through our website and social channels and anchor their interest in our brand and role. Candidates are encouraged to ask questions about the role, culture, brand and what makes us unique.

Interview & Selection

In this stage, candidates are provided with in-depth functional understanding of the role, team, and career development opportunities. Video interviews are extensively used to achieve this. Further, businesses also follow behavioural event interviews and psychometric assessment tools for mid and senior level hiring to understand the nuances of assessing candidates for specific behaviours for a better fit.

PERFORMANCE MANAGEMENT

At Edelweiss, a robust performance management system enables employees to identify areas of strength and improvement and set individual goals for themselves, which are in line with overall business objectives.

SMART Goal Setting → Midyear Review → Annual Appraisal Process

All eligible on-roll employees undergo a performance review excluding mid-year joiners and exits before six months

Year-round assessment process

Manager feedback sessions conducted through train the trainer models

LEARNING & DEVELOPMENT

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

73,587

hours of training undertaken in FY23

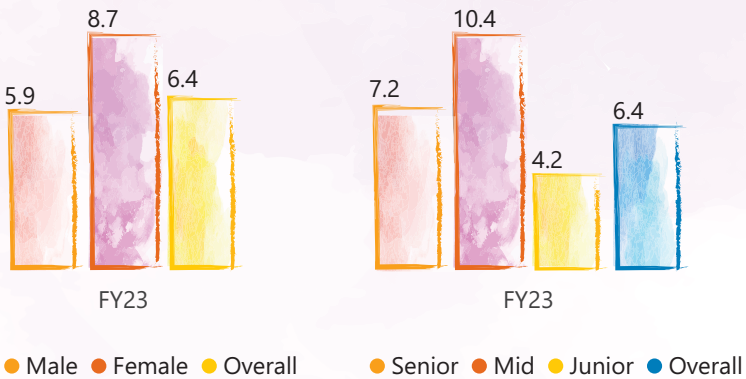
11,559

learners covered over FY23

5%

of employees belong to a Leadership Group at Edelweiss

Average hours of training/employee by gender and by management level*



** Avg. no. of hours = Total training hours / No. of employees who have taken training*

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

GOC

The Group Operating Council comprises business CEOs and key executives of the Edelweiss Group. In addition to managing their respective functions and businesses on a daily basis, they also play a crucial role in driving the overall strategy of the group.

MANCO

This group comprises senior leaders from various businesses across the group. While their primary responsibilities entail managing their respective functions within the businesses, this forum provides an opportunity for them to connect and network with one another, fostering collaboration and synergies.

Besides MANCO, other leadership development initiatives include:

LEAD is the Leadership Exploration and Development initiative. Selected candidates go through a one-year rigorous developmental intervention through various internal and external coaching, mentoring, high impact retreats and learning modules.

Business Leaders Programme is an initiative designed to identify and groom high performing talent and high potential leaders at mid-management level who can take charge of their own functions in the coming year. To achieve this, the selected leaders go through a twelve-month program through series of development sessions and involves an entire ecosystem of coaches, on-job tasks, business projects, exposure to senior leaders' sessions. This collaboration is geared to create fungible leaders who can move across business functions depending on their aspirations and needs of the organisation.

Women's Leadership Programme aims to empower and champion all the women in the organisation who are at the cusp of becoming leaders but are struggling due to environmental factors. The programme helps them break barriers in creating their personal brand and skill sets of influencing and becoming inspirational leaders. Additionally, the Educational Assistance policy provides financial assistance to facilitate the educational progress of wards of employees.

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EMPLOYEE WELFARE

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

- Open Door Policy
- Flexi Working Hours
- Work from Home
- Sabbatical Leave
- Parental Leave Policy **Availed by 5% employees** in FY23
- Mediclaim and COVID-19 coverage in health policies

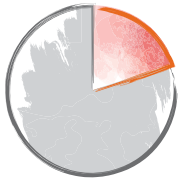
CONTRIBUTION TO ECONOMY

As one of India's leading diversified financial services group, our goal at Edelweiss is to achieve maximum returns for our stakeholders while simultaneously having a positive impact on society and the economy. Our strength comes from our diversified business model which provides customers with varied financial products and services to meet their economic goals.

Employment by Edelweiss



Diverse workforce of 8,820 employees as of March 31, 2023



~22% of the workforce is less than 30 years of age

Responsible Investment

Invested towards **renewable energy assets**, of which **~120 million USD** was invested till date, thereby **contributing to India's clean energy transition.**

Supporting mid-income and affordable housing development and providing completion finance to residential real estate projects.

Asset Management platform (Sekura) - four of our assets (1 Transmission, 1 Solar and 2 Road) have received the **British Safety Council, International Safety Award 2023 this year.**

Delivering electricity to households, thereby increasing per capita consumption through transmission assets

~300 million USD invested in stressed assets in FY23 that helps to free up capital of banks/ non-banks and/or helps in revival of companies.

Our one transmission asset (DMTCL), one road asset (Dhola Infra Projects Limited) and one Solar energy asset (SSEPL) won International Safety award in Distinction Category (Highest).

EAAA became signatory to the **United Nations-supported Principles for Responsible Investment ("PRI").**

Published **EAAA ESG Reports in FY21 & FY22** and will continue to publish every year showcasing performance against adopted benchmarks and further integration of ESG in investments.

One road asset Dibang Infra Projects Limited won International Safety Award in Merit Category (Second highest). Our Transmission Asset DMTCL had won International Safety Award 2022 in Merit Category last year and won International Safety Award 2023 in the Distinction category this year.

Supporting Small Enterprises

Forged 2 new co-lending bank partnerships, furthering the objective of reduction in the overall exposure to risk while offering competitive pricing

Widened product coverage under the co-lending model ambit – Business Loans and Vendor Finance

Scaled up on disbursements under co-lending model

Affordable Housing

- Over 50% of the housing loans financed in FY23 was in affordable housing segment, with average ticket size of ₹1.6 – ₹1.7 million
- Of the loans extended

39% of the retail customers are new to credit customers

Over 65% of the loan book accounts for homes in non-metro cities

Over 55% of the retail disbursals are for self-employed customers

Asset Reconstruction

Acquired distressed assets worth ~₹2,800 crores for revival and restructuring

Revived 35 assets during the year with total recoveries of ~₹7,530 crores

Protected over 30,000 jobs through revival of sick companies since inception

Insurance

Covered ~9,67,000 lives as on March 31, 2023

Covered 11,26,041 individuals under our health insurance policies as on March 31, 2023



GOOD HEALTH AND WELL-BEING

EMPLOYEE HEALTH & SAFETY

Edelweiss' biggest strength has always been its people and their care, well-being and safety forms the core of our culture. With the onset of remote and hybrid working, we have strengthened our resolve that in mind, body, and soul, we will continue to stay **#FitWithEdelweiss.**



~22% of employees availed Mediclaim benefit for self and ~7% availed for their family members



Annual Executive Health Check-Up Program under which employees and their spouse can avail a full body health check-up from any of the network hospitals/ diagnostics centres



Well-being Resources & Support through timely and accessible support to employees on their mental, emotional and physical well-being



'Wellness Calendar', Health Webinars, What the Health (an initiative on Fitness Challenge), launched to create awareness and mindfulness about overall health, fitness, and well-being

Organised Corporate Badminton Tournament, Bowling Championship and Soccer Series, as well as participated in Tata Marathon to promote sports and focus on maintaining fitness

Support is provided to our employees through our central incident room, which is available 24/7 to handle emergency situations and provide accurate information on emergency protocols

Reduce employee risk against drugs and illegal substances by providing a Drug Free Workplace

Fire safety site inspections executed at regular intervals

QUALITY EDUCATION

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

School Transformation

Early Childhood Education

Innovation & Experimentation

Research & Advocacy

In FY23, EdelGive worked with 9 NGO partners while supporting 13 projects across 5 states of India. Over the years, through our NGO partners we have been able to create a significant impact:

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

Supported 31,000 schools through the Quality Education Programme

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

In 2016, EdelGive launched The Collaborators to support the Government of Maharashtra in addressing persistent gaps in learning outcomes of children in government schools. With a modest beginning in four out of 36 districts in Maharashtra, the programme has expanded to 7 districts, with multiple funders and three non-profit organisations (NPOs), to benefit over 1 million children in seven years. Furthermore, the Government of Maharashtra signed an extended MoU with EdelGive Foundation up to 2026 with the provision to expand to all districts of Maharashtra.

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

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

REDUCED INEQUALITIES

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

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

In FY23, EdelGive has supported **15 projects** of **12 NGO partners**, working with the most vulnerable communities across **9 states** in India. Over the years, through our NGO partners, we have been able to create significant impact, achieving our targets in a few critical areas:

- Average 98% (FY23) enhancement in annual income of farmers
- Trained 1,83,000 families (1,20,000 in FY23) for sustainable agriculture
- Strengthened 8 Farmer Producer Companies (FPCs)

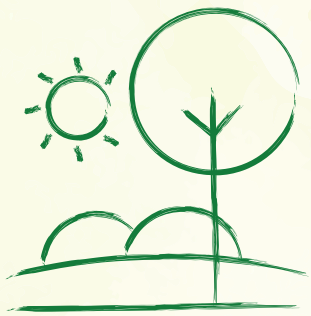
EdelGive became strategic partners to the migrants resilience collaborative, a multi-stakeholder coalition, focussed on ensuring safe and responsible recovery of migrant families and their livelihoods in India post COVID-19. The Collaborative will support 10 million workers and their families in 100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

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

Through their initiatives, EdelGive has provided support to 36 NGOs during the last financial year through various trainings, workshops, intensive support etc.

PROTECTING THE ENVIRONMENT

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



Climate Action

Affordable and Clean Energy

Responsible Consumption and Production

CLIMATE ACTION

WATERSHEDS AND LIVELIHOODS

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

Supported (construction or repairs) 1,600 (300 in FY23) watershed structures for water conservation

Brought under irrigation 3,000 (550 in FY23) hectares of land, for enhanced agriculture yield

Funded and influenced 320 crores (140 crores in FY23) including advisory towards sustainable livelihood programmes, over the past 6 years (2017-2023)

Supported 22,200 farmers (2,500 in FY23) for climate-smart agriculture/ organic farming

EdelGive Foundation became a **core partner to the India Climate Collaborative**, a first-of-its-kind initiative bringing together India's top philanthropies to **address the increasing and pressing climate crisis in India**. This partnership aims to work towards promoting ecological balance through a co-benefits approach. Eminent global philanthropies like MacArthur Foundation, Bloomberg Philanthropies, Oak Foundation, to name a few, have extended their support to this alliance.

AFFORDABLE AND CLEAN ENERGY

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

ENERGY CONSUMPTION AND SAVINGS *

Total electricity consumed in FY23 has stabilised to pre-pandemic levels, owing to offices resuming normalcy

Through energy consumption optimisation initiatives, energy intensity contained to pre-pandemic levels to 145 kWh/sq.mt. p.a. in FY23 which is 18% lower than BEE standards

Renewable energy capacity

Solar Power Installation of 1.2 MW capacity at Solapur, Maharashtra for Edelweiss House. This plant generated electricity of 167 Mwh during the year which led to savings in carbon emission of 125 tonnes*

Solar roof-top generation capacity of 0.06 MW at Fountainhead Alibaug generated ~52 Mwh during FY23 which led to savings in carbon emission of 39 tonnes

Wind power PPA for 2.8 MW generated 772 Mwh units in FY23 led to savings in carbon emission of 580 tonnes

Energy saving initiatives

90% of fixtures converted from conventional lighting to LED

Automatic switches and sensors installed in unmanned areas to reduce/optimise energy consumption

Sleep mode and night mode lighting automation enabled to conserve electricity

Default ambient temperature of all public areas and meeting rooms set at 24°-26°C as per BEE and government regulations

HVAC schedule running operation modified, to reduce unnecessary running of air conditioners

Integrated Air Handling Unit (AHU) variable frequency drive with AHU room sensors which modulates the variable frequency drive (VFD) on sensing the return air temperature

**Renewable generation benefits from the period of April '22 to June '22 considered; as due to chip shortage the solar power plant remained shut.*

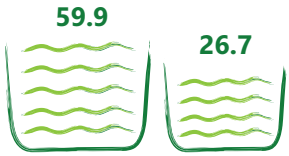
RESPONSIBLE CONSUMPTION AND PRODUCTION

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

WATER CONSUMPTION*

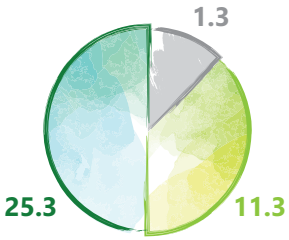
Total water consumption reduced by 55% in comparison to pre-pandemic level of FY20

Total Water consumption (Megalitres)



Water consumption

Megalitres



Third-Party
Surface
Ground

Reduction of water consumption through Fine Aerators

Installed waterless pots at all urinals

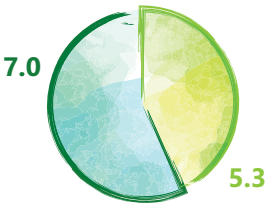
Alternate washbasin/outlet fixtures operating due to low occupancy

Borewell installation for water collection from canal flowing during monsoon

18.8 Megalitres of waste and sewage water has been recycled through a sewage treatment plant and supplied to the garden

EMISSIONS*

GHG emissions Kilotons



Scope 1 Scope 2

Reduction of 37% in GHG emissions via effective carbon management initiatives

In FY23, as normalcy returned and work from office resumed, our GHG intensity increased by 65% however, compared to a regular year of FY20 we have a reduction ~10%

Scope 3 emissions were Nil during the year

WASTE MANAGEMENT*

3Rs of Waste Management, viz. Reduce, Re-Use and Recycle have been organically incorporated in our day-to-day routines

Compost production from food waste increased by ~7% to 4.7 tonnes

Recycling of sewage water increased ~52% in FY23 to 18.8 megalitres

Initiatives for Paper Conservation & Waste Management

Plastic water bottle consumption reduced to 17K bottles in FY23 as compared to 19K in FY22.

3.8 Tonnes of Food Waste Converted into Compost by Composting Machine.

7.2 Tonnes of Paper Waste Converted into Green Edelweiss Writing Pads with the help of associated NGOs.

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

EDELGIVE FOUNDATION

EdelGive Foundation is a philanthropic asset manager and advisory partner to funders such as individuals, HNIs, corporates, institutions and foundations–both international and domestic–with a specialisation in multi-stakeholder collaboration. Through a unique philanthropic model, EdelGive places itself at the centre of grant-making by providing initial grants and managing funding from other institutions, HNIs and corporate partners. These grants are used for both financial and non-financial growth of high calibre, small to mid-size grassroots NGOs, committed to empowering vulnerable children, women, and communities

EdelGive is committed to bring about sustainable long-term change by working to enable philanthropy partnerships within the corporate sector in addition to collaborations between the private sector, social sector and the government for far-reaching, sustainable impact. Through coalitions and co-creation, the EdelGive Foundation has fostered and expanded philanthropy in India.

OUR INFLUENCE OVER THE YEARS

23[1] states and **167** districts of India

Over **260** NGO partners supported

₹858 crores influenced through commitments to NGOs

Dedicated over **40,600** employee engagement hours

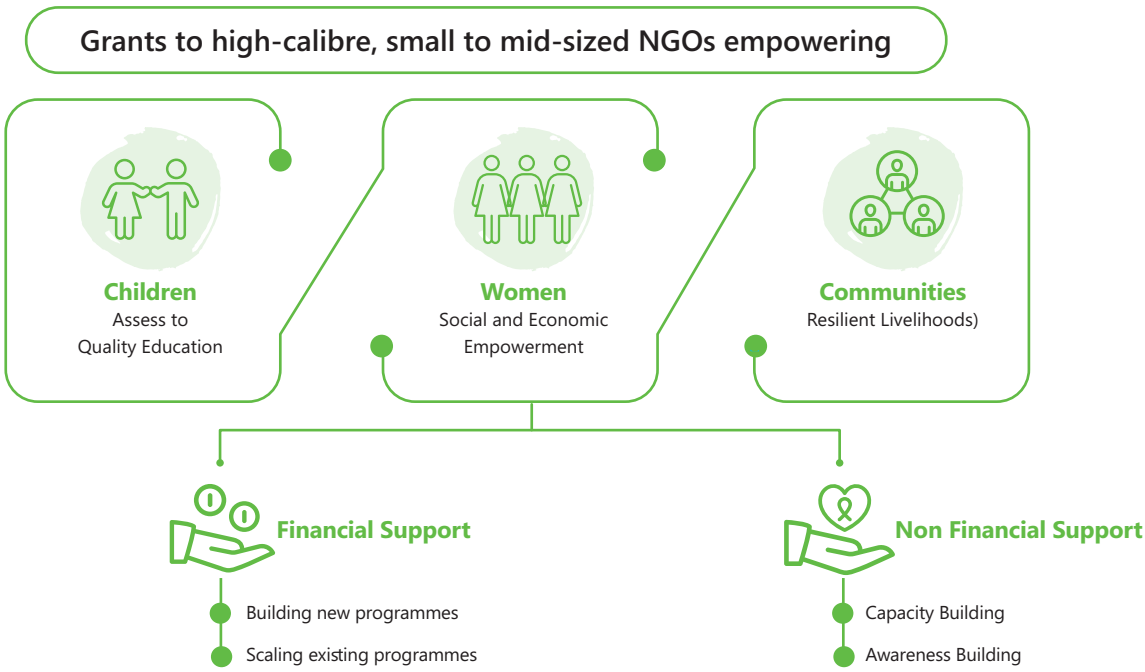
Nearly **200** capacity-building and skilled volunteering projects

SUPPORTING THE GROWTH OF CREDIBLE NGOS

In FY23, we are proud to share that we have been able to influence a commitment of ₹202 crores for NGOs working across the country. Our 36 NGO partners work tirelessly to provide quality education to children, promote the social and economic empowerment of women, besides building resilient communities.

Grants are used to support our NGO partners and help them to build capacity and meet their financial needs.

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



SOCIAL AND ECONOMIC EMPOWERMENT OF WOMEN

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

Freedom from violence and discrimination

Access to legal justice

Grassroots leadership

Access to rights and entitlements

Freedom from economic dependence



EdelGive has supported **13** projects with **11 NGO partners** across **9 states** in India in FY23. Over the years, through our NGO partners, we have impacted the lives of women in the following ways:

2.4 lakhs (25,000 in FY23)
women and girls supported in their fight for addressing issues of gender equality

24,000 (300 in FY23)
women and girls supported under financial inclusion programmes

52,000+ (6,500 in FY23)
women supported to gain access to rights and entitlements

Supported **33,000**
(5,300 in FY23)
victims of domestic/sexual violence in their legal journey

16,000 (7,700 in FY23)
grassroots leaders developed and supported

Formed **6,000**
(17 in FY23) SHGs/JLGs

ACCESS TO QUALITY EDUCATION

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



Innovation and experimentation

School transformation and enhancing learning outcomes

Early childhood education

Research and advocacy

EdelGive has supported **13 projects** with **9 NGO** partners across **5 states** of India. Over the years, together with our NGO partners, we have ensured access to quality education in the following ways:

Reached out to

20 lakhs children through our learning enhancement programmes, surpassing our own target this year

Supported

31,000

schools through the quality education programme

Worked closely with, and supported

74,000+

teachers and government officials for delivery of quality education



COMMUNITY RESILIENCE AND CLIMATE ACTION

Through contextual and targeted interventions developed by our NGO partners, we are working to develop sustainable livelihoods for some of our most vulnerable communities, through systemic transformation in four focus areas:

Water for livelihood

Sustainable agriculture

Skills for financial inclusion

Institutional sustainability

Employability enhancement



EdelGive has supported **15 projects** of **12 NGO partners**, thus working with the most vulnerable communities across **9 states** in India. Over the years, through our NGO partners, we have impacted entire communities and achieved our targets in some critical areas:

Funded and influenced
320 crores (140 crores in FY23)
including advisory towards sustainable livelihood programmes, over the past 6 years (2017-2023)

Trained
1,83,000 families
(1,20,000 in FY23)
for sustainable agriculture

Supported
22,200 farmers
(2,500 in FY23)
for climate-smart agriculture/ organic farming

Strengthened
8 Farmer Producer Companies (FPCs)

Brought under irrigation
3,000 (550 in FY23)
hectares of land, for enhanced agriculture yield

Supported (construction or repair) **1,600**
(300 in FY23) watershed structures for water conservation

Average
98% (FY23)
enhancement in farmers' annual income

BUILDING CREDIBLE PARTNERSHIPS

In addition to providing grants to our NGO partners, we also invest our energy in sourcing and managing funding from institutions, individuals and corporate associates. This collaboration assists both partners–NGOs and funders–to diversify their outreach and impact.

We follow four approaches to grant-making

EdelGive Grants
EdelGive individually funds organisations and their programmes

Co-Funding
Large funders, foundations and individuals join EdelGive in making grants

Pooled Funding
EdelGive builds structured and transparent collaborative models for pooled funding

Advisory
EdelGive provides strategic counsel to organisations on grant-making

EdelGive believes in a collaborative philanthropy approach and is currently engaged in six collaborative initiatives:

THE COLLABORATORS FOR TRANSFORMING EDUCATION

In 2016, EdelGive launched The Collaborators for Transforming Education (CTE)as a public-private partnership with the Department of School Education and Sports (DSES), Government of Maharashtra, and facilitated by the EdelGive Foundation. Through this coalition, EdelGive intends to solve the multifaceted problems of education by bringing reforms at a systemic level to elevate learning. Initially, the programme that started with 4 districts in Maharashtra, was expanded to **7 districts, with multiple funders and three non-profit organisations (NPOs), reaching over 1 million children in seven years**.



The Collaborators has established itself as a trusted brand for government stakeholders at all levels as reflected on various occasions. For example, EdelGive best practices are shared with the central government and within and outside the states as also with UNICEF and the World Bank. The Government of Maharashtra has signed an extended MoU with EdelGive Foundation up to 2026 with the provision to expand the programme across Maharashtra.

THE COALITION FOR WOMEN'S EMPOWERMENT

Driven by its conviction in the systems thinking approach that the sum is greater than its parts—EdelGive launched The Coalition for Women's Empowerment (CWE)in 2019, by bringing together funding organisations and grassroots organisations as collaborative stakeholders, united by a common mission to facilitate social and economic empowerment of women and girls in India. The coalition is currently supported by Ford Foundation, Chintu Gudiya Foundation, Forbes Marshall and David and Lacile Packard Foundation. The coalition focuses on providing 360-degree support to grassroots organisations through enabling funding for critical rights-based programmes that are often under-invested, and by investing additionally in institution building for improved effectiveness and efficiency. Insights and learnings from the interventions supported through CWE, have also informed EdelGive's other initiatives for enabling women's empowerment including the UdyamStree campaign for promoting entrepreneurship by women in India.

For more information read here.



INDIA CLIMATE COLLABORATIVE

The learnings from both our ongoing coalitions have inspired and enabled EdelGive Foundation to become a **core partner in the India Climate Collaborative (ICC)**, a first of its kind initiative that brings together India's leading philanthropies to address the increasingly pressing climate crisis in India. EdelGive Foundation contributes to ICC its years of rich experience of working with organisations with a deep penetration at the grassroots, and enhanced technical expertise. With an integrated and holistic understanding of the development space through the climate lens, the partnership aims to work towards promoting ecological balance through a co-benefits approach. Eminent global philanthropies like MacArthur Foundation, Bloomberg Philanthropies, Oak Foundation, Good Energies, IKEA Foundation, to name a few, have extended their support to this alliance. We have launched a multi-year Just Transitions (JT) India Programme, with funding support from IKEA Foundation. The programme intends to raise India's climate ambition while ensuring social and economic inclusion, backed by national momentum and a strong, connected JT ecosystem in India. Three priority sectors designated for this programme are energy, mobility and land use.

For more information read here.

MIGRANTS RESILIENCE COLLABORATIVE

In 2020, amidst the COVID-19 pandemic, EdelGive became a strategic partner to the **Migrants Resilience Collaborative** (MRC)–an initiative by one of our partners in the investee portfolio - Jan Sahas. The MRC is a multi-stakeholder collaboration that brings together non-profit, philanthropic, and private sector enterprises focused on ensuring safe and responsible recovery of migrant families and their livelihoods in India, post COVID-19. The Collaborative aims to support 10 million workers and their families in 100 districts and cities over the next 5 years.

For more information read here.

PAY-WHAT-IT-TAKES INITIATIVE



In 2020, EdelGive joined the **Pay-What-It-Takes initiative**, a multi-year project that intends to work to raise awareness, provide strategic guidance and collaborate with NGOs to solicit their inputs on building a resilient non-profit sector in India. The initiative is led by The Bridgespan Group and EdelGive in addition to five anchor partners: A.T.E. Chandra Foundation (ATECF), Children's Investment Fund Foundation (CIFF), Ford Foundation, and Omidyar Network India. Each partner strongly believes in the significance of having a better understanding of true costs and has approached the initiative from a different perspective.

For more information read here.

EDELGIVE HURUN INDIA PHILANTHROPY LIST AND REPORT 2022

Hurun India and EdelGive will release the 9th annual ranking of the most generous individuals in India. EdelGive Foundation has partnered with Hurun India towards creating this list and report, to understand and acknowledge philanthropy in India from a data and evidence point of view. Through this report, we aim to highlight the strength of the social sector and access areas which require further growth.

THE GROW (Grassroots, Resilience, Ownership and Wellness) FUND

The GROW initiative was conceived to address the crisis faced by NGOs, who were primarily shouldering the costs of acting as the first responders for communities devastated during the pandemic. Moving forward, the GROW Fund has been redesigned to influence the philanthropic ecosystem in favour of grant making that supports non-profit resilience and sustainability in addition to programmatic outcomes. We are happy to share that by the end of the second year, the programme had successfully supported 100 NGOs in their efforts to strengthen non programmatic areas of organisations. The cohort received assistance for the following activities:



sustaining and expanding operations with support provided to cover core expenses



upskilling of core staff in identified domains through training on capability building



providing need-based support for organisational development

In the past year the GROW team conducted orientations for NGO cohorts on the nature of the GROW grant, finalised their budget for a grant period of two years for non-programmatic expenditure, disbursed tranche 1 and tranche 2 of the grant, conducted capacity building sessions in identified domains of technology, finance, human resource and risk management besides selecting 25 NGOs for organisational development.

The organisational development (OD) facilitates quarterly discussions and tracks NGO's growth in their respective OD journey. Through organisational development, the GROW team conducts one on one mentoring sessions with NGOs to understand its challenges and accordingly develops a respective capacity building matrix. Additionally, a website audit was conducted for NGOs to guide and support them to enhance website performance by transforming it from a source of information to being an optimal marketing tool. The capacity building initiatives have noted considerable results in the domain of fund raising and communication.

The programme partnered with agencies like Social Lens, Grant Thornton and BSG to support activities including efforts in capacity building, devising an organisational development framework, grant management, NGO engagement and developing the in-house software Lumos to streamline programme implementation.

The GROW team has established a system of quarterly progress reviews. The review frameworks capture linkages between different variables affecting the progress of NGOs in non-programmatic domains and their quarterly progress on different indicators derived from the results matrix. This system allows process streamlining and ensures scalability. It also ascertains result-based monitoring and reporting. This review system has enabled the generation of three quarterly progress reports.



All of GROW's 100 NGOs were showcased in the above creative for the launch

The progress reports are a by-product of the quarterly reports submitted by each NGO in the cohort. The quarterly progress reports aim to capture an NGO's progression through the GROW fund and identify learnings, insights and achievements in addition to the way forward.

In the past year, regular and systemic capacity building sessions, organisational development initiatives and on-time financial support has enabled NGOs resilience and sustainability. The GROW fund envisages to be a platform through which NGOs may unleash their potential to create enormous grassroot impact.

The GROW Funders Committee meeting was organised twice during the year in September 2022 and February 2023. The forum was an opportunity to share the NGOs GROW journey and to create a platform for collaborative thinking on the narrative and future growth of GROW.

To conclude the financial year and celebrate the first year anniversary of GROW (GROW Diwas), zone wise cluster interactions were organised. Senior leaders from the cohort NGOs shared their experience and feedback with the GROW fund team.

UDYAMSTREE – A NATIONAL CAMPAIGN TO PROMOTE WOMEN ENTREPRENEURSHIP

UdyamStree is an initiative by EdelGive Foundation, to promote entrepreneurship as a key driver for women's economic empowerment in India. Committed to bridge the economic gender gap through collective action and engagement across stakeholder groups, UdyamStree works towards creating a conducive environment for women entrepreneurs in India to prosper. It works to strengthen the ecosystem and support women's entrepreneurship, increase stakeholder participation in the promotion of women entrepreneurship, and raise awareness on the need for women's entrepreneurship. The campaign was implemented to unlock the prospects of entrepreneurship and sustainable livelihood among women while attempting to engage with the corporate sector, bureaucracy and government infrastructure for a systemic facilitation.

UDYAM STREE
SABAL SAFAL SAKSHAM

In April 2021, EdelGive Foundation launched the 'Landscape Study on Women Entrepreneurship' – a flagship initiative under the UdyamStree campaign. The study offers insights into the multifaceted challenges women face during their entrepreneurial journeys and how policy implementation, advocacy and multi-stakeholder groups can serve to support these women in overcoming the obstacles. The study with **1235 women across 13 states** of India, was conducted with key government stakeholders including NITI Aayog, MoWCD and MRD in addition to industry leaders.

Considering the range of stakeholders and the numerous channels of communication accessed through the campaign, UdyamStree has clearly influenced multiple stakeholders, who have, in turn, created a dialogue to position entrepreneurship as a prominent enabler of women's empowerment.

The following are the **key impacts of UdyamStree:**

2800 women were educated on government schemes and Yojanas in 4 districts, of which **2040 women received benefits** under relevant schemes and loans with a collective value of **over ₹26 lakhs were disbursed**. We **collaborated with 6 partners** to ensure delivery of government schemes on women entrepreneurship at the grassroots level

27 national and regional media publications expressed interest to promote the cause of women entrepreneurship through nearly **300 media stories** in the form of articles, opinion pieces, media interviews, beneficiary stories and leadership thoughts. **Effected a readership of over 27 lakhs** via 25 opinion editorials, 10 interviews, 16 beneficiary stories and more than 65 press releases. The campaign gathered further momentum when 20 media and social media influencers supported the cause of women-led businesses on various media platforms through roundtable discussions, co-authored pieces and motivational videos

The hashtag **#PyaarToSmallVyapaar** had a potential reach of **124,000 viewers. More than 90 small businesses** reached out through social media for their business promotions. Support from social media influencers **received more than 2 lakhs views.**

Collaborated with Haqdarshak to translate **300 central and state government schemes** into multilingual content, which is now accessible on Haqdarshikas app

Dialogues held with seven key legislative advocates (MPs & MLAs) to build awareness and create champions for the campaign cause in the aftermath of the pandemic

Partnered **with two government institutions** to build government partnership and amplify the awareness of industry bodies and government stakeholders including **FICCI and Maharashtra State Education Department**. We partnered with FICCI on building synergies among the various interventions planned between EdelGive's UdyamStree campaign and FICCI's Greater 50 campaign, that worked to create a conducive ecosystem to foster women entrepreneurship through multi-stakeholder engagements. We partnered with the State Education Department of Maharashtra to conduct a leadership dialogue featuring industry stalwarts to boost enterprise development among school children especially young girls in the state with an objective to sensitise young minds about entrepreneurship as a viable career option

EDELGIVE-FICCI MOU SIGNING

A joint approach to boost women entrepreneurship in India



Engagements of 20+ social media influencers who have spoken about UdyamStree, or liked, shared and supported the posts. In collaboration with popular influencers like Prajakta Koli, Aanchal Agrawal and Deepika Mhatre, we tipped our grateful hats to women-led small businesses and encouraged people to be #VocalForLocal. These videos accumulated 708,000 impressions and more than 230,000 views. Additionally, a Bollywood series was undertaken to utilise iconic moments in popular culture and famous dialogues, in line with aspects which we wished to amplify, under the project

Amplified public awareness generated through media by disseminating press releases to announce the partnership which garnered a reach of more than 1 crore. We **partnered with Bookletpedia**, a not-for-profit that designs contextual information, education and communication (IEC) materials, to generate awareness around government schemes that women entrepreneurs can leverage

Partnered with two community radios–Radio Seven in Jaipur and Radio Vishwas in Nashik to enhance the understanding of government schemes among women entrepreneurs in Rajasthan and Maharashtra.

Major Achievements of the Campaign UdyamStree Campaign was awarded Best Campaign in Not-for-Profit and Association Sector Campaign in the sector awards category at Fulcrum Awards 2022

The Fulcrum Awards, launched in 2016, aim to provide a platform for applauding individuals and teams who have worked relentlessly throughout the year on impactful public relations campaigns. The Fulcrum Awards 2022 were powered by the Promise Foundation and PRmoment.in.

The UdyamStree Campaign won a Gold Award, under the Not-for-profit category at the SABRE South Asia Awards 2022

The SABRE South Asia awards are the world's largest and most sought-after PR awards programme, which recognises superior achievement in branding and reputation. The SABRE awards put a spotlight on the industry's most compelling work, especially focusing on programmes and initiatives that drive real business impact and reach.

WOMEN IN LEADERSHIP

Women in Leadership (WIL) is an initiative that aims to spotlight the presence of women in leadership positions in India's private sector, with a strong emphasis on women working in economics, finance, and social enterprise. It also seeks to utilise a primary data driven campaign to generate dialogues, to amplify and encourage mentorship and bring together multiple stakeholders to address the need for more women in leadership. The project is part of a bigger consortium of social sector entities that will focus on women in leadership positions in different sectors within the private sector. The larger project will bring out the disablers in the ecosystem that hinder women's empowerment, which is expected to influence and impact the larger private sector ecosystem to adopt practices and processes that enable and strengthen women's leadership within organisations.

EdelGive's WIL initiative will take shape as a continuation to UdyamStree but with a focus on the private sector. The UdyamStree campaign pointed out the knowledge gap, as only 1% of the women surveyed had benefitted from existing government schemes primarily because only 9% of them were aware about these schemes. Raising awareness and receiving support from the ecosystem is key even in the private sector. Available research indicates that the status of women in leadership across all sectors in India has been abysmally low and there is clear evidence that the situation is not improving. A study conducted by IBM in 2021 suggests that there may actually be a decline in the number of women occupying leadership positions in India. Some key barriers that impact women's leadership are:

- Inadequate capacity building for women in technical skills and lack of gender inclusive corporate culture in high growth sectors
- Lack of support for retention and re-entry of women
- Unconscious biases and perceptions
- Lack of accountability in private entities and inadequate provision for due diligence of their performance on gender mandates
- Culture and social attitudes that prevent women from receiving equal and equitable opportunities

The project will focus on building primary research, raising awareness, developing a campaign and providing mentorship for upcoming women leaders on a common campaign platform.

CAPACITY BUILDING

EdelGive offers non-financial support to NGOs, by providing capacity building across different areas. EdelGive strategised capacity building for organisational strengthening by focusing on long-term sustainability, problem-solving and willingness to adopt new technologies.

8 organisations from the CWE portfolio participated in phase 1 of the training, conducted over 3 months between August 2022 and October 2022. The five domains covered in the CB trainings covered nurturing second line leadership, soft skills training, communications, strategic planning and development, and fundraising.

- **The overall feedback on the programme was positive:**

Average score of
8.25 families
on 10, on session usefulness received from 192 respondents across all programmes

More than
85% of the participants rated the experience very good or excellent

HUMAN RESOURCE AND WELLNESS

Employee well-being and development is of utmost importance to us at EdelGive. Having prioritised this belief we made significant investment in our employee wellness and development initiatives last year. Several external speakers from both the development and corporate sector were invited to interact with the team, which facilitated immense learning for all. Additionally, our team has had regular internal learning sessions like 'Learning Pod', wherein team sharing on various topics was enabled. Factoring mindfulness as a key to employee wellness, we initiated zero device hour, Johari window session, annual offsite and periodic wellness check-ins to engage with our employees. Our induction process for new joiners was improvised and upgraded. We remain committed to our employees' wellbeing and development and look forward to building on this progress in the coming year.

EMPLOYEE ENGAGEMENT

EdelGive Foundation draws on the Edelweiss employee volunteer pool and external (volunteer) agencies to cater to NGO needs. This year, Edelweiss volunteering demonstrated clear growth: 9 activities including in-kind donation drives

Over ₹**22 lakhs** raised through employee donations

Umang Unlimited

Our Skilled Volunteering Campaign in Collaboration with Edelweiss Tokio Life Insurance Wins Best Project - ICONS 2022

Volunteers from Edelweiss Tokio Life Insurance (ETLI) conducted skilled volunteering sessions on topics like banking and financial literacy, customer relationship and retail sales and English language speaking for women from Mann Deshi Foundation and youth from Antarang Foundation.



Creating Socially Sensitive Leaders with Apnalaya

25 Employees from the corporate business group participated in a two-hour activity-based session titled 'Creating Socially Sensitive and Responsive Leaders' that was conducted by Ms. Yasmin Mulla, Director-Citizenship at Apnalaya. The objective of this session was to sensitise corporate leadership to the important role they can play in the urban ecosystem and to improve the quality of life of the people, while achieving professional goals.







Images: Some glimpses of our volunteering engagements and community-focused efforts under Employee Engagements.

Board Of Directors



RASHESH SHAH
Chairman & Managing Director

Rashesh Shah is Chairman & Managing Director of Edelweiss, one of India's leading diversified financial services conglomerates. With more than 30 years of experience in financial services, Rashesh is particularly enthused about the transformational role that financial services can play in translating India's vast savings into investments. A regular commentator on macroeconomic policies, development matters, financial markets in the mainstream and financial media, he serves on the Boards of various companies and public institutions. He has served as the President of FICCI, India's apex industry association and is also on the Board of Directors for the Indian Institute of Foreign Trade (IIFT) and the Executive Committee of Indian Police Foundation (IPF). Rashesh has also been a member of several government and regulatory committees including the Insolvency Law Committee on IBC.

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



VENKATCHALAM RAMASWAMY
Vice Chairman & Executive Director

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

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



HIMANSHU KAJI
Executive Director

Himanshu Kaji has over three decades of diverse experience in the areas of business strategy, risk, finance, regulatory frameworks, process re-engineering, technology, and strategy implementation across the financial services space. At Edelweiss, he oversees Assurance, Finance, Governance, Legal and Administration. A Co- Chair on the FICCI Capital Markets committee, he is also a member of the CII National Forum on NBFCs and HFCs and a member of the CII National Committee on Financial Markets. He was earlier a member of the Secondary Market Advisory Committee of SEBI and on the Trading Member Advisory Committee of the NSE. He has also served on the Board of the Bombay Stock Exchange (BSE) and played a key role in the overhaul of the Exchange, contributing largely to the demutualisation and corporatisation of BSE. He has been a corporate advisor to eminent Indian and global financial services companies.

A Chartered Accountant, he holds a post-graduate diploma in securities law.



VIDYA SHAH
Non-Executive, Non-Independent Director
& Chairperson, Edelweiss ESG Council

Vidya Shah is the Chairperson and CEO of EdelGive Foundation, an organisation set up by Edelweiss, with the objective of funding and building the capacities of India's not-for-profit sector. With over three decades of rich industry experience, she has established EdelGive as a platform for strategic philanthropy. Under her stewardship, EdelGive has been instrumental in growing over 150 organisations, besides scaling their budgets, impact and reach exponentially. She also serves on the board of various prominent civil society organisations such as Agastya International Foundation, Janaagraha Centre for Citizenship and Democracy, Centre for Social Impact and Philanthropy at Ashoka University, Mann Deshi Foundation and the Indian School of Public Policy She spent the first 11 years of her career in the field of investment banking with companies like ICICI, Peregrine and NM Rothschild.

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



BISWAMOHAN MAHAPATRA
Independent Director

Biswamohan Mahapatra's career spans nearly four decades. He retired as Executive Director of the Reserve Bank of India (RBI) in August 2014. At RBI, he was in charge of banking regulation, policy and supervision. Post retirement, he was an Advisor to RBI on the new bank licensing process. He has represented RBI at various national and international forums and chaired numerous RBI Committees. He was also the Member-Secretary to the Committee set up to introduce a financial holding company structure in India and was also involved in the formulation of Basel II and Basel III regulations. He also serves as an Independent Director on the Boards of various companies. Presently, he is appointed as the Non-Executive Chairman of the National Payments Corporation of India.

He holds a Master of Science in Management (MSM) Degree from the Arthur D. Little Management Education Institute, Cambridge, USA and an MBA from University of Delhi.



ASHOK KINI
Independent Director

Ashok Kini has over four decades of experience in the financial services sector. He joined State Bank of India as Probationary Officer in 1967 and retired as the Managing Director in 2005. In addition to Edelweiss Financial Services Limited, he is also on the Board of Edelweiss Tokio Life Insurance Company Limited since July 2022. He has earlier served as Independent Director on the Boards of IndusInd Bank Limited, UTI Trustee Company Private Limited and Gulf Oil Lubricants India Limited.

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



DR. ASHIMA GOYAL
Independent Director

Dr. Ashima Goyal has over three decades of experience. She is Emeritus Professor at the Indira Gandhi Institute of Development Research, has served on several boards and policy committees including as a part-time member of Economic Advisory Council to the Prime Minister and is currently a member of India's Monetary Policy Committee. She has received many national and international awards. The editorial team at Business Today selected her as one of the most powerful women in Indian business in 2021 and 2022. She is a specialist in the areas of open economy macroeconomics, international finance, institutional economics and development economics. She has been a visiting fellow at the Economic Growth Centre, Yale University, USA and a Fulbright Senior Research Fellow at Claremont Graduate University, USA.

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



SHIVA KUMAR
Independent Director

Shiva Kumar has served at State Bank of Bikaner & Jaipur (now merged with the State Bank of India) as Managing Director. At State Bank of India, he was Deputy Managing Director and held various other positions too. He was the Project Leader for the business process re-engineering programme for the complete transformation of the largest Bank in India in collaboration with McKinsey & Company. He was a part of their credit card project and also set up the metal gold business for the Bank. He was a representative of Associate Banks on the Managing Committee of Indian Banks' Association. In 2013, he received the 'Business Leadership Award', from the Institute of Public Enterprises.

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



Company Information

Board of Directors

Mr. Rashesh Shah
Mr. Venkatchalam Ramaswamy
Mr. Himanshu Kaji
Ms. Vidya Shah
Mr. Biswamohan Mahapatra
Mr. Ashok Kini
Dr. Ashima Goyal
Mr. Shiva Kumar

Chief Financial Officer

Ms. Ananya Suneja

Company Secretary

Mr. Tarun Khurana

Statutory Auditors

M/s. S. R. Batliboi & Co. LLP,
Chartered Accountants

Registered Office

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

Registrar & Transfer Agent

Equity Shares & Debentures

Link Intime India Pvt. Ltd.

C-101, 247 Park, L.B.S. Marg,
Vikhroli (W) - 400 083.
Tel: +91 8108116767
Fax: +91 22 4918 6060
rnt.helpdesk@linkintime.co.in
Website: www. linkintime.co.in

Debentures

KFin Technologies Limited

Selenium Tower B, Plot 31-32,
Financial District, Nanakramguda
Serilingampally,
Hyderabad-500 032
Tel: +91 40 67162222
einward.ris@kfintech.com
Website: www.kfintech.com

Edelweiss Presence

233 offices
~6.7 million+ clients

Bankers

- Bank of India
- Axis Bank
- Central Bank of India
- DCB Bank
- HDFC Bank
- IDBI Bank
- IDFC Bank
- Citibank N.A.
- Karur Vysya Bank
- Kotak Mahindra Bank
- Punjab & Sind Bank
- South Indian Bank
- State Bank of India
- ICICI Bank
- Union Bank of India
- Indian Bank
- IndusInd Bank
- Yes Bank
- Bank of Baroda
- Bank of Maharashtra
- Canara Bank
- RBL Bank
- Standard Chartered Bank
- The Federal Bank
- Karnataka Bank
- Punjab National Bank
- Catholic Syrian Bank
- Equitas Small Finance Bank
- DBS Bank
- AU Small Finance Bank
- Bandhan Bank
- SBM Bank (India) Ltd.
- Ujjivan Small Finance Bank Ltd
- Barclays PLC

Major Cities

Domestic

Agra | Ahmedabad | Ahmednagar | Ambattur | Amritsar | Anand | Aurangabad | Bareilly | Belgaum | Bengaluru | Bharuch | Bhatinda | Bhavnagar | Bhopal | Bhubaneshwar | Bilaspur | Chandigarh | Chengalpattu | Chennai | Chittoor | Cochin | Coimbatore | Cuttack | Dakshina Kannada | Darjeeling | Dehradun | Delhi | Dhanbad | Dharwad | Dindigul | Durg | East Godavari | East Singhbhum | Eluru | Erode | Faridabad | Ghaziabad | Gorakhpur | Gujarat - GIFT City | Guntur | Gurugram | Guwahati | Gwalior | Himatnagar | Hosur | Howrah | Hubli | Hyderabad | Indore | Jabalpur | Jaipur | Jalandhar | Jalgaon | Jammu | Jamnagar | Jamshedpur | Jodhpur | Junagadh | Kamrup | Kanchipuram | Kanpur | Karimnagar | Karnal | Karur | Khammam | Kharagpur | Khurdha | Kolhapur | Kolkata | Kollam | Kottayam | Kozhikode | Kumbakonam | Kurnool | Lucknow | Ludhiana | Madurai | Mangaluru | Meerut | Mehsana | Mohali | Mumbai | Muzaffarpur | Mysore | Nagpur | Namakkal | Nashik | Nellore | Noida | North 24 Parganas | Panjim | Patiala | Patna | Pondicherry | Prayagraj | Pudukottai | Pune | Raipur | Rajahmundry | Rajkot | Ranchi | Rohtak | Salem | Shimla | Solapur | Sundergarh | Surat | Surendranagar | Thane | Thanjavur | Thiruvallur | Thiruvananthapuram | Thiruvannamalai | Thrissur | Tiruchirapalli | Tirunelveli | Tirupati | Tiruppur | Trichy | Tuticorin | Udaipur | Vadodara | Valsad | Vapi | Varanasi | Vellore | Vijayawada | Visakhapatnam | Vadodara | Warangal | Yamuna Nagar

International

Dubai
Singapore

BOARD'S REPORT

To the Members of Edelweiss Financial Services Limited,

Your Directors hereby present the 28th Board's Report on the business, operations and state of affairs of the Company together with the audited financial statements for the financial year ended March 31, 2023: -

FINANCIAL PERFORMANCE

I. Consolidated Financial Performance:

(₹ in million)

Particulars	2022-23	2021-22
Total Income	**86,325.91**	72,125.91
Total Expenses	**83,796.60**	70,818.65
Profit before share in profit of associates and tax	**2,529.31**	1,307.26
Share in profit of associates	**1,317.94**	966.54
Profit before tax	**3,847.25**	2,273.80
Tax expense	**(208.32)**	153.06
Net Profit for the year	**4,055.57**	2,120.74
Other Comprehensive Income/(Loss)	**185.77**	(1,194.37)
Total Comprehensive Income	**4,241.34**	926.37
Profit for the year attributable to the		
• Owners of the parent	**3,441.63**	1,887.84
• Non-controlling interests	**613.94**	232.90
Other Comprehensive Income/(Loss) for the year attributable to the		
• Owners of the parent	**197.73**	(732.84)
• Non-controlling interests	**(11.96)**	(461.53)
Total Comprehensive Income/(Loss) for the year attributable to the		
• Owners of the parent	**3,639.36**	1,155.00
• Non-controlling interests	**601.98**	(228.63)
Earnings Per Share (₹) (Face Value of (₹) 1 each)		
Basic	**3.83**	2.11
Diluted	**3.83**	2.11

II. Standalone Financial Performance:

(₹ in million)

Particulars	2022-23	2021-22
Total Income	**30,886.92**	13,724.74
Total Expenses	**7,740.36**	5,177.30
Profit before tax	**23,146.56**	8,547.44
Tax expense	**(735.91)**	(786.14)
Profit for the year	**23,882.47**	9,333.58
Other Comprehensive Income/(Loss)	**0.33**	(0.10)
Total Comprehensive Income/(Loss)	**23,882.80**	9,333.48
Earnings Per Share (₹) (Face Value of (₹) 1 each)		
Basic	**26.59**	10.44
Diluted	**26.59**	10.43

SHARE CAPITAL

During the year under review, 1,77,311 Equity Shares of the face value of ₹ 1 each were allotted on exercise of the Stock Options granted under Edelweiss Employee Stock Incentive Plan 2011 and Edelweiss Employee Stock Appreciation Rights Plan, 2019.

Consequently, as at March 31, 2023, the total paid-up share capital of the Company stood at ₹ 943.27 million divided into 94,32,75,276 Equity Shares of the face value of ₹ 1 each.

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

DIVIDEND

During the year under review, the Board declared an interim dividend of ₹ 0.25 per Equity Share of the face value of ₹ 1 each. The interim dividend was paid to the Members of the Company during the month of April 2023.

The Board at its meeting held on May 26, 2023, recommended a final dividend of ₹ 1.25 per Equity Share of the face value of ₹ 1 each, subject to the approval of Members at the forthcoming Annual General Meeting (AGM).

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

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

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

FINANCIAL STATEMENTS

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

The Auditors' Report issued by M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, the Auditors of the Company on the financial statements for the year ended March 31, 2023 is unmodified and is annexed to the financial statements.

SUBSIDIARIES AND ASSOCIATES

During the year ended March 31, 2023, EW Special Opportunities Advisors LLC was dissolved and ceased to be the subsidiary of the Company.

With effect from March 30, 2023, Nuvama Wealth Management Limited ceased to be an Associate of the Company.

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

SCHEME OF ARRANGEMENT

The Board at its meeting held on May 13, 2022 approved the Scheme of Arrangement between the Company and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) {Nuvama/Resulting Company} and their respective shareholders and creditors (the Scheme) under Sections 230 to 232 read with Section 102 and other applicable provisions of the Act. The Scheme provides for demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) from the Company into the Resulting Company on a going concern basis.

Pursuant to an Order dated January 12, 2023, passed by the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT), a meeting of the equity shareholders of the Company was held on February 24, 2023 wherein the equity Shareholders approved the Scheme. The NCLT vide its Order dated April 27, 2023 approved the Scheme. The Scheme became effective from May 18, 2023. As per the provisions of the Scheme, the Effective Date is also the Appointed Date.

As per the provisions of the Scheme, Nuvama has allotted the equity shares to those equity shareholders of the Company whose names were appearing in the Register of Members/Beneficial Owners of the Company on June 2, 2023, being the Record Date fixed in this behalf. Nuvama has made an application for listing of its equity shares and is awaiting the approval.

FINANCE

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

LOANS, INVESTMENTS AND GUARANTEES

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

RELATED PARTY TRANSACTIONS

All the Related Party Transactions entered by the Company are on arm's length and in the ordinary course of business. The Company has not entered into transactions with the Promoters, Directors and Key Managerial Personnel, which may have potential conflict of interest with the Company and its subsidiaries.

In accordance with the provisions of the Listing Regulations, the Company has formulated the Related Party Transactions Policy, which is available on the website of the Company at www.edelweissfin.com.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) Independent Directors

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

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

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board has, subject to the approval of the Members, appointed Mr. Shiva Kumar (DIN: 06590343) as an Independent Director of the Company for a term of 5 years with effect from August 4, 2022. The Members at the 27th Annual General Meeting held on September 2, 2022, approved the appointment of Mr. Kumar.

The second term of appointment of Mr. P. N. Venkatachalam (DIN: 00499442), Mr. Navtej S. Nandra (DIN: 02282617) and Mr. Kunnasagaran Chinniah (DIN: 01590108), the Independent Directors, ended at the conclusion of the 27th Annual General Meeting of the Company held on September 2, 2022.

The Board placed on record its sincere appreciation of the services rendered by Mr. P. N. Venkatachalam, Mr. Navtej S. Nandra and Mr. Kunnasagaran Chinniah during their tenure as Independent Directors of the Company.

(ii) Executive Directors

Mr. Rujan Panjwani, who was subject to retirement by rotation at the 27th Annual General Meeting, did not sought re-appointment. Accordingly, Mr. Panjwani ceased to be a Director at the conclusion of the 27th Annual General Meeting held on September 2, 2022.

Mr. Himanshu Kaji, retires by rotation at the ensuing Annual General Meeting, though eligible, has not offered himself for re-appointment. It is proposed not to fill in the vacancy to be caused by the retirement of Mr. Kaji.

The Board placed on record its sincere appreciation of the services rendered by Mr. Rujan Panjwani and Mr. Himanshu Kaji during their tenure as Executive Directors of the Company.

NUMBER OF BOARD MEETINGS HELD

During the year ended March 31, 2023, the Board met 6 times. The details of the Board meetings and the attendance of the Directors at the meetings are provided in the Corporate Governance Report, which forms part of this Report.

REMUNERATION POLICY

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

EVALUATION OF THE PERFORMANCE OF THE BOARD

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

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

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

INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

The Company has in place adequate internal financial controls with reference to financial statements. The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness

in financial reporting and compliance with the laws and regulations. The internal control system is also supported by an internal audit process.

M/s. JHS & Associates LLP, Chartered Accountants, were appointed as Internal Auditors of your Company for the financial year ended March 31, 2023.

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

AUDIT COMMITTEE

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

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

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

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

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

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

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

CSR REPORT

The CSR Report on the activities undertaken during the year is provided as Annexure III to this Report. The CSR Policy is available on the website of the Company at the link: www.edelweissfin.com.

AUDITORS

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder (the Act), M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/ E300005), were appointed as the Auditors of the Company at the 23rd Annual General Meeting (AGM) held on July 26, 2018. The term of office of M/s. S. R. Batliboi & Co. LLP, as Statutory Auditors of the Company will conclude from the close of the ensuing AGM of the Company.

The Board of Directors of the Company, based on the recommendations of the Audit Committee, at its meeting held on August 4, 2023, had subject to the approval of the Members, approved the appointment of M/s. Nangia & Co. LLP, Chartered Accountants, (Firm Registration No. 002391C/N500069), as the Statutory Auditors of the Company to hold office for the first term of five years from the conclusion of the ensuring AGM till the conclusion of the 33rd AGM to be held in the year 2028.

M/s. Nangia & Co. LLP, Chartered Accountants, have confirmed their eligibility and qualification required under the Act and the Listing Regulations for holding the office as Auditors of the Company.

SECRETARIAL AUDIT REPORT

M/s. BNP & Associates, Company Secretaries, were appointed as the Secretarial Auditors to conduct the Secretarial Audit for the financial year ended March 31, 2023. The Report of the Secretarial Auditors is provided as Annexure IV to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remarks or disclaimer.

As required under the Listing Regulations, the Secretarial Audit Report of Edelweiss Tokio Life Insurance Company Limited, the Material Unlisted Subsidiary of the Company, for the financial year ended March 31, 2023, forms part of this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remarks or disclaimer.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has a Policy on Prevention of Sexual Harassment of Women at Workplace. No cases were reported during the year under review. There were no complaints pending as on March 31, 2023. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

A. Conservation of energy

i) The steps taken or impact on conservation of energy – The operations of the Company are not energy intensive. However, adequate measures have been taken for conservation of energy wherever possible.

ii) The steps taken by the Company for utilising alternate sources of energy – Though the operations of the Company are not energy intensive, the Company explores alternative sources of energy, as and when the necessity arises.

iii) The capital investment on energy conservation equipments – Nil

B. Technology absorption

i) The efforts made towards technology absorption – The Company extensively uses the information technology in its operations and has absorbed the technology required in this regard.

ii) The benefits derived like product improvement, cost reduction, product development or import substitution – The Company has leveraged the technology to reach out to its customer in the difficult times of pandemic.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

(a) the details of technology imported: Not Applicable

(b) the year of import: Not Applicable

(c) whether the technology has been fully absorbed: Not Applicable

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

iv) The expenditure incurred on Research and Development – Not Applicable.

C. Foreign exchange earnings and outgo

During the year under review, the Company earned foreign exchange of ₹ 33.16 million (previous year: ₹ 56.75 million) and there was outgo of foreign exchange of ₹ 84.88 million (previous year: ₹ 19.48 million).

OTHER DISCLOSURES

i) There are no significant material changes and commitments affecting the financial position of the Company that occurred between the end of financial year and the date of this Report except as mentioned under the heading Scheme of Arrangement in this Report.

ii) There has been no change in the nature of business of the Company.

iii) There was no revision in the financial statements of the Company.

iv) There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016. There was no instance of onetime settlement with any Bank/Financial Institution in respect of loan taken by the Company.

v) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

vi) No fraud has been reported by the Auditors to the Audit Committee and the Board.

vii) Disclosure pertaining to maintenance of cost records as specified under the Act is not applicable to the Company.

viii) The Company has not issued equity shares with differential voting rights as to dividend, voting or otherwise.

ix) The Company has not accepted any deposits covered under Chapter V of the Act.

x) The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

ANNUAL RETURN

Pursuant to Sections 92 and 134 of the Act, the Annual Return as at March 31, 2023 in Form MGT-7, is available on the website of the Company at the link: www.edelweissfin.com.

DISCLOSURE UNDER SECTION 197 OF THE ACT

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

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

CORPORATE GOVERNANCE

Pursuant to the Listing Regulations, the Report on Corporate Governance together with the certificate issued by M/s. BNP & Associates, Company Secretaries, on compliance with the conditions of Corporate Governance during the financial year ended March 31, 2023 is provided in Annexure VI and forms part of this Report.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

A Business Responsibility & Sustainability Report for the financial year ended March 31, 2023, pursuant to the Listing Regulations is provided in Annexure VII and forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed;

ii) such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and the profits of the Company for the financial year ended on that date;

iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the annual accounts have been prepared on a going concern basis;

v) internal financial controls have been laid down and the same are adequate and were operating effectively; and

vi) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board
Edelweiss Financial Services Limited

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

August 4, 2023

Management Discussion & Analysis

Macro-Economic Review and Outlook

India's growing prominence as a formidable player in the global economy is becoming evident as the search for new leadership unfolds in the global arena.

With its visionary foreign policy and unwavering dedication to aiding nations facing crises, India has established itself as a trusted and highly regarded global partner. By making use of its thriving tech industry, favourable demographic factors, and proactive strategies to attract foreign investment, India has embraced the opportunity and displayed its competence to thrive on the global stage.

Assuming the presidency of the G20 in 2023, India seized a unique opportunity to strengthen its position in the global economic order and emerge as a significant soft power. With its growing influence, India's G20 Presidency becomes a showcase of its emerging global standing, reflecting an independent foreign policy fuelled by its economic prowess. This platform is expected to bolster relationships, forge new partnerships, and contribute to the international community, as India sets forth an ambitious, people-centric agenda to tackle global challenges and foster sustainable economic development, ultimately paving the way for its prominent role in the global economy.

In the backdrop of the events that unfolded in 2022, the global economy remained in a state of flux, impacting every country as they navigated the unpredictable external factors. Despite this, the Indian economy continued to shine and show resilience amid global financial gloom. The International Monetary Fund (IMF) has forecasted that India's GDP will grow by an impressive 5.9% in 2023 (Source: IMF, April 2023 World Economic Outlook). India has been designated as a pivotal player in the global economic recovery and the expectation is for India and China to contribute around half of the global growth this year. This recognition underscores India's significant impact on the world economy and highlights its potential to drive and shape the process of global recovery.

Several factors have contributed to the stable growth of the Indian economy, including sustained government capital expenditure, deleveraging of the corporate sector, lower non-performing assets in the banking sector, and moderation in commodity prices. Furthermore, high-frequency indicators such as GST collections, PMI manufacturing, bank credit growth, air passenger traffic, and services PMI have all shown robust performance in last few quarters. The government has also made significant strides in digitisation, with the Unified Payments Interface (UPI) being a prime example of technology boosting financial inclusion in India and its allies. As an example, the integration of India's UPI with Singapore's PayNow would enable faster remittances between the two countries at a competitive rate.

The Union Budget 2023-24 sketched the roadmap to Amrit Kaal, or India@100 and outlined the action agenda for fuelling India's growth story and catapulting it into a developed nation by 2047. There was a paradigm shift in overall macroeconomic priorities, transitioning from COVID-19 recovery to scaling new heights. The thrust of the Budget was on infrastructure development through higher capital expenditure, which stood at ₹10 lakh crore (up 33% from the previous year), laying the foundation for achieving the ambition of a $5 trillion economy by 2026 and improving prosperity for the populace. Strong infrastructure has always been a cornerstone of any developed economy, and this increased spending will provide great impetus to other critical areas such as education and skill development, urban development, the green economy, job creation, and improving global competitiveness.

Recognising the higher logistics costs in India compared to global peers, the government has planned transportation infrastructure projects to address this issue. The Railways received significant funding, and efforts were made to revive coastal shipping and airports, as well as promote electric mobility. The Make in India agenda was supported through reductions in import duties and tax incentives. Urban infrastructure development was prioritised, and steps were taken towards a greener economy with a focus on energy transition and carbon neutrality. The government also emphasised the importance of skilled manpower and research and development, with the establishment of centres of excellence and skill development initiatives. Tax reforms aimed to simplify compliance and enhance the ease of doing business. The Budget underscored self-reliance, digital advancements, sustainable choices, and economic stability, all contributing to inclusive development and the goal of achieving a $7 trillion economy by 2030.

However, there are certain risks that could potentially impact its growth trajectory, such as elevated inflation and challenges from balance of payment. Inflation has remained above the RBI's upper tolerance band of 2-6% in past few quarters and the core inflation rate has remained sticky. Major central banks globally too have also reaffirmed their hawkish stance

on inflation. On the external front, a slowdown in global demand has impacted India's exports, while imports continue to outpace export growth, putting pressure on the trade deficit. India's significant dependence on imported energy is a challenge that shows up on the balance of payments side. Oil prices in 2023 are expected to be volatile, with China's reopening playing a significant role in determining the extent of this volatility.

Moreover, there are additional concerns regarding the emerging trend of de-globalisation and the fading of post-pandemic pent-up demand, which pose significant challenges for the economy. The process of economic balkanisation particularly affects countries like India, heavily reliant on exports as a crucial driver of economic progress. This could result in a deceleration of growth in specific sectors and contribute to an overall moderation in the expansion of the economy. Furthermore, as the impact of the pandemic gradually diminishes, the initial surge of pent-up demand that emerged during the peak of the crisis may gradually diminish, leading to a slowdown in certain sectors and further contributing to a moderation in overall economic growth.

Despite these challenges, India's strong fundamentals, combined with the government's reform-oriented approach, continue to provide a foundation for the country's economic growth. The expansion of public digital platforms and the government's commitment to boosting manufacturing output through measures such as the PM Gati Shakti, National Logistics Policy, and the PLI scheme will further support economic growth. The road ahead may be difficult, but India is well-positioned to navigate the challenges and emerge as a key player in the global economic landscape.

Industry Structure and Developments

Edelweiss is one of India's leading diversified financial services companies, providing a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. Edelweiss' products and services span multiple asset classes and consumer segments across domestic and global geographies. Its businesses include Asset Management, Asset Reconstruction, NBFC, Housing Finance, General Insurance and Life Insurance.



ASSET MANAGEMENT

The asset management industry in India comprises of mutual funds and alternative investment funds (AIFs).

The Indian mutual fund industry is poised for continued growth in the coming years due to several key factors. With a strong track record of performance and a diverse range of investment options, it is well-positioned to meet the needs of various investors. As awareness about the benefits of mutual funds continues to increase, more and more people are expected to join the industry, further fuelling its growth. The rising affluence of the Indian middle class, coupled with the growing availability of online investment platforms, has opened doors for a wider audience to participate in mutual funds. Additionally, the introduction of new investment products and services has enhanced the industry's appeal and relevance. Given these factors, the Indian mutual fund industry is set to experience significant expansion, catering to the investment requirements of the expanding middle class and playing a vital role in the overall financial development of the country. In FY23, Mutual Funds AUM recorded a robust growth to stand at ₹39.42 trillion as on March 31, 2023, compared to ₹37.57 trillion as on March 31, 2022. *(Source: AMFI reports).*

Alternative assets funds are gaining popularity in India as investors seek diverse income-generating opportunities beyond traditional portfolios. These funds focus on assets like real estate, private equity, and hedge funds, deviating from conventional investments. Factors driving the demand for alternative assets funds in India include lower returns on traditional debt products, the desire for diversification and risk reduction among offshore institutional investors like pension funds and insurance companies, and the pursuit of higher returns by high-net-worth individuals (HNIs) and family offices. India offers various types of alternative assets funds, including real estate funds, private equity funds, and hedge funds. These funds have the potential for higher returns compared to traditional debt products, although performance varies based on the fund type and investment strategy. Alternative Funds in the structured credit, special situations, real estate credit, private equity and infrastructure yield space in India saw inflows of ~$33 billion during the year and their AUM stands at ~$76 billion at the end of this year in India.

ASSET RECONSTRUCTION

Since the middle of the previous decade, RBI and the Government have made dedicated efforts in terms of calibrated policy measures like strengthening the regulatory and supervisory framework, implementation of 4R's approach of Recognition, Resolution, Recapitalisation and Reforms to clean and strengthen the balance sheet of the banking system. These continuous efforts over the years have culminated in the enhancement of risk absorption capacity and a healthier banking system balance sheet in terms of asset quality over the years. The gross NPA of the banking system is estimated to have come down to 5.7% from the high of 10.2% in the last 5 years. While retail lending had shown growth during the last 3 years, FY23 saw resurgence of corporate lending by the banking system.

The major developments in the financial sector having an impact on asset reconstruction companies (ARCs) include:

- National Asset Reconstruction Company Limited (NARCL) has commenced its full-fledged operations.
- The RBI on October 11, 2022, issued a circular, amending the extant regulatory framework for Asset Reconstruction Companies ('ARCs'), introducing corporate governance norms in line with those applicable to Banks / NBFCs. Other changes include some of the operational guidelines. Majority of these changes were suggested by committee of directors instituted by Reserve Bank of India to review working of ARCs in September 2021.
- RBI on February 20, 2023 issued a circular on implementation of Indian Accounting Standards (Ind AS) with regard to recognition, computation and treatment of unrealised management fee while calculating the Capital Adequacy Ratio and the amount available for payment of dividend. The unrealised management fee shall be adjusted against net owned fund while calculating the Capital Adequacy Ratio and the amount available for payment of dividend.

During FY23, the top six ARCs in India acquired loans at an acquisition price (SRs issued) of ₹20.8K crore with an investment of ₹4.7K crore and had an Assets Under Management (AUM) of ₹96.4K crore as on March 31, 2023. Their recoveries were ₹19K crore with redemptions of ₹14.7K crore during the year.

NBFC INDUSTRY

The outlook for Non-Banking Financial Companies (NBFCs) remains promising. The MSME sector is a major contributor to the socio-economic development of the country, contributing approximately 30% to India's GDP and is crucial in terms of employment generation, exports, and lending opportunities. Various government initiatives ensure technology upgradation, move towards non-cash transactions, ease of compliance and easy and affordable access to credit to MSMEs. Securitisation volumes of NBFCs and HFCs is estimated at ~61,000 crore in Q4FY23, indicating an increase in funding requirements to meet the growing credit demand, as per a credit rating agency report.

Growth will be driven by strong demand for credit, particularly in the retail and small and medium enterprises (SME) segments. The asset quality of NBFCs is expected to remain stable, supported by a gradual economic recovery and improving business sentiment. Additionally, the regulatory environment for NBFCs is expected to be stable, with the government taking measures to address the liquidity concerns faced by the sector in the past.

NBFCs with strong risk management practices and digital capabilities are likely to outperform their peers. These companies will be better equipped to manage their portfolio risks and cater to the evolving needs of their customers.

Overall, the outlook for NBFCs in India is positive, with AUM growth expected to remain strong in FY23-24. Companies that prioritise risk management, digitalisation, and customer-centricity are likely to succeed in the competitive landscape. With a stable regulatory environment and improving economic conditions, NBFCs are well-positioned to contribute to the growth of India's financial sector.



HOUSING FINANCE

While the overall outlook for Housing Finance Companies (HFCs) is positive, it is important to recognise the challenges that lie ahead. One of the key challenges is the potential increase in interest rates, which has the potential to dampen the demand for home loans. Furthermore, the COVID-19 pandemic and the subsequent economic slowdown have already presented significant challenges for HFCs by affecting the credit quality of borrowers. Additionally, increasing competition from banks and other lenders has put pressure on HFCs to lower their lending rates, thus impacting their profitability.

Despite these challenges, HFCs with sound business strategies, strong balance sheets, and diversified loan portfolios may be better equipped to navigate these obstacles. Furthermore, HFCs with robust credit risk management practices and diversified their loan portfolios across various sectors and geographies can mitigate the impact of borrower defaults and minimise their overall credit risk. Moreover, there are potential growth opportunities in the form of increasing demand for affordable housing projects in India. With various government initiatives and incentives to promote affordable housing, HFCs can tap into this market and expand their lending activities in this segment. By effectively capitalising on these opportunities and diversifying their loan portfolios, HFCs can position themselves for long-term success and sustainable growth.



GENERAL INSURANCE

The General Insurance Industry (GI) growth rebounded in FY23 to 16% YoY compared to Covid-impact years of FY22 (11%) and FY21 (5%). In fact, this is highest growth for the industry in the last 5 years. While Standalone Health Insurers continued their impressive growth trajectory although moderated from last year, it is Private GI players that changed trajectories growing at ~20% growth YoY against 12% last year (FY22). Amongst product segments, Health continued to lead the charge, but Motor too had a good year growth at 15% in FY23 compared to 4% in FY22. (Source: IRDAI).

Apart from growth, the last year marked a significant change in regulatory stance with primary focus on enhancing 'ease of business' for the Industry. The enablers address key challenge areas for the Industry ; 'Use & File' guidelines gave the power of product approval and launch to Insurers thus provided speed, flexibility and control of product launch calendar, new 'usage-based guidelines' allowed insurers to introduce innovative telematics-based motor insurance products, corporate agency partner numbers were increased from 3 to 9 in each category further opening up the bancassurance channel, in particular and another guideline improving access to private equity capital. The year ended with the most anticipated announcement of all – providing operations flexibility through a single limit on expenses and removing any further sub-limits, on commissions.

Another regulation that is expected to have a far-reaching impact is the mandating of KYC for all non-life insurance products which is likely to improve the contractability and hopefully, engagement with customers over the medium to long term.

The focus on technology driving innovation continued with the regulator enabling a longer experimentation period for sandbox products.

Thus, the last year has been a period of robust growth and landmark changes for the non-life insurance industry paving the way for strong sustainable growth in the future. In the coming years, we will see a transition to a 'Risk Based Capital' regime along with adoption of the 'IFRS' accounting standards.



LIFE INSURANCE

The life insurance sector has witnessed a remarkable surge in traditional business, especially guaranteed products. This aided in better margins for the life insurance companies as they continue to meet customers' expectations with their traditional participating and non-participating offerings. The industry witnessed an increase in demand of non-Ulip, high-ticket policies of over ₹5 lakhs in March 2023, as the new tax regime came into effect from April 1, 2023.

Going forward too, the life insurance sector in India is expected to grow at a healthy pace in the coming years. The growth of the sector is being driven by a number of factors, including a growing population, increasing awareness about the importance of life insurance, rising disposable incomes, and government initiatives.

The Indian life insurance sector is the second largest in the world in terms of the number of policies in force. The sector is dominated by public sector insurers, which account for over 60% of the market share. The private sector insurers are growing rapidly and are expected to account for a larger share of the market in the coming years.

The life insurance sector is expected to benefit from the government's initiatives to promote financial inclusion. The sector is also expected to benefit from the growth of the Indian economy.

Edelweiss Outlook & Strategy

EDELWEISS OUTLOOK

As we set our sights on the future, we confidently stride towards the challenges and opportunities that await in the dynamic business landscape that India offers. Bolstered by a robust balance sheet, an expansive portfolio of diverse products and services, and an exceptional team of passionate professionals, we stand firmly prepared. FY23 marked a transformative resurgence in profitability, fuelling our commitment to maintain momentum and drive future success. The Company is also focussed on innovation and will keep investing in meaning full ways to stay ahead of the curve. With these strengths and capabilities, the Company is poised to emerge stronger from the challenges and capitalise on new growth opportunities in the future.

OPPORTUNITIES

Some key trends and factors that are likely to act as catalyst for growth and present significant opportunities for our organisation are as below:

Increasing disposable income

India is seeing a rise in disposable income levels, which provides a significant opportunity for the financial services sector to offer new and innovative investment products and services. With more disposable income, consumers are looking for investment options beyond traditional savings accounts and fixed deposits, and the financial services sector can capitalise on this trend by offering investment products like mutual funds, stocks, bonds, and other financial instruments.

Government initiatives

The Indian government has launched several initiatives aimed at increasing financial inclusion and penetration of financial services in the country. For example, the Pradhan Mantri Jan Dhan Yojana was launched to ensure that every household has access to a bank account, and the Atal Pension Yojana was launched to provide pension benefits to the unorganised sector. These initiatives have created a large market for financial services, and players in the sector can capitalise on this opportunity by developing products and services that cater to the needs of these customers.

Rising digital adoption

With the rapid adoption of digital technologies in India, the financial services sector has a significant opportunity to provide innovative and customised services to customers. Mobile banking and payment services, online investment platforms, and robo-advisory services are examples of digital financial services that have gained popularity in recent years. The financial services sector can leverage digital technologies to provide convenient and cost-effective financial services to customers, especially those in rural and remote areas.

Demographic dividend

India has a young population, and as this population ages, there will be an increasing demand for retirement and pension products. The financial services sector can capitalise on this opportunity by developing innovative and customised retirement and pension products that cater to the needs of this demographic. With the rise of nuclear families and increasing healthcare costs, retirement and pension products that provide healthcare benefits can also gain popularity.

THREATS

Some external factors that may hinder or pose challenges are as below:

Cybersecurity risks

As digital adoption increases in the financial services sector, there is also an increasing risk of cyberattacks and data breaches. These cybersecurity risks can result in financial losses, damage to reputation, and loss of customer trust. The financial services sector needs to invest in robust cybersecurity measures to protect against these risks.

Regulatory changes

Changes in regulations or policies can have a significant impact on the financial services sector, making it difficult for players to adapt quickly. For example, changes in tax policies, capital adequacy requirements, or customer protection regulations can impact the profitability and viability of financial services products and services.

Global competition

As the Indian financial services market continues to evolve, there is a growing concern regarding the entrance of international players, posing a significant competitive threat to domestic entities. These global players may have more resources, technology, and expertise, and hence may be better equipped to provide innovative financial services to customers. Domestic players need to continuously innovate and upgrade their products and services to stay competitive in this dynamic market.

Macroeconomic challenges

India is subject to various external and internal factors that can lead to economic challenges, which can impact the financial services sector. External factors such as changes in global trade policies, fluctuation in commodity prices, and changes in global interest rates can affect the Indian economy, and hence the financial services sector. Internal factors such as inflation, government policies, and domestic market conditions can also impact the sector.

THE WAY FORWARD

In FY23, we made significant progress made on key priorities. The demerger of Nuvama Wealth Management has been completed, with the final phase concluding in May 2023, and the subsequent listing expected between July and August 2023. The reduction of wholesale loan assets is on track, with a 40% reduction achieved and a projected 50% reduction for the next fiscal year. Focus on optimising debt have resulted in a substantial decrease in gross debt, and liquidity management remains a priority. Management focus on the growth of the Asset Management and Insurance businesses continues to payoff and these businesses are starting to break-out into a highly profitable cycle within the short to medium term timeframe.

Our strategy for the next 18 months will be focussed on creating value, strengthening our balance sheet, increasing our retail presence, and pivoting towards an investment company model. This will involve deploying resources in alternative investments and building out the platform, focus on equity assets under management in mutual funds, and implementing cost efficiencies in the insurance sector to drive profitability. On the lending book, we are committed to expanding our retail footprint via an asset-light model and have focussed on building out co-lending partnerships. In line with our long-term strategy, the wholesale book reduction on the back of strong recoveries and investor interest in asset Sell downs will be a key focus area for FY24. This in turn, will substantially reduce our balance sheet - debt will reduce and we will remain conservative by maintaining comfortable liquidity levels. We will continue to adhere to our win-win-win philosophy, seeking opportunities to unlock value when opportune for all stakeholders. The shift towards becoming an investment company is in line with our ongoing architectural changes, as we continue to unbundle and create more independent businesses within our organisation.

Performance Highlights

Against the backdrop of a dynamically-evolving macroeconomic landscape, our businesses achieved commendable success in FY23. Building upon the momentum gained in the preceding year, our core businesses have consistently delivered robust performance throughout this fiscal period. Our success in navigating the challenging business environment is primarily attributed to our strong and well-capitalised balance sheet, which acted as a sturdy shield against short-term disruptions, enabling our businesses to perform well. We have experienced significant growth in our asset management and insurance businesses throughout the year. In our Mutual Fund business, our Assets Under Management (AUM) surged by 24% YoY, reaching ₹105K crore, while our Equity AUM grew by 16% YoY, amounting to ₹22.7K crore. Our Alternatives platform has consistently performed strongly, with a remarkable YoY AUM growth of 52% and fee-paying AUM growth of 32%. Additionally, our General Insurance business achieved an exceptional 53% growth in Gross Direct Premium Income (GDPI), securing the highest growth rate in the industry. In the Life Insurance business, we achieved a significant milestone by attaining Embedded Value (EV) break-even one year ahead of target, along with recording the highest-ever Claim Settlement Ratio of 99.2%. These achievements reflect the establishment of a high-quality franchise.

Our profit after tax (PAT) from our non-insurance operations showed an impressive 51% YoY growth, reaching ₹610 crore. Consolidated EFSL PAT (pre-MI) for FY23 stood at ₹406 crore as against ₹212 crore in FY22.

Total Income was up 18% YoY to ₹8,633 crore driven by strong performance across all business lines. Insurance businesses continued to grow with a net premium of ₹1,928 crore for FY23 (₹1,644 crore for FY22), marking a healthy growth of 17%. The YoY reduction in our credit book due to wholesale credit resolution and our move to asset-light models for retail credit reduced interest income by 3.3% to ₹2,946 crore.

FY23 expenses are higher by 16.8% (₹8,380 crore vs ₹7,174 crore for FY22). The increase in operating expenses is mainly attributable to the return of pre-pandemic business activity and some one time restructuring expenses. Fair value gains in FY23 arising from our stake in Nuvama (now demerged) was largely offset by the impairment charge taken basis a management overlay.

Borrowing costs reduced significantly and stood at ₹2,574 crore for FY23 compared to ₹2,984 crore in FY22, down by 13.7%. Debt as on March 31, 2023, was lower at ₹19,263 crore compared to ₹21,599 crore at the end of the previous year. During the year, we continued to maintain adequate level of available liquidity of around 15% of our borrowings in view of the volatile environment though it resulted in a negative carry as in the previous year.

We continued to strengthen and deleverage the balance sheet during the year. Effective balance sheet size (Debt plus Net Worth) at the end of FY23 was ₹27,765 crore compared to ₹30,057 crore at the end of FY22, down by ~7.6%.

Total Net Worth stood at ₹8,502 crore as on March 31, 2023, including the amount of equity convertible instruments (CCDs) vis-à-vis ₹8,457 crore as on March 31, 2022.

The Diluted EPS for FY23 stood at ₹3.83 compared to ₹2.11 for FY22. Book Value per share was ₹72 at the end of FY23. The Board of Directors have recommended a Final Dividend of ₹1.25 per equity share. Total Dividend for the year stands at ₹1.50 per equity share.

LIQUIDITY AND ALM PROFILE

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

At the end of FY23, we maintained available liquidity of ₹2,900 crore. This included overnight liquid assets of ₹2,300 crore, high-quality liquid assets of over ₹500 crore which can be liquidated within a short span (if the need arises), and undrawn committed bank credit lines of ₹100 crore.

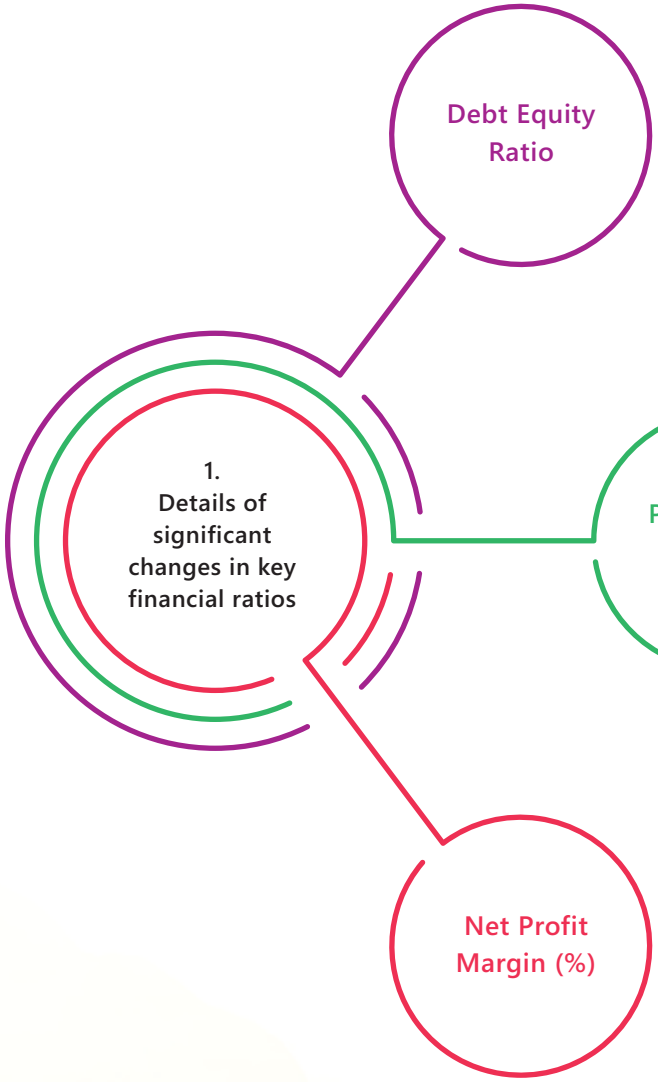
Over the years, we have demonstrated a strong track record of fund raising from both retail and institutional lenders. With the help of public issues and our retail borrowing programmes, we have increased the proportion of funding through retail sources from 34% to 42% in the past one year.

On the asset side, we continue to focus on and reorient our balance sheet towards retail growth. As wholesale recoveries remain slightly slower than anticipated, we have optimised the tenor and focussed on medium to long-term borrowings. Long-term borrowings now stand at 59% of the total debt.

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

ANALYSIS OF SIGNIFICANT CHANGES IN FINANCIAL RATIOS

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



The Debt Equity Ratio as on March 31, 2023 stood at 2.77 times compared to 2.99 times as on March 31, 2022. Including the amount of equity convertible instruments (CCDs) in our networth and excluding the liquid treasury assets that we hold for liquidity management; the Net Gearing Ratio improves to 1.9 times as on March 2023 compared to 2.3 times as on March 2022.

The Profit before Tax Margin for FY23 was 4.5% compared to being 3.1% in FY22, marking a growth of 45%.

The Profit after Tax Margin for FY23 stood at 4.7% compared to 2.9% for FY22, up by 62%.

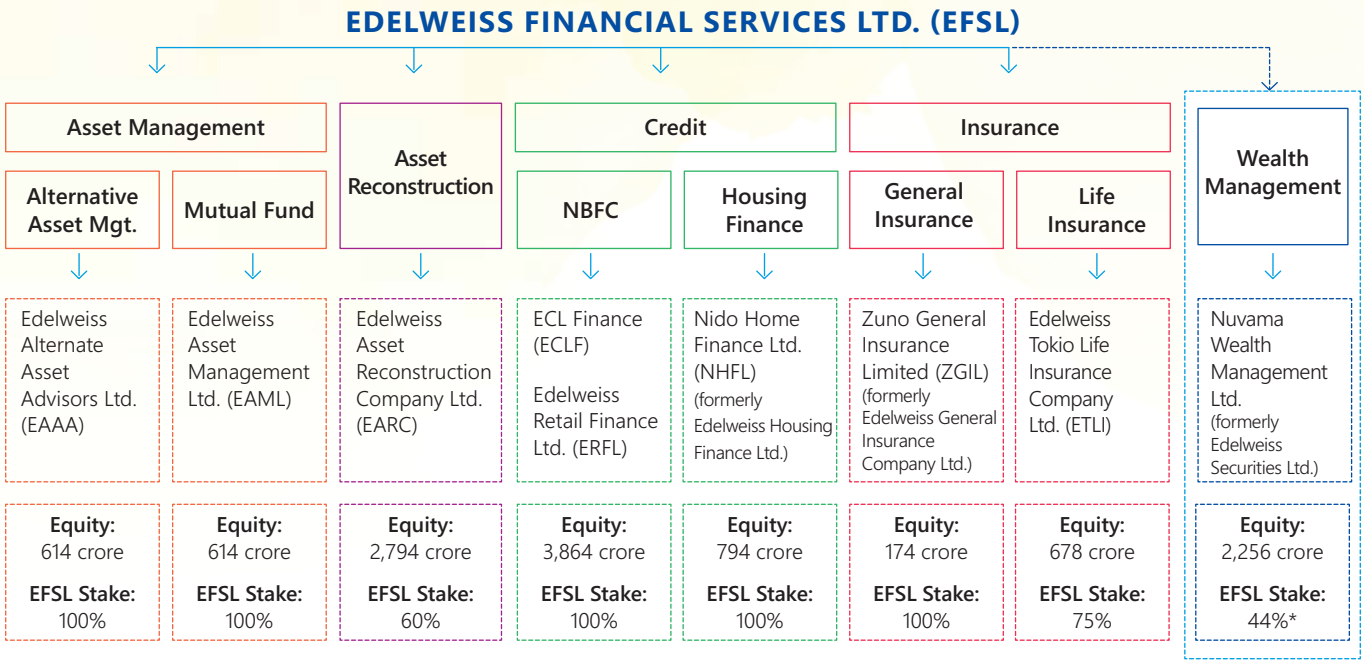
Other parameters, namely Debtors Turnover, Inventory Turnover, Interest Coverage Ratio, and Current Ratio, are not applicable to our Company.

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

   Return on Net Worth, i.e. Return on Equity (RoE), post MI on consolidated basis for FY23 stood at 5.1% compared to 2.9% for FY22 with a healthy growth of 80%.

Business-Wise Analysis of Profitability

We are a diversified Company with eight key businesses as under:



The distribution of earnings among these businesses for the year FY23:

Business	Quarter Ended March 2023	Year Ended March 2023
Alternatives Asset Management	43	159
Mutual Fund	0	18
Asset Reconstruction	93	318
NBFC	37	139
Housing Finance	3	16
General Insurance	(26)	(125)
Life Insurance	(43)	(199)
EFSL share in Nuvama	37	132
BMU & Corporate	28	(53)
(Less) Minority shareholders' PAT	23	61
EFSL Consolidated PAT (Post MI)	**149**	**344**
EFSL Ex-Insurance PAT (Post MI)	**208**	**610**

*Consequent upon the demerger, the subsidiaries of the company hold 14% in Nuvama Wealth Management Ltd.

Business Performance

Brief highlights of business-wise performance for FY23 are as follows:

ALTERNATIVES

AUM of the alternative asset funds have grown at a CAGR of ~31% since last 5 years to ₹46,500 crore. We continue to be a leading alternative asset manager in the country offering a dominant yield focussed alternatives platform. During the year, we have raised ₹14,000 crore capital in third series of our flagship special situations fund strategy and second series of our infrastructure yield fund strategy. Both funds are seeing robust response domestic investors.

We are the only Indian Alternatives Investment Manager to launch a diversified Energy InvIT focussing on providing growth with predictable yields, with an initial AUM of over ₹2,300 crore. During the year, we have signed an agreement to acquire 100% equity stake in L&T Infrastructure Development Projects, comprising 8 roads spanning ~4,900 lane-kms and 1 power transmission asset covering ~960 kms.

Given the strength and depth of our investment teams, the total realisation (including capital and income) is ₹8,500 crore across strategies in FY23. We are well-positioned for continued growth in the future. We have a strong track record, a deep understanding of the Indian market, and a team of experienced investment professionals. With the increasing demand for alternative assets, we are well-placed to capture a significant share of this growing market.

MUTUAL FUND

At Edelweiss AMC, we offer a wide range of investment products for investors to choose from, including equity funds, debt funds, balanced funds, and liquid funds. We take pride in our strong team of investment professionals who have a proven track record of success. As a well-managed company with a strong performance history, we provide investors with a reliable and experienced asset management option.

Several key factors have contributed to our success. Firstly, our investment team possesses a deep understanding of the Indian market, allowing us to identify undervalued investment opportunities. This expertise enables us to make informed investment decisions on behalf of our investors. Secondly, our focus on long-term investment strategies ensures that we generate consistent returns over time, providing stability and growth for our investors' portfolios. Lastly, our commitment to delivering exceptional customer service has helped us build a strong reputation among investors who value personalised and attentive support.

As a result of these factors, we have established ourselves as a trusted and reputable asset management company. Edelweiss Mutual Fund business is the 12th largest in the country and the fastest growing among the top 15 mutual fund houses in the industry. We manage an AUM of ₹105K crore as on March 2023 under 60 schemes, a growth of 23% over the AUM of ₹85K crore a year ago. We saw inflows of ~₹22K crore in FY23 compared to inflows of ~₹76K crore for the industry. We have improved our ranking to 12 in FY23 from 13 in FY22 and caters to 8,78,000 unique investors, compared to 7,30,000 at the end of FY22.



ASSET RECONSTRUCTION

EARC is the largest ARC in the country which manages stressed assets with AUM of ₹37.1K crore. EARC adopts multi-pronged strategy for resolution of stressed assets with primary focus to 'Revive' or 'Reconstruct' operating assets with last-mile funding needs. Based on asset-specific complexities, settlement/enforcement of security interest/resolution through IBC are also adopted with an aim to optimise stakeholder benefits.

Our acquisitions continue to target operating assets that can be revived. During the year, we invested ₹1,470 crore. During the year, ₹320 crore have been invested in the retail segment which now constitutes 16% of EARC investment. EARC has been able to maintain its market leadership with ~39% of the market share. We have partnered with over 71 banks/NBFCs backed by our expertise on resolution of stressed assets. EARC has been able to recover more than ₹7,500 crore in FY23 and a total of ₹42,900 crore since inception.



NBFC

The NBFC industry continued to navigate the unprecedented impact of the global pandemic. FY23 was a year of remarkable resilience for the industry - with every sector witnessing different growth trajectories. Overall, the year signalled a positive momentum with consistent upswing in credit demand. Over the last few years, most NBFCs have focussed on strengthening their balance sheets and now are eyeing growth which is expected to be achieved through co-lending partnerships.

For our MSME portfolio, our vision is to establish ourselves as the foremost and dependable financial partner, accompanying them throughout their entire growth trajectory. During the year, we have heavily invested in building our core capabilities around origination and underwriting of loans to micro and small enterprises, largely Priority Sector Loans (PSL). We have continued to focus on our strategic initiative of being asset-light by signing two bank partnerships during the current financial year towards co-lending PSL loans to micro and small Indian entrepreneurs. We continue to build scale in co-lending as we build a unique asset-light model. We aim to make lending to this segment more efficient through digitalisation. We have invested on our proprietary Digital Lending Platform (DLP), a low code and agile platform, as a seamless loan origination system. The technology stack uses a host of micro-services to improve processing efficiency and Dynamic Business Rule Engine (BRE) for automated decision-making. The scorecard and parameterised approach helped us originate high credit quality customers. We are also leveraging our data analytics for retention of existing customers and acquisition of new customers, risk modelling using statistical scorecards, credit risk analysis using latest bureau information and better collections using bounce prediction model and repayment behaviour analysis.

In the Wholesale credit segment, we remain committed to reducing our Wholesale Book.

As part of our key priorities, we have made good progress on scaling down of the wholesale book in FY23. During the financial year, we have reduced the book through recoveries from the borrowers and sell-down of portfolio to external investors. Residential real estate market witnessed strong revival, driven by strong demand (affordability improved and inventory levels coming down) and supply consolidation in the last couple of years. We continue to actively evaluate sell-down opportunities with potential investors going forward also.

Wholesale loan assets reduced by ~40% over the past year to ₹5,700 crore and we expect further reduction by ~47% in FY24. Liquidity released with reduction of the book will be redeployed in other growth areas as we go along.

RETAIL MORTGAGE FINANCE

Retail mortgage finance, housed in NIDO Home Finance (formerly known as Edelweiss Housing Finance Limited), consists of mid-ticket and affordable-housing loans, construction-finance loans, and loans-against-property. We have pivoted towards an asset-light business model, and this has manifested itself in the diverse co-lending partnerships that we have built with prominent banks such as State Bank of India, UCO Bank, Bank of Baroda and Standard Chartered Bank. Under the auspices of these co-lending tie-ups, we are offering both, Home Loan and LAP products at attractive and beneficial rates to customers. Originations under this arrangement helps HFC to build a strong ALM matched liabilities-mix. Another dimension of our asset-light business model is the manner in which we have diversified our liabilities-mix through sell-downs in the form of direct assignment and securitisation transactions.

In FY22-23, we were able to securitise a pool size of ₹862 crore via multiple transactions with around 10 banks, NBFCs and insurance companies. On the back of disbursals of ~ ₹1,000 crore, NIDO Home Finance ended FY22-23 with an AUM of ~ ₹4,115 crore, and a loan book of ₹3,070 crore. During this period, we delivered a profit after tax of ₹16.1 crore. As on March 31, 2023, the Networth stood at ₹794 crore and the CAPAD at 32.10%.

Underlying portfolio quality manifested itself in a GPNA of 1.95% as on March 31, 2023 (1.99% on March 31, 2022), and collection efficiency that was consistently above 98% through the financial year.

The AUM mix remains biased towards granular, retail home loans, and new origination will also continue to focus on affordable-housing, and informal income customer segments. As on date, the Company is serving around 20,000 customers, with nine of out ten customers have a loan ticket size less than ₹30 lakhs.

We continue to invest in developing future-fit capabilities such as data sciences which we have used for driving multiple use-cases associated with portfolio management, and now with use-cases also associated with customer value management (CVM) and process efficiency.

LIFE INSURANCE

Over the last 12 years, we have written a story of innovation, resilience, and growth. FY23 has been a significant milestone for us. Surpassing ₹500 crore Individual APE, we have now secured the 16th position in the industry. We have also achieved an earlier-than-planned Embedded Value break-even and maintained a remarkable Claim Settlement Ratio of 99.20%, placing us among the top quartile in the sector. With the strong foundation of an expanding Indian economy, we are well-prepared for the next phase of our growth journey.

Our remarkable growth journey has been driven by a strong CAGR of 44% and a doubling of our business in the past five years. In the latest financial year, we achieved a solid 20% YoY growth in our Individual APE, consistently maintaining high customer satisfaction scores. Aligning with our long-term strategy, we have expanded our distribution network to encompass 109 branches and over 69,000 personal finance advisors. Over the past three years, we have prioritised enhancing the customer and distributor experience, focussing on personalisation, capital efficiency, and digital solutions. We have shifted towards a solution-led advisory approach, empowered our distributors with digital tools, improved our onboarding process, and established a robust data foundation for future initiatives.

During FY23, we made significant strides and have plans to introduce relevant enablers at various intervals in FY24. Our success can be attributed to several key factors. Firstly, our workforce has grown significantly, and we have implemented programmes to develop leadership and foster a positive work culture. Secondly, investments in technology have enhanced our efficiency and automation across various functions, resulting in faster policy issuance times. Thirdly, we have introduced innovative products to the market, driving a significant portion of our new business growth. Fourthly, our brand strength has improved, with high awareness and consideration among customers. Fifthly, strategic partnerships with distribution partners have played a vital role in driving our growth. Lastly, our community initiatives, such as the unique organ donation relay marathon and employee volunteering programmes, have helped build brand goodwill. With robust risk management, governance, and a culture of innovation, we continue to deliver value to our stakeholders.

AWARDS AND ACCOLADES

Edelweiss Tokio Life continued to make its mark, having received multiple industry recognitions. For a second consecutive year, we have been recertified as a Great Place To Work and improved its scores across 5 parameters of Pride, Respect, Camaraderie, Credibility, and Fairness. We have also been recognised among the Top 30 India's Best Workplaces in BFSI 2022 and ranked #51 among India's Best Companies to Work For in 2022.

Some other noteworthy accolades received by us in FY23 were:

01 **'Excellence in Customer Experience'**
at The Economic Times CX Summit - Excellence in CX 2022

02 **'Fraud Investigation Team of the Year'**
at 5th Annual Anti-Fraud Conclave Awards of Achromic Point

03 **Gold for PR in 'Successful Use of CSR'**
at the Global ACEF Awards for Customer Engagement

04 **Silver for BTL Efforts in 'Successful Use of CSR'**
at the Global ACEF Awards for Customer Engagement

GENERAL INSURANCE

It has been an eventful year for us. After completing our successful first five years as Edelweiss GI, we embarked on a new phase as Zuno General Insurance. We entered the industry five years ago, recognising the opportunity to reimagine insurance by making it easy, friendly, and transparent. With our new independent identity, we embody a challenger brand that is passionate about transforming the insurance industry. The name "Zuno" represents our zeal, focus, and commitment to providing customers with a seamless and intuitive insurance experience powered by technology.

We have continued to experience strong growth, with a remarkable 53% increase in Gross Domestic Premium Income (GDPI) in FY23, the highest among general insurance players. Our Gross Written Premium reached ₹552 crore, driven by significant growth in our focus segments, Motor and Health, which grew by approximately 52% and 56%, respectively, surpassing industry averages.

We formed collaborations with industry leaders such as LG, TATA, Maruti, Art Housing Finance, Orange Retail Finance, Repco Home Finance, and others. We also partnered with new-age digital players, offering customised niche bite-size insurance products on platforms like Cleartrip and Ola.

Customer Experience

Our Net Promoter Score (NPS) increased from 51 to 58 at an organisational level. The NPS from key customer touchpoints, the Contact Centre, and Motor Claims, reached impressive levels of 82 and 54, respectively. We ensured uninterrupted access to customers by transitioning our Contact Centre operations to a 24x7 model. We also introduced emergency cashless facilities for customers in hospitals outside our network. Motor Claims' average repair time reduced to 13 calendar days, and we settled one claim in just 16 minutes. We implemented a 30-minute pre-authorisation timeline for treatment initiation and a 1-hour final authorisation turnaround for individual customers, enabling quick discharges.

Innovation

We launched India's first telematics-integrated insurance app, encouraging safe driving behaviour. We piloted Switch 2.0, a subscription model with pricing based on usage and driving behaviour. Additionally, we developed Digital OPD, providing comprehensive health products covering wellness and outpatient services.

Digital Platform

We introduced Jarvis, our internally developed Motor Pricing engine. We digitally serviced 42% of motor claims through our motor survey app. AI voice-based bots were deployed to facilitate hassle-free garage intimations, accounting for approximately 52% of all garage intimations.

We were the first insurers to integrate with Ayushman Bharat Digital Mission (ABDM), a government-led initiative aimed at establishing a unified health infrastructure, enhancing customer experience and our operations.

Our efforts have been recognised with numerous awards across multiple industry forums, receiving a total of 15 awards this year. As we embrace our new identity and renewed energy, we are committed to advancing further and achieving more milestones by leveraging technology to drive innovation, enhance customer experience, and ensure efficient delivery platforms.

Governance

At the core of everything we do is a strong commitment to governance, which encompasses not only compliance but also ethics and values. For us, governance means trust, legitimacy, accountability, competence, and respect for the law. We believe that these values are essential to building a culture of transparency, authenticity, and fairness that is critical to the success of our organisation.

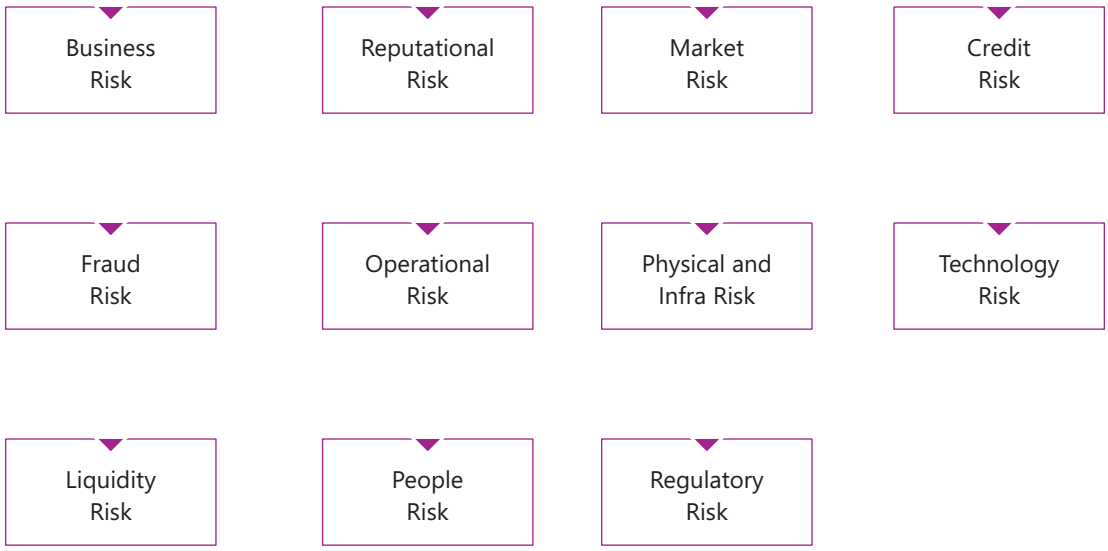
Our Board plays a crucial role in ensuring that these high governance standards are upheld at every level of our organisation. Through its unwavering focus on ethics, integrity, transparency, and fairness, our Board has established a robust framework for conduct, behaviour, and process oversight.

To foster a culture of good governance throughout our organisation, we have established clear rules for individual and entity-level behaviour and conduct, covering issues such as conflict of interest, insider trading, and handling sensitive information. We are also leveraging technology to refine our practices and facilitate smooth functioning while working from home, ensuring that we continue to maintain the highest standards of compliance.

At the end of the day, our commitment to governance is a reflection of our unwavering dedication to our stakeholders - our customers, employees, shareholders, and the communities in which we operate. By upholding these values, we are able to build trust, maintain legitimacy, and hold ourselves accountable to the highest standards of excellence in everything we do.

Risk Management

Risk management is a fundamental aspect of Edelweiss, deeply ingrained in our operations. Our commitment to effective risk management practices has proven invaluable in navigating through challenging and uncertain times. At the core of our risk management approach is the implementation of a robust Enterprise Risk Management (ERM) framework, which enables us to strategically benchmark our risk practices and ensure comprehensive risk mitigation across our business entities. To further formalise this process, we have developed an in-house "Eleven-risk framework" that guides us in the continuous assessment, avoidance, management, and mitigation of risks across all our business verticals.



Over the course of the year, we have undertaken several initiatives targeting the eleven key risk areas identified within our framework.

In terms of regulatory risk, we have leveraged analytics to identify early warning signs, enabling us to proactively implement mitigation measures. This has proven crucial in adapting to evolving regulatory landscapes and ensuring compliance with the latest requirements.

We continue to focus on operational and process risks. Each of our business units review their critical and non-critical processes and underlying standard operating procedures (SOPs). This allows us to enhance efficiency, streamline operations, and minimise potential disruptions. By identifying process vulnerabilities and implementing appropriate controls, we ensure overall operational resilience. Addressing credit risk has been a key focus for us, leading to the establishment of a comprehensive framework for asset quality review. Through this framework, we diligently monitor our credit exposure, assess asset quality, and manage potential credit losses. Addressing credit risk has been a key focus for us and we have in place a fairly comprehensive framework for asset quality review. Through this framework, we diligently monitor our credit exposure, assess asset quality, and manage potential credit losses.

Recognising the significance of reputational risk, we have incorporated it into our business strategies. We have adopted an effective crisis management approach to safeguard our reputation, swiftly addressing any adverse incidents or challenges that may arise. By maintaining transparent communication and timely responses to all stakeholders, we aim to build and preserve trust in our brand and services.

In an increasingly digital landscape, technology risk has become a critical concern for businesses. At Edelweiss, we have made significant progress in fortifying our IT security measures to address emerging risks associated with evolving technologies and cyber threats. By continually enhancing our technology infrastructure and implementing robust security measures, we aim to mitigate the potential risks arising from the rapidly changing technology ecosystem.

To ensure a comprehensive risk governance structure, Edelweiss has established a dedicated Risk Committee at the Board level. This committee plays a crucial role in overseeing and guiding our risk management efforts. Additionally, our key subsidiaries also maintain their own risk committees, enabling focussed risk management within each business entity. We have further strengthened risk management practices through the establishment of Investment Committees and Credit Committees. These entities provide a multidimensional perspective to risk assessment, avoidance, management, and mitigation, ensuring that risks are addressed comprehensively across the organisation.

At Edelweiss, we recognise that effective risk management is essential for maintaining the trust of our stakeholders, driving sustainable growth, and safeguarding the interests of our clients and investors. By continually evolving our risk management practices and frameworks, we remain committed to upholding the highest standards of risk management excellence in the dynamic and evolving financial landscape.

Internal Control Systems and Their Adequacy

INTERNAL FINANCIAL CONTROLS

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

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

INDEPENDENT AUDIT AND ASSURANCE

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

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

Technology

STRONG TECHNOLOGY BACKBONE

The pandemic demonstrated the importance of resiliency and adaptability in technology infrastructure, and Edelweiss was able to reap the benefits of ensuring business continuity during the pandemic with employees working from home.

With the post-COVID situation, technological infrastructure sustainability was crucial as employees returned to the office, and the efforts put into the resiliency of the infrastructure paid off as they were visible in the new Hybrid "work from anywhere" culture.

Technology resiliency

The key pillars of our technology resiliency have been:

Increased Public Cloud Adoption and Optimisation

Edelweiss continued to expand the breadth of cloud offerings and capabilities, accelerating growth across all business segments as new applications and platforms were launched on Cloud. All this while, the expense of the increasing footprint on the cloud was tightly controlled.

Multi-cloud Approach

Edelweiss has adopted multi-cloud strategies, which involve using multiple public cloud providers to increase flexibility and avoid vendor lock-in.

Intelligent Automation & Modernisation

Usage of low code software development tools has not only helped automation of multiple processes but also helped bring in agility making it part of our core technology culture.

Key initiatives

This year, we have focussed on the unbundling of all business entities, wherein infrastructure and technology services were segregated such that each of our businesses are self-sufficient and focussed on achieving their strategic goals with independent operating platforms. We invested in the upgradation of some of our enterprise systems, notably Financial Reporting and Employee Management systems that enhanced efficiency, controls and long-term scalability.

Information Security & IT Governance

EFSL has successfully completed the requirements and is now ISO 27701:2019 certified. Implementing privacy standards proves our commitment to privacy and assures our clients that secure systems and procedures are in place at various stages of our businesses. It will also immensely help in meeting and exceeding some of the current and future privacy regulatory requirements.

Also in our effort to create a secure Digital environment, we have been continuously striving to improve our Cyber posture and as a result we have improved our Cyber maturity score by 30% in the past year and are above par the industry maturity benchmark now.

There have been no cyber incidents which have impacted our operations or ability to serve clients.

Human Resources

Our people practices prioritise providing resources and support for both immediate and future success, as our employees remain our most valuable asset in delivering value to all stakeholders. We rely on our guiding principles, culture, and values to navigate through current and future and are confident that our committed employees will continue to drive future success.

Talent

Through our comprehensive and integrated people practices, we aim to cultivate an agile and adaptable work environment that fosters collaboration, progress, and success. Our goal is to attract and retain top-quality talent by providing opportunities for growth, recognition, and development.

We understand that engaged and happy employees are vital to our success, and we celebrate their contributions, ownership, and passion through a range of recognition initiatives.

At the heart of our people practices is work design. It plays a critical role in our ability to be agile and adaptable, and we focus on designing flexible, agile work processes and structures. As part of our reskilling and upskilling endeavours, learning plans are designed for various technology trainings, which help us understand the existing skill set available and the skills required for upcoming projects.

We provide multiple opportunities for employees to come together, from one-on-one conversations with leaders to larger forums and townhalls with senior leadership. We also believe that having fun and enjoying our work is essential to building a positive and engaged culture. We celebrate successes, milestones, and festivities through team events, social gatherings, and other activities that promote camaraderie and a sense of community.

As part of our commitment to our employees' success, we place a strong emphasis on performance management. Our performance management approach is designed to support and develop employees by helping them to achieve their potential through meaningful goals, check-ins, and mid-year reflections.

Workplace

Our workplace is designed to foster collaboration across distributed teams and facilitate flexibility at work, whether at the office or in a hybrid model. We continue to prioritise employee safety by implementing safety measures and procedures in our workplace, providing safety training, and regularly monitoring our safety performance.

Our open-door policy ensures that employees can approach their managers and leaders with any concerns or suggestions they may have. We believe in providing equal opportunities for all employees, regardless of their gender, race, religion, sexual orientation, or any other personal characteristic. Our inclusive policies, such as parental policies and flexible work arrangements, ensure that employees can balance their personal and professional responsibilities. We have a zero-tolerance policy towards any kind of discrimination, harassment or bullying and have established robust internal procedures in line with the POSH regulations (Prevention of Sexual Harassment at Workplace Act) to address any such complaints. We conduct mandatory e-learning sessions across all employees to sensitise them on POSH. We also have a human rights policy in place that outlines our commitment to respecting and upholding the human rights of all employees, including the right to fair treatment, freedom from discrimination, and freedom from exploitation. Our commitment to diversity, equity, and inclusion goes beyond policies and is reflected in our day-to-day practices around inclusive behaviour, our values ensure everyone feels included and heard.

Well-being

Our approach to employee well-being is comprehensive, including physical, mental, emotional, and social wellness through access to resources and platforms. We offer a variety of employee benefits, including paid time off, parental leave, and wellness benefits, to support employee well-being. Towards our ongoing efforts to improve our programmes and we have included additional benefits in our Mediclaim coverage for employees. We prioritise the health and well-being of our employees and their families. To this end, support is provided through our central incident room, which is available 24/7 to handle emergency situations and provide accurate information on emergency protocols. Our commitment to employee well-being extends beyond insurance coverage and emergency response; we offer a range of solutions and employee outreach programmes to ensure our employees have the support they need to thrive both personally and professionally. We recognise that happy and healthy employees are essential to our success, and we are committed to providing a supportive and caring work environment.

Leadership

Leadership in the hybrid workforce demands new strategies, and virtual leadership has proven indispensable in fostering strong relationships, building trust, and promoting active engagement with team members. In today's interconnected world, effective communication is vital, and our leaders have relied on technology to facilitate the timely sharing of information related to plans, decisions, and achievements.

Our businesses continue to nurture top talent at all levels and have designed tiered development opportunities that cater to employees across levels. These programmes are a testament to our commitment to talent development and currently cover 4% of our workforce. Our senior leaders are at the forefront of fostering innovative and forward-thinking leadership that drives our organisation forward.

Our team of 8,820 employees, with women comprising a significant 25% of the workforce, is a key asset as we embark on our journey to build the Edelweiss of the future.

Edelweiss Brand

Edelweiss is a brand that believes in the possibilities of ideas and the power of values to protect them. The Company's name is shared with a rare white alpine flower that best represents this tenet. Just as the flower's deep 'felt-like' covering protects it from the elements, Edelweiss has a steadfast dedication to the principles of Being Unlimited, which has helped it not only weather the storms but also emerge stronger. Its efforts to simplify its business structure and refine its individual brands demonstrate a deep commitment to providing the best possible service to its customers. Furthermore, the brand's numerous public service initiatives demonstrate a profound sense of responsibility and care towards the communities it operates in, earning it the respect and admiration of its stakeholders.

Customer Experience

Edelweiss has always stood out from its competitors by placing an unwavering focus on customer-centricity. The Company is dedicated to providing its customers with easy access to services and developing innovative solutions that are specifically tailored to their unique needs. This commitment to the customer experience is evident in the way Edelweiss blends cutting-edge technology with personalised service to build strong, long-lasting relationships with its customers.

Through its use of technology, Edelweiss is able to enhance process efficiencies and overall customer satisfaction, ensuring that its customers receive the highest level of service and support. This focus on the customer has been a driving force behind the Company's remarkable growth and success, even during challenging times. Edelweiss has built a strong and loyal customer base that trusts the Company to provide innovative solutions and exceptional service, no matter what challenges may arise.

Cautionary Statement

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

Annexure I

DIVIDEND DISTRIBUTION POLICY

Introduction:

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

Objective:

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

Definitions:

Unless repugnant to the context:

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

"Company" shall mean Edelweiss Financial Services Limited

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

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

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

Regulatory Framework

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

Factors for considering Dividend:

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

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

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

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

Provision regarding class of shares:

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

Review / Amendment:

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

For and on behalf of the Board
Edelweiss Financial Services Limited

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

August 4, 2023

Annexure II

REMUNERATION POLICY

Objective

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

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

The Objective of the policy is to ensure that :

i. The level and composition of remuneration is reasonable and sufficient to attract & retain talent required to run the company successfully;

ii. Relationship of remuneration to performance is clear and meets appropriate benchmarks; and

iii. Remuneration to the Directors, KMPs and Senior level employees comprises a balance of fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals.

Remuneration of the Independent Directors and Non-executive Directors

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

Remuneration of the Managing Director and Executive Directors

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

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

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

Policy Review

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

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

For and on behalf of the Board
Edelweiss Financial Services Limited

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

August 4, 2023

Annexure III

Annual Report on Corporate Social Responsibility Activities for the financial year ended March 31, 2023

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

1. Brief outline on CSR Policy of the Company:

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

2. Composition of CSR Committee:

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

* appointed as member w.e.f. September 13, 2022

** ceased as member w.e.f. September 2, 2022

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

https://cdn1.edelweissfin.com/wp-content/uploads/2020/03/CSR-Policy.pdf

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

Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ **495,08,38,693**

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ **9,90,16,774**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. – **Nil**

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

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]– ₹ **9,90,16,774**

6. (a) Amount spent on CSR Projects (both ongoing project and other than ongoing projects): ₹ **10,00,00,000**

(b) Amount spent in Administrative Overheads: **NIL**

(c) Amount spent on Impact Assessment, if applicable: **Not applicable**

(d) Total amount spent for the Financial Year (a+b+c): ₹ **10,00,00,000**

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
10,00,00,000	**None**				

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

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	**9,90,16,774**
(ii)	Total amount spent for the financial year	**10,00,00,000**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	**NIL**
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	**NIL**
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	**9,83,226**

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any.		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
				Amount (in ₹)	Date of transfer		
1	FY 2019-20						
2	FY 2020-21			Nil			
3	FY 2021-22						
	Total			**Nil**			

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

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

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR spent (Amount in ₹)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Reg No, if applicable	Name	Registered Address
1	Digging of well and installation of pump	764002	06-03-2023	50,000	CSR00011968	Parbati Amanatya	Post: Pujariput, Jeypore , Dist: Koraput
2	Digging of well and installation of pump	764002	06-03-2023	50,000	CSR00011968	Dhanamani Pujari	Post: Ranigada, Jeypore, Dist: Koraput
3	Digging of well and installation of pump	764002	06-03-2023	50,000	CSR00011968	Ratnamani Pujari	Post: Ranigada, Jeypore, Dist: Koraput
4	Digging of well and installation of pump	764001	06-03-2023	50,000	CSR00011968	Kamala Pujari	Post: Ranigada, Jeypore, Dist: Koraput
5	Digging of well and installation of pump	764058	06-03-2023	50,000	CSR00011968	Kamala Pujari	Post- Sadaranga,Kotpad, Dist: Koraput
6	Digging of well and installation of pump	764058	06-03-2023	50,000	CSR00011968	Urmila Pujari	Post- Sadaranga,Kotpad, Dist: Koraput
7	Digging of well and installation of pump	764058	06-03-2023	50,000	CSR00011968	Anadi Bhandari	Post- Sadaranga,Kotpad, Dist: Koraput
8	Angadiyavarakattikere Lake Restoration	581349	28-03-2023	3,33,000	CSR00002730	Grama Panchayath	At: Karjagi Post: Balur Taluk: Siddapur Dist: Uttara Kannada
9	Uramundinakere Lake Restoration	581104	26-03-2023	2,17,000	CSR00002730	Grama Panchayath	At: Karjagi Post: Balur Taluk: Siddapur Dist: Uttara Kannada
10	Sarakarikere Lake Restoration	581102	18-02-2023	4,08,000	CSR00002730	Grama Panchayath	At: Karjagi Post: Balur Taluk: Siddapur Dist: Uttara Kannada
11	Hosakattikere Lake Restoration	581102	05-04-2023	2,92,000	CSR00002730	Grama Panchayath	At: Karjagi Post: Balur Taluk: Siddapur Dist: Uttara Kannada
12	Purchase of Laptops	455001	12-03-2023	2,08,638	CSR0000141	Jansahas	135, Sadashiv Nagar, Civil Line, Dewas
13	3 Pcs Rack	700144	20-12-2022	13,806	CSR00005370	Nishtha	Subudhhipur De Para, Baruipur, Kolkata
14	Office Almirah	700144	16-03-2023	14,986	CSR00005370	Nishtha	Subudhhipur De Para, Baruipur, Kolkata
15	Water filters (50 filters constructed)	342307	31-03-2023	3,50,000	CSR00001526	Community	Bap, Jodhpur & Kolayat, Bikaner
16	Purchase of Laptops	400070	15-03-2023	2,20,896	CSR00000617	Kaivalya Education Foundation	Piramal Ananta, Piramal Agastya Corporate Park, LBS Marg, Kurla West, Mumbai

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR spent (Amount in ₹)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Reg No, if applicable	Name	Registered Address
17	Purchase of Laptop	400071	11-11-2022	44,000	CSR00006169	CORO INDIA	Opp. Bezolla Complex, Near Container Yard, Suman Nagar, Chembur, Mumbai
18	Purchase of IT equipments	400071	24-03-2023	6,996	CSR00006169	CORO INDIA	Opp. Bezolla Complex, Near Container Yard, Suman Nagar, Chembur, Mumbai

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

Not Applicable

For and on behalf of the Board
Edelweiss Financial Services Limited

Venkatchalam Ramaswamy
Executive Director (Chairman of CSR Committee)

Vidya Shah
Non-executive Director

May 26, 2023

Annexure IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the year ended 31st March, 2023

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

To
The Members
Edelweiss Financial Services Limited,

We have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Edelweiss Financial Services Limited**, having CIN: L99999MH1995PLC094641 (hereinafter called the 'Company') during the financial year from 1st April 2022 to 31st March 2023, ('the year'/ 'audit period'/ 'period under review').

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

We are issuing this report based on:

(i) Our verification of the books, papers, minutes books, soft copies, hard copies or scanned copies by email, information provided during the physical verification and other records maintained by the Company and furnished to us, forms/ returns, documents etc. filed and other relevant records and procedures completed by the Company during the year ended 31st March 2023 as well as before the issue of this report.

(ii) Our observations during our visits to the office/s of the Company, and

(iii) Compliance Certificates confirming Compliance with all laws applicable to the Company given by the Key Managerial Personnel of the Company and taken on record by the Board of Directors, and

(iv) Representations made, documents shown and information provided by the Company, its officers, agents, and authorised representatives during our conduct of the Secretarial Audit.

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

(i) complied with the statutory provisions listed hereunder; and

(ii) Board-processes and compliance mechanism are in place

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

1. Compliance with specific statutory provisions

1.1. We further report that:

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

i. The Companies Act, 2013 ("the Act") and the Rules framed thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder;

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

iv. The Foreign Exchange Management Act, 1999 and the Rules/ Regulations framed thereunder (FEMA) to the extent of Overseas Direct Investment, Foreign Direct Investment and External Commercial Borrowings, as applicable to the Company;

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

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (PIT Regulations) (*)

(c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with the holders of securities;

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations); and

(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 w.e.f. 09th August, 2021;

(*) The Company has also maintained a Structured Digital Database ("SDD") pursuant to the requirements of regulation 3 (5) and 3 (6) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The following Regulations were not applicable to the Company, during the year under review:

(a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

(c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

vi. The following regulations are specifically applicable to the Company:

- The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.

vii. Listing agreements entered by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (Agreements), pursuant to the requirements of the Listing Regulations.

viii. Secretarial Standards namely, SS-1 and SS-2, respectively in relation to the meetings of the Board of Directors and General Meetings, issued by The Institute of Company Secretaries of India, and notified by Central Government under Section 118(10) of the Act and mandatorily applicable to the Company.

1.2 During the period under review, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

i. Complied with the applicable provisions/ clauses of the Act, Rules, SEBI Regulations and Agreements mentioned under sub-paragraphs (ii) to (vii) of paragraph 1.1 above.

ii. Generally complied with the applicable provisions/ clauses of:

a) The Act and rules mentioned under paragraph 1.1 (i);

b) FEMA to extent applicable mentioned under paragraph 1.1 (iv), and

c) The Secretarial Standard on meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) mentioned under paragraph 1.1 (viii) above to the extent applicable to the meetings of the Board and its Committees held during the year and the 27th Annual General Meeting held on 2nd September 2022 (27th AGM). The compliance with the provisions of the Rules made under the Act with regard to the meetings of the Board and its Committees held through Video Conferencing/Other Audio-Visual Means (OAVM), during the period under review, was verified based on the minutes of the meetings provided by the Company;

1.3 We have also examined, on test-check basis, the relevant documents and records maintained by the

Company according to the following Regulations, applicable specifically to the Company:

- The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.

2. Board processes:

We further report that:

2.1 As on March 31, 2023, in terms of the provisions of the Act and the Listing Regulations, the Board of Directors of the Company comprised of eight members, as under:

i. One Managing Director, one Executive Director and one Non-Executive Non-Independent Director (Promoter Category);

ii. One Executive Director;

iii. Four Non-Executive Independent Directors, including a Woman Independent Director;

2.2 During the year, the following changes in the Board of Directors and the Key Managerial Personnel, were carried out in compliance with the provisions of the Act and the Listing Regulations:

i. The Company, vide it's Notice of Postal Ballot dated January 31, 2022, had obtained the approval of the Shareholders by way of Special Resolution dated April 26, 2022, for:

- Re-appointment of Mr. Ashok Kini (DIN: 00812946) as an Independent Director of the Company for a term of five (5) years w.e.f. April 1, 2022.

- Re-appointment of Dr. Ashima Goyal (DIN: 00233635) as an Independent Director of the Company for a term of five (5) years w.e.f. April 1, 2022.

ii. Re-appointment of Mr. Rashesh Shah (DIN 00008322) as Director, retiring in accordance with the provisions of the Act, by rotation at the 27th AGM.

iii. Retirement by rotation of Mr. Rujan Panjwani (DIN: 00237366), being eligible, did not offered himself for re-appointment at 27th AGM and the members decided not to fill the vacancy caused by the said retirement.

iv. Appointment of Mr. Shiva Kumar (DIN: 06590343), as Non-Executive Independent Director of the Company, for a period of five years with effect from August 4, 2022, who was appointed by the Board of Directors at their meeting held on August 4, 2022, by the shareholders of the Company, at the 27th AGM.

v. Cessation of Directorship of Mr. P. N. Venkatachalam (DIN: 00499442), Mr. Kunnasagaran Chinniah, (DIN: 01590108) and Mr. Navtej S Nandra (DIN: 02282617), as Independent Directors of the Company, on conclusion of their second term of appointment at the 27th AGM.

2.3 Adequate notice with Agenda and the detailed notes to Agenda of at least seven days was given to all the directors to enable them to plan their schedule for the meetings of the Board and the Committees constituted by the Board, and where the meetings were held at shorter notice, due compliance was ensured, as required under the Act and Secretarial Standard on meetings of the Board of Directors.

2.4 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.5 In respect of matters tabled at the meetings of the Board of Directors and its Committees thereof, where the relevant agenda and related notes were circulated less than seven days before the meetings and were considered with the consent of the members of the Board or Committees, as the case may be, as required under SS-1.

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

3. Compliance mechanism

There are adequate systems and processes in the Company, which commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

4. Specific events/ actions-

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

4.1 The Company has allotted 177,311 Equity Shares of the face value of ₹ 1 each, to eligible employees, in pursuance of the employee stock option schemes of the Company.

4.2 As a source of mobilisation of funds for meeting the operations of the Company and its subsidiaries, the Company had sought the approval of the Shareholders by way of Special Resolution, at the 27th AGM, for offer, issuance and allotment of Equity Shares and/or various other Eligible Securities, in one or more tranches, from time to time, for an aggregate amount up to ₹ 2,000 crores, to the eligible investors.

4.3 The Company, vide it's Notice of Postal Ballot dated January 31, 2022, had obtained the approval of the Shareholders by way of Special Resolution dated April 26, 2022, for the following purposes:

- Re-appointment of Mr. Ashok Kini (DIN: 00812946) as an Independent Director of the Company for a term of five (5) years w.e.f. April 1, 2022.
- Re-appointment of Dr. Ashima Goyal (DIN: 00233635) as an Independent Director of the Company for a term of five (5) years w.e.f. April 1, 2022.

4.4 (A) During the year, the Company has:

(a) Pursuant to a Prospectus by way of Public Issue, which opened on October 3, 2022 and closed on October 17, 2022, the Company has issued and allotted 36,43,514 Secured Redeemable Non-Convertible Debentures (NCDs), of Face Value of ₹ 1,000/-, each, aggregating to ₹ 364.35 Crores and these NCDs are listed on BSE Limited w.e.f. October 27, 2022.

(b) Pursuant to a Prospectus, by way of Public Issue, which opened on January 3, 2023 and closed on January 16, 2023, being the Earlier Closure Date, the Company has offered, issued and allotted 39,73,907 Secured Redeemable Non-Convertible Debentures (NCDs) of Face value of ₹ 1,000/- each, aggregating to ₹ 397.39 Crores and these NCDs are listed on BSE Limited w.e.f. January 24, 2023.

(B) As on March 31, 2023, NCDs (listed and unlisted), aggregating to the tune of ₹ 2,465.73 Crores is outstanding.

(C) The Board of Directors of the Company, at their meeting held on March 30, 2023, have approved Public Issue of Secured Redeemable Non-Convertible Debentures-not exceeding ₹ 1,500 Crores (NCDs).

4.5 The Board of Directors of the Company, at their meeting held on March 30, 2023, declared an interim dividend of ₹ 0.25 per share on the equity shares of the face value of ₹ 1/- each, and payable to all beneficial members of the Company, as on the Record Date of April 13, 2023, and the interim dividend has been paid within the prescribed timelines.

4.6 During the year under review, the Company has acquired holding and control in EAAA Pte Limited, Singapore, by purchasing the entire stake of its share capital from another WOS of the company.

4.7 During the year under review, a scheme of arrangement between Edelweiss Financial Services Limited ("Demerged Company" or "Company") and Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) ("Resulting Company") and their respective Shareholders and Creditors ("Scheme"), was filed with the Hon'ble National Company Law Tribunal, Mumbai Bench ("Tribunal"), and pursuant to an Order of the Tribunal dated January 12, 2023, a meeting of the Equity Shareholders of the Company, was held for the purpose of their considering, and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Edelweiss Financial Services Limited ("Demerged Company" or "Company") and Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) ("Resulting Company") and their respective Shareholders and Creditors ("Scheme"), on Friday, February 24, 2023 at 4.00 p.m. (IST) ("Meeting") and the same was approved by the equity shareholders of the company. The Tribunal vide Order dated April 27, 2023, approved the Scheme. The Scheme became effective from May

18, 2023. As per the provisions of the Scheme the Effective Date is also the Appointed Date.

4.8 Based on an application made by EW Special Opportunities Advisors LLC (EWSOA) , the Director of Insolvency Service, Corporate and Business Registration Department, Port Louis, Mauritius vide publication in the Government Gazette of Mauritius dated October 08, 2022 has dissolved EWSOA and subsequently EWSOA has ceased to be a subsidiary of the Company.

4.9 During the year under review, the Company has subscribed to the Rights Issue of shares made by Edelweiss Tokio Life Insurance Company Limited and subsequently, the company's holdings stand increased from 66% to 75.08%.

4.10 During the year under review, SEBI conducted an inspection of Merchant Banking activities of the Company, for the period April 01, 2021 to March 31, 2022 and has forwarded its observations vide letter dated December 05, 2022 and the Company vide letter dated December 12, 2022 filed the reply with SEBI. Subsequently, SEBI vide letter dated January 17, 2023, issued Advisory letter with respect to inspection of Merchant Banking activities and the Company, vide letter dated March 23, 2023 filed reply on advisory letter, confirming the noting of the same in the meeting of the Board of Directors of the Company, held on January 31, 2023.

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

Avinash Bagul
Partner
FCS No: 5578
COP: 19862
UDIN: F005578E000389819

Date: May 26, 2023
Place: Mumbai

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

Annexure - A

To,
The Members,
Edelweiss Financial Services Limited

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

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.

2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.

3. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events wherever required.

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

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

Avinash Bagul
Partner
FCS No: 5578
COP: 19862
UDIN: F005578E000389819

Date: May 26, 2023
Place: Mumbai

Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

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

To,
The Members,
Edelweiss Tokio Life Insurance Company Limited.

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

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2023, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder - Not Applicable;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder – Not Applicable;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. Overseas Direct Investment and External Commercial Borrowings are not applicable;

v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act') were not applicable to the Company, by virtue of the Company not being listed on any Stock Exchanges in F.Y. 2022-23:-

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

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and erstwhile the SEBI (Share Based Employee Benefits) Regulations 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and erstwhile the SEBI (Issue and Listing of Debt Securities) Regulations 2008;

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

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

Further, I report that, based on the compliance mechanism established by the Company, which has been verified on test check basis and the compliance certificate submitted to and taken on record by the Board of Directors of the Company, I am of the opinion that the Company has complied with the provisions of the Insurance Act, 1938 as amended from time to time, the Insurance Laws (Amendment) Act, 2015 ("IRDAI") and the rules, regulations, circulars, guidelines, instructions, etc. issued by IRDAI.

I have examined compliances with applicable clauses of the following:

i. Secretarial Standards issued by the Institute of the Company Secretaries of India,

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Not Applicable.

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

I further report that:

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

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

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

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

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

(i) Appointment and resignation of Non-Executive Director(s);

(ii) Appointment / re-appointment and resignation / cessation of term of Independent Director(s);

(iii) Retirement of Nominee Director;

(iv) Appointment / re-appointment of Joint Statutory Auditors to fill the casual vacancy;

(v) Issue of equity shares on rights basis;

(vi) Re-constitution of various committees as mandated under the Act & IRDAI.

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

Aashish Bhatt
Proprietor
ACS No.: 19639, COP No.: 7023
UDIN: A019639E000278865
Peer Review Cert. No.: 2959/2023

Place: Mumbai
Date: May 15, 2023

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

APPENDIX A

To,
The Members,
Edelweiss Tokio Life Insurance Company Limited.

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

1. The responsibility of maintaining Secretarial record is of the management and based on my audit, I have expressed my opinion on these records.
2. I am of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the secretarial records were reasonable for verification on test check basis.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. My examination was limited to the verification of procedure on test basis and wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations etc.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Aashish Bhatt
Proprietor
ACS No.: 19639, COP No.: 7023
UDIN: A019639E000278865
Peer Review Cert. No.: 2959/2023

Place: Mumbai
Date: May 15, 2023

Annexure - V

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

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended is as under:

Sr. No.	Disclosure Requirement	Disclosure Details		
		Directors	**Title**	**Ratio**
1	Ratio of the Remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Mr. Rashesh Shah	Chairman & Managing Director	28.30
		Mr. Venkatchalam Ramaswamy	Vice Chairman & Executive Director	22.78
		Mr. Himanshu Kaji	Executive Director	11.49
		Mr. Rujan Panjwani*	Executive Director	18.72
		During the year, the Independent Directors and Ms. Vidya Shah, a Non-executive Director, were paid commission of ₹ 2 million each, representing the ratio of 0.71 each.		
		Directors/ KMP	**Title**	**% increase in remuneration**
2	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Mr. Rashesh Shah	Chairman & Managing Director	-7.79%
		Mr. Venkatchalam Ramaswamy	Vice Chairman & Executive Director	-1.76%
		Mr. Himanshu Kaji	Executive Director	-21.87%
		Mr. Rujan Panjwani*	Executive Director	1.63%
		There was no increase in the remuneration (commission) paid to the Independent Directors and Ms. Vidya Shah, a Non-executive Director, during FY 2022-23 as compared to FY 2021-22.		
		Mr. Tarun Khurana	Company Secretary	39.21%
		Ms. Ananya Suneja #	Chief Financial Officer	-
3	Percentage increase in the median remuneration of employees in the financial year	39.28%		
4	Number of permanent employees on the rolls of the Company at the end of the year	64 permanent employees were on the rolls of the Company as on March 31, 2023		

Sr. No.	Disclosure Requirement	Disclosure Details		
		Directors	Title	Ratio
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase in the remuneration for the managerial personnel is -6.57% and for Non- managerial personnel is 20.94%. (The employees joined/left the Company during the financial year 2022-23 are not considered for this purpose)		
6	Affirmations that the remuneration is as per the Remuneration Policy of the Company	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company		

* Mr. Rujan Panjwani, Executive Director retired by rotation on September 2, 2022

Ms. Ananya Suneja was designated as Chief Financial Officer for part of the previous year, hence percentage increase in remuneration is not reported.

For and on behalf of the Board
Edelweiss Financial Services Limited

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

August 4, 2023

Annexure - VI

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

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

Board of Directors

Composition, Meeting and Attendance

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

The annual calendar of the Board Meetings is agreed upon at the beginning of the year. The agenda for the Board Meetings is circulated in advance and is backed by comprehensive background information to enable the Board to take informed decisions. During the financial year ended March 31, 2023, the Board met 6 times i.e., on: May 13, 2022, May 27, 2022, August 4, 2022, November 9, 2022, January 31, 2023 and March 30, 2023. The Meetings of the Board and Committees were conducted physically and through electronic platform - Audio-Video conferencing also. Adequate facilities were provided to the Directors and invitees for active participation at the Meetings.

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the financial year 2022-23 and at the last Annual General Meeting (AGM), the number of directorships and committee positions held by them in other public limited companies and the name of the other listed entities where he/she is a Director and category of directorships as on March 31, 2023, are as under:

Name and DIN of the Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM held on September 2, 2022	No. of Directorships in other Public Limited Companies[$]	Name of other Listed entities where person is Director - Category of Directorship	Committee Position*	
						Member	Chairman
Mr. Rashesh Shah [Chairman] (DIN 00008322)	Executive (Promoter)	6	Yes	4	-	-	-
Mr. Venkatchalam Ramaswamy [Vice Chairman] (DIN 00008509)	Executive (Promoter)	5	Yes	5	-	3	1
Mr. Himanshu Kaji (DIN 00009438)	Executive	6	Yes	-	-	-	-

Name and DIN of the Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM held on September 2, 2022	No. of Directorships in other Public Limited Companies[$]	Name of other Listed entities where person is Director - Category of Directorship	Committee Position*	
						Member	Chairman
Ms. Vidya Shah (DIN 00274831)	Non-Executive, Non-Independent (Promoter)	6	No	4	Vardhman Special Steels Ltd. – Independent Director	2	-
Mr. Biswamohan Mahapatra (DIN 06990345)	Independent	6	Yes	5	-	4	3
Mr. Ashok Kini (DIN 00812946)	Independent	6	Yes	4	-	2	2
Dr. Ashima Goyal (DIN 00233635)	Independent	6	Yes	1	-	1	-
Mr. Shiva Kumar[#] (DIN 06590343)	Independent	3	Yes	3	-	4	-
Mr. Rujan Panjwani[##] (DIN 00237366)	Executive	3	Yes	Not Applicable			
Mr. P. N. Venkatachalam^ (DIN 00499442)	Independent	3	Yes	Not Applicable			
Mr. Navtej S. Nandra^ (DIN 02282617)	Independent	3	Yes	Not Applicable			
Mr. Kunnasagaran Chinniah^ (DIN 01590108)	Independent	3	No	Not Applicable			

$ Only Directorships of public limited companies incorporated in India have been considered and excludes private limited companies, section 8 companies and foreign companies.

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

Appointed as an Independent Director with effect from August 4, 2022.

Retired by rotation at the 27th Annual General Meeting held on September 2, 2022.

^ Ceased as Independent Directors on conclusion of the second term at the 27th Annual General Meeting held on September 2, 2022.

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

The Members of the Company at the 27th Annual General Meeting held on September 2, 2022, appointed Mr. Shiva Kumar (DIN: 06590343) as an Independent Director of the Company for the first term of 5 years with effect from August 4, 2022.

None of the Directors hold office in more than 10 public companies as prescribed under the Act. No Director holds Directorships in more than 7 listed companies. Further, none of the Non-executive Directors serve as Independent Director in more than 7 listed companies as required under the Listing Regulations. The Managing Director does not serve as an Independent Director in any equity listed company. None of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees, across all public limited companies in which he/she is a Director. Independent Directors are Non-

executive Directors as defined under the Listing Regulations and the Act along with Rules framed thereunder. In terms of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

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

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

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

Board skills/expertise/competence matrix

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

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

Committees of the Board:

A) Audit Committee

During the financial year ended March 31, 2023, the Committee met 6 times on May 13, 2022, May 27, 2022, August 4, 2022, November 9, 2022, January 31, 2023 and March 30, 2023.

The Committee comprises of Independent Directors only. The composition of the Committee as on March 31, 2023 and attendance of the Members at the Committee Meetings held during the financial year ended March 31, 2023 is as under: -

Name of the Member	No. of Meetings Attended
Mr. Shiva Kumar – Chairman $	3
Mr. Biswamohan Mahapatra	6
Mr. Ashok Kini	6
Dr. Ashima Goyal $	3
Mr. Kunnasagaran Chinniah^	2
Mr. P. N. Venkatachalam^	3

$ Appointed as a Member with effect from September 13, 2022.

^ Ceased as a Member with effect from September 2, 2022.

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

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

1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible

2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company

3) Approval of payment to the statutory auditors for any other service rendered by the statutory auditors

4) Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to.

    a) matters required to be included in the Directors Responsibility statement to be included in the Board's Report in terms of clause (c) of sub section 3 of the Section 134 of the Companies Act, 2013

    b) changes if any, in the accounting policies and practices and reasons for the same

    c) major accounting entries involving estimates based on the exercise of judgement by management

    d) significant adjustments made in the financial statements arising out of audit findings

    e) compliance with the listing and other legal requirements relating to financial statements

    f) disclosure of any related party transactions

    g) qualifications in the draft audit report.

5) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval

6) Evaluation of internal financial controls and risk management systems

7) Reviewing, with the management, performance of statutory auditors and internal auditors, adequacy of the internal control systems

8) Discussion with internal auditors of any significant findings and follow up thereon

9) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern

10) To review the functioning of the Whistle Blower/Vigil mechanism

11) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

Mr. P. N. Venkatachalam, the Chairman of the Committee, was present at the last Annual General Meeting (AGM) held on September 2, 2022.

B) Nomination and Remuneration Committee

During the financial year ended March 31, 2023, the Committee met 2 times on May 27, 2022 and August 4, 2022.

The composition of the Committee as on March 31, 2023 and attendance of the Members at the Committee Meetings held during the financial year ended March 31, 2023 is as under:-

Name of the Member	No. of Meetings Attended
Mr. Ashok Kini $ (Independent Director) - Chairman	-
Mr. Shiva Kumar $ (Independent Director)	-
Ms. Vidya Shah (Non-executive Director)	2
Mr. Kunnasagaran Chinniah ^ (Independent Director)	2
Mr. Navtej S. Nandra ^ (Independent Director)	2

$ Appointed as a Member with effect from September 13, 2022.

^ Ceased as a Member with effect from September 2, 2022.

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

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

1) Identifying the persons who can become Directors

2) Formulating the criteria for determining the qualifications, positive attributes etc. and independence of a Director

3) Recommending to the Board a policy relating to the remuneration for the Directors & Key Managerial Personnel

4) Recommend to the Board, all remuneration, in whatever form, payable to senior management

5) Specify the manner for effective annual evaluation of performance of the Board, its Committees and individual Directors.

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

Board Evaluation

During the year, in accordance with the Board Evaluation Policy and the Guidance Note on Board Evaluation issued by SEBI, an annual evaluation of its own performance and that of the Committees and Directors pursuant to the provisions of the Act and the Listing Regulations was carried out by the Board on various parameters which *inter alia* included composition,

diversity, effectiveness, quality of discussion, contribution at the Meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, contribution of the Committees etc.

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

Familiarization Programme

The Independent Directors are familiarized with their roles, rights, responsibilities etc. in relation to the nature of the financial services sector and the business model of the Company. The details are available on the website of the Company at: www.edelweissfin.com.

Remuneration to the Directors

The Company was paying sitting fees of ₹ 20,000 per Meeting to the Independent Directors for attending the Meetings of the Board and the Committees thereof. The Board of Directors at its Meeting held on November 9, 2022, had revised the sitting fees to ₹ 75,000 per Meeting to the Independent Directors for attending the Meetings of the Board and the Committees thereof.

The commission is paid to the Non-executive Directors *inter alia* based on their attendance, contribution etc. at the Board and the Committee Meetings.

The details of the remuneration paid and shareholding of the Directors during the financial year ended March 31, 2023 are as under:-

Amount in ₹

Name	Remuneration	Perks	Sitting Fees	Commission	Total	No. of shared held*
Mr. Rashesh Shah	7,99,70,008	39,600	-	-	8,00,09,608	14,56,01,730
Mr. Venkatchalam Ramaswamy	6,43,83,708	39,600	-	-	6,44,23,308	5,81,26,560
Mr. Himanshu Kaji	3,24,61,011	39,600	-	-	3,25,00,611	29,75,000
Ms. Vidya Shah	-	-	-	20,00,000	20,00,000	3,10,31,200
Mr. Biswamohan Mahapatra	-	-	6,50,000	20,00,000	26,50,000	-
Mr. Ashok Kini	-	-	7,05,000	20,00,000	27,05,000	-
Dr. Ashima Goyal	-	-	4,75,000	20,00,000	24,75,000	-
Mr. Shiva Kumar	-	-	5,65,000	-	5,65,000	-
Mr. Rujan Panjwani	3,40,58,176	16,500	-	-	3,40,74,676	-
Mr. P. N. Venkatachalam	-	-	2,20,000	20,00,000	22,20,000	-
Mr. Navtej S. Nandra	-	-	1,80,000	20,00,000	21,80,000	-
Mr. Kunnasagaran Chinniah	-	-	2,00,000	20,00,000	22,00,000	-

* Shareholding of the Directors as on March 31, 2023. Shares held singly or as a first shareholder are only considered

Service contract of the Managing Director and the Executive Directors is as approved by the Members and notice period is as per the Rules of the Company. Severance fees – NA.

During the year under review, some of the KMPs of the Company were also the KMPs of the subsidiaries and drew remuneration from those subsidiaries.

C) Stakeholders' Relationship Committee

The composition of the Committee as on March 31, 2023 and attendance of the Members at the Committee Meeting held during the financial year ended March 31, 2023 is as under:-

Name of the Member	No. of Meetings Attended
Mr. Shiva Kumar $ (Independent Director) – Chairman	1
Mr. Ashok Kini $ (Independent Director)	1
Mr. Venkatchalam Ramaswamy (Executive Director)	1
Mr. Kunnasagaran Chinniah ^ (Independent Director)	-

$ Appointed as a Member with effect from September 13, 2022.

^ Ceased as a Member with effect from September 2, 2022.

During the financial year ended March 31, 2023, the Committee met once on November 9, 2022.

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

Mr. Tarun Khurana is the Company Secretary & Compliance Officer of the Company.

Based on the reports received from the Registrar & Share Transfer Agents during the year ended March 31, 2023, the Company received 368 requests/complaints from the investors which were satisfactorily resolved/replied. As on March 31, 2023, there were no outstanding requests/complaints.

D) Risk Committee

During the financial year ended March 31, 2023, the Committee met 4 times on May 26, 2022, July 28, 2022, November 9, 2022 and January 31, 2023.

The composition of the Committee as on March 31, 2023 and attendance of the Members at the Committee Meetings held during the financial year ended March 31, 2023 is as under:-

Name of the Member	No. of Meetings Attended
Mr. Ashok Kini $ (Independent Director) – Chairman	2
Mr. Biswamohan Mahapatra (Independent Director)	4
Mr. Shiva Kumar $ (Independent Director)	2
Mr. Himanshu Kaji (Executive Director)	4
Mr. P. N. Venkatachalam ^ (Independent Director)	2
Mr. Navtej S. Nandra ^ (Independent Director)	2
Mr. Kunnasagaran Chinniah ^ (Independent Director)	2

$ Appointed as a Member with effect from September 13, 2022.

^ Ceased as a Member with effect from September 2, 2022.

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

1) To devise process / framework for management of operational risk

2) Identifying concerns & risks

3) Evaluating risks as to consequences & likelihoods

4) Assessment of options for Risk Management

5) Prioritizing the Risk Management efforts

6) Development of Risk Management Plans

7) Authorization for the implementation of the Risk Management Plans

8) Tracking the Risk management efforts and manage accordingly

9) Follow on Budgeting-Variance Analysis

10) Design, develop and implement various measures for cyber security as may be required.

The Risk Committee has framed and implemented a Risk Management Framework and Strategy. The Company did not have any exposure in commodity price and hedging activities during the financial year ended March 31, 2023.

General Body Meetings

The last 3 Annual General Meetings (AGMs) of the Company were held through Video Conferencing/ Other Audio-Visual Means in accordance with the Circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India from time to time.

The details regarding the date, time and number of special resolutions passed at the said AGMs are as under:

Financial Year	Date	Time	No. of Special Resolutions passed
2021-2022	September 2, 2022	4.00 p.m.	2
2020-2021	September 3, 2021	4.00 p.m.	1
2019-2020	September 28, 2020	4.00 p.m.	2

NCLT Convened Meeting

Pursuant to the Order dated January 12, 2023, passed by the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT), a Meeting of the equity shareholders of the Company was held on February 24, 2023, through Video Conferencing / Other Audio Visual Means, in compliance with the applicable provisions of the Act and the Listing Regulations, to consider and approve, the Scheme of Arrangement between the Company and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) (Resulting Company) and their respective shareholders and creditors (the Scheme), wherein the equity shareholders of the Company approved the Scheme.

The equity shareholders exercised their vote(s) by remote e-voting during the period from 9:00 a.m. on Monday, February 20, 2023 till 5:00 p.m. on Thursday, February 23, 2023. Further, the facility for voting through electronic voting system was also available at the Meeting.

The Scrutiniser submitted his report on February 24, 2023, after completion of scrutiny and results of the e-voting. The Resolution approving the Scheme was passed with requisite majority. The voting results of the Meeting are available on the website of the Stock Exchanges, National Securities and Depository Limited and the Company.

Resolution passed through Postal Ballot

The Members vide postal ballot notice dated January 31, 2022, the results of which were declared on April 26, 2022, appointed Mr. Ashok Kini and Dr. Ashima Goyal as Independent Directors for the second term of 5 years with effect from April 1, 2022. The necessary disclosures in this regard were made in the Corporate Governance Report of the Company for the financial year ended March 31, 2022.

The resolution, if any, to be passed through Postal Ballot during the current financial year will be taken up as and when necessary, in the manner provided in the Act and the Listing Regulations.

Means of Communication

The financial results, press releases and the presentation made to the Investors/Analysts are submitted to the Stock Exchanges and also uploaded on the website of the Company at www.edelweissfin.com. The financial results are also published in the newspapers.

I. General Shareholder Information

i.	AGM: Date, time and venue/ mode	Tuesday, September 26, 2023 at 4.00 p.m. through Video Conferencing / Other Audio Visual Means (VC/ OAVM)
ii.	Financial Year:	April 1, 2022 to March 31, 2023
iii.	Book Closure dates:	September 20, 2023 to September 25, 2023 (both days inclusive)
iv.	Dividend payment date:	September 30, 2023 to October 24, 2023

II. Listing of Securities on Stock Exchanges:

a. Equity Shares

The Equity Shares of the Company are listed on:

Sr. No.	Name and address of the Stock Exchange	Trading Symbol
i)	BSE Limited (BSE) P J Towers, Dalal Street, Fort, Mumbai - 400 001	532922
ii)	National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	EDELWEISS

The Company has paid the listing fees for the financial year ending March 31, 2024, to the Stock Exchanges.

ISIN of the Equity Shares of the Company: INE532F01054

b. Non-convertible Debentures

The Company has issued Secured Non-convertible Debentures (NCDs) on private placement and through public issuances. Some of the NCDs are listed on BSE.

The Company has paid the listing fees to BSE for the financial year ending March 31, 2024.

Debenture Trustees:

The details of the Debenture Trustees for the NCDs issued by the Company are as under:

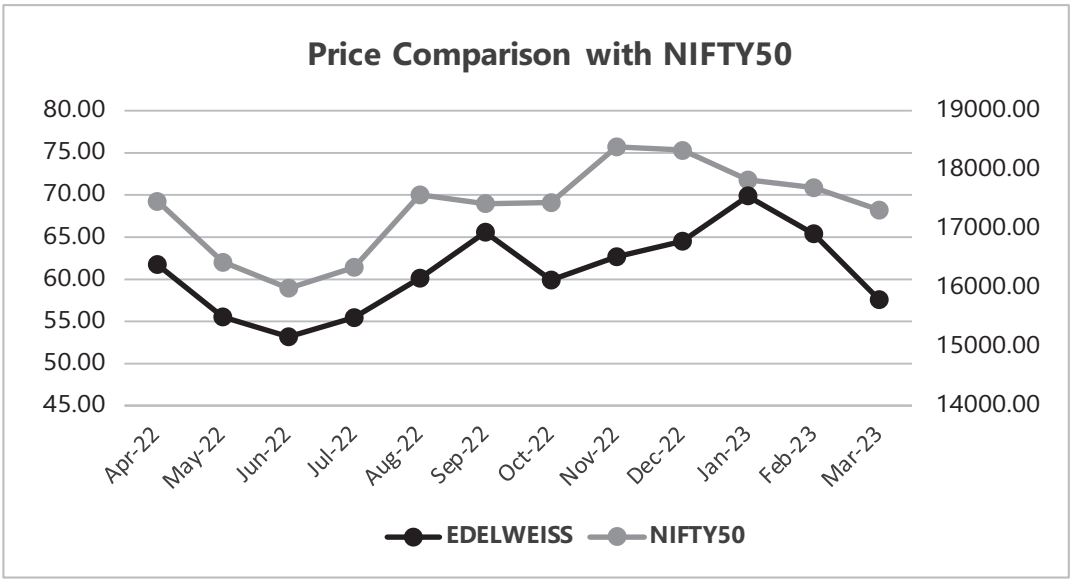
Beacon Trusteeship Limited 4 C&D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East), Mumbai – 400 051 Tel.: +91 22 26558759 Email: compliance@beacontrustee.co.in Website: www.beacontrustee.co.in	Catalyst Trusteeship Limited Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400 098 Tel.: +91 22 49220555 Email: dt.mumbai@ctltrustee.com Website: www.catalysttrustee.com

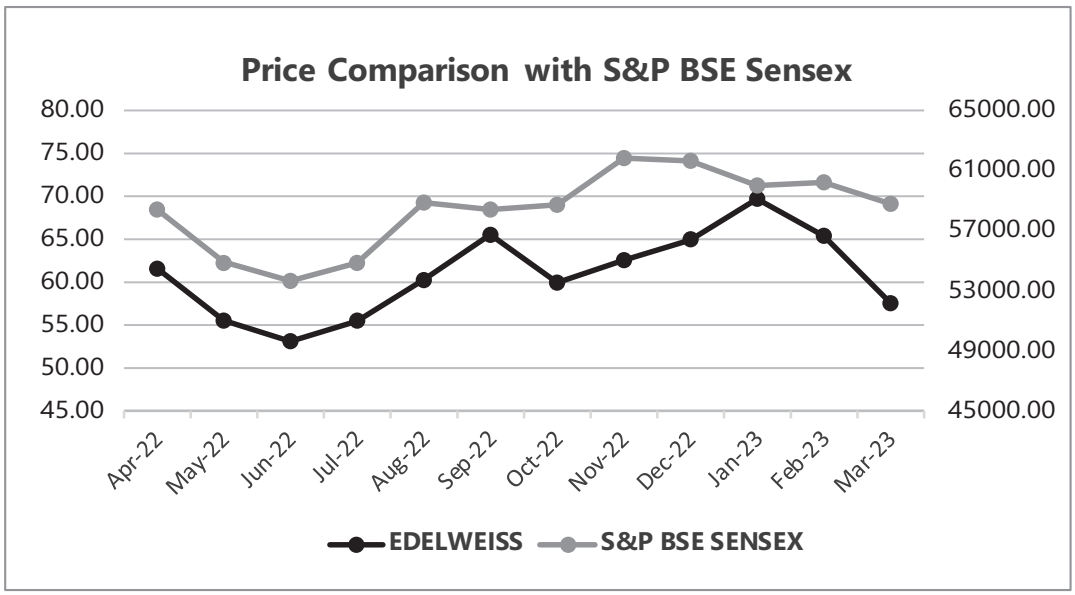
III. Market Price Data

Stock Market price data for the financial year ended March 31, 2023 and high/ low of market price of the Company's equity shares traded at BSE and NSE during each month of the financial year, are as under:

Month	BSE			NSE		
	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded
Apr-22	66.55	56.65	8,880,507	66.55	56.90	75,762,334
May-22	60.95	50.10	6,149,648	61.00	50.00	27,370,520
Jun-22	56.85	49.40	2,327,008	56.95	49.40	15,244,039
Jul-22	60.00	50.90	2,439,390	60.00	50.85	181,32,401
Aug-22	64.90	55.65	3,652,552	64.30	55.95	26,932,168
Sep-22	72.90	58.20	9,018,362	72.90	58.25	68,278,076
Oct-22	63.80	56.10	6,665,362	63.70	56.10	25,046,952
Nov-22	69.15	56.00	6,265,577	69.15	56.15	51,873,384
Dec-22	71.85	58.05	5,814,084	71.90	57.10	38,882,859
Jan-23	77.40	62.10	8,625,766	77.40	62.35	72,619,260
Feb-23	68.50	62.35	2,829,680	68.55	62.20	20,534,264
Mar-23	65.05	50.10	4,031,882	65.10	50.00	30,828,798

IV. Performance of share price in comparison with the broad – based indices viz., NSE Nifty and BSE Sensex:





V. Registrar and Transfer Agent:

a. Equity Shares

Link Intime India Private Limited,
C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400 083
Tel: +91 81081 16767 Fax: +91 22 4918 6060
e-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

b. Non-Convertible Debentures

Link Intime India Private Limited	**KFin Technologies Limited**
C 101, 247 Park,	Selenium Tower B, Plot 31-32,
L.B.S Marg,	Financial District, Nanakramguda,
Vikhroli (West),	Serilingampally, Mandal,
Mumbai - 400 083	Hyderabad - 500 032
Tel: +91 81081 16767	Tel: +91 40 6716 2222
Fax: +91 22 4918 6060	Fax: +91 40 6716 1563
Email: rnt.helpdesk@linkintime.co.in	Email: einward.ris@kfintech.com
Website: www.linkintime.co.in	Website: www.kfintech.com

VI. Share Transfer System: The Company's shares are compulsorily traded in electronic form in dematerialised form on BSE and NSE. 99.94% of the outstanding equity shares of the Company are held in dematerialised form. Transfer of equity shares in electronic form are effected through the depositories without any involvement of the Company.

VII. Distribution of shareholding of the Company as on March 31, 2023 was as under:-

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of shares held	% of Shares held
1 - 500	190,082	87.30	20,106,026	2.13
501 - 1000	12,427	5.71	9,950,121	1.05
1001 - 2000	6,793	3.12	10,322,520	1.09
2001 - 3000	2,451	1.12	6,294,927	0.67
3001 - 4000	1,282	0.59	4,577,493	0.49
4001 - 5000	1,065	0.49	5,052,910	0.54
5001 - 10000	1,737	0.80	12,791,610	1.36
10001 and above	1,903	0.87	874,179,669	92.67
Total	**217,740**	**100**	**943,275,276**	**100**

Shareholding Pattern of the Company as on March 31, 2023 was as under:-

Sr. No.	Category	No. of Shares held	% of Holding
1)	Promoters and Promoters Group	307,684,490	32.62
2)	Mutual Funds / FIs / Banks / Insurance Companies	25,264,534	2.68
3)	FII's/ FPI's	303,931,758	32.22
4)	NRIs / Foreign Nationals / Foreign Bodies Corporate	27,005,739	2.86
5)	Public and Others	234,491,975	24.86
6)	Non Promoter- Non Public	44,896,780	4.76
	Total	**943,275,276**	**100**

VIII. Dematerialisation of shares:

As on March 31, 2023, 94,26,94,796 equity shares representing 99.94% of the outstanding equity shares of the Company were held in dematerialised form and 5,80,480 equity shares representing 0.06% of the outstanding equity shares of the Company were held in physical form. At the end of each quarter, reconciliation of share capital audit is conducted by the Secretarial Auditors to reconcile the total issued capital, listed capital and capital held by the Depositories in dematerialised form and is submitted to the stock exchanges.

IX. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued GDRs/ADRs/Warrants or any other instrument convertible into equity shares.

X. Details of equity shares lying in the suspense account pursuant to the Listing Regulations:

Sr. No.	Particulars	Details	
		No. of Shareholders	No. of shares
1)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	94	7,530
2)	Number of shareholders who approached the Company for transfer of shares from the suspense account during the year	-	-
3)	Number of shareholders to whom shares were transferred from the suspense account during the year	-	-
4)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	94	7,530

The voting rights on above shares shall remain frozen till the rightful owner of such shares claims the same.

XI. Plant locations – Not Applicable

XII. Credit ratings : The credit ratings obtained by the Company during the year 2022-23 are as under:-

Rating agency	Rating	Instruments	Date of revision (if any)	Revised Rating
Brickwork Rating	BWR AA-	Non-convertible Debentures	No Revision	No change
	BWR PP-MLD AA-	Principal Protected Market Linked Debentures		
CARE	CARE A+	Non-convertible Debentures	No Revision	No change
	CARE A1+	Short term borrowing		
CRISIL	CRISIL AA-	Non-convertible Debentures	No Revision	No change
	CRISIL PP-MLD AA-	Principal Protected Market Linked Debentures		
	CRISIL A1+	Short term borrowing		
ACUITE	ACUITE AA-	Non-convertible Debentures	August 5, 2022	ACUITE AA-from ACUITE AA
ICRA	ICRA A+	Non-convertible Debentures	No Revision	No change

Other Disclosures

i. The Company did not enter into any materially significant related party transactions having a potential conflict with the interest of the Company and its subsidiaries at large. Transactions with the related parties are disclosed in the financial statements.

ii. The financial statements (both standalone and consolidated) have been prepared in accordance with the applicable Accounting Standards.

iii. The Company has a Whistle Blower Policy/Vigil Mechanism to report concerns about unethical behaviour, actual or suspected fraud or violation of our code of conduct and confirms that no personnel have been denied access to the Audit Committee.

iv. Code for Prohibition of Insider Trading of the Company, the Policy for determining Material Subsidiaries and the Policy on Related Party Transactions are available at: www.edelweissfin.com

v. The details of the material subsidiaries of the Company as required under the Listing Regulations are as under: -

Sr. No.	Name of the Material Subsidiaries	Details of Incorporation		Details of Statutory Auditors	
		Place	Date	Name	Date of appointment
1.	ECL Finance Limited	Mumbai	July 18, 2005	M/s Chetan T Shah & Co.	September 24, 2022
				M/s V.C Shah & Co.	December 3, 2021
2.	Edelweiss Asset Reconstruction Company Limited	Mumbai	October 5, 2007	M/s. Nangia & Co LLP	November 10, 2021
3.	Edel Finance Company Limited	Mumbai	October 16, 1989	M/s. Dhiraj & Dheeraj	November 25, 2021
4.	Edelweiss Tokio Life Insurance Company Limited	Mumbai	November 25, 2009	M/s. K. S. Aiyar & Co.	September 15, 2021
				M/s. B. K. Khare & Co.	September 28, 2022
5.	Nido Home Finance Limited	Mumbai	May 30, 2008	M/s. NGS & Co. LLP	November 3, 2021

vi. There have been no instances where the Board has not accepted the recommendations of any Committee of the Board, during the financial year.

vii. The statutory auditors of the Company, M/s. S. R. Batliboi & Co. LLP were paid the consolidated amount of ₹ 45.89 million (including out of pocket expenses of ₹ 0.60 million) by the Company and its subsidiaries for all the services provided by them during the financial year ended March 31, 2023.

viii. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a) Number of complaints filed during the Financial Year : Nil

b) Number of complaints disposed of during the Financial Year : Nil

c) Number of complaints pending as on end of the Financial Year : Nil.

ix) The Company has complied with the corporate governance requirements as prescribed in Regulations 17 to 27, 46(2) (b) to (i) and Schedule V of Chapter IV of the Listing Regulations.

x) The Company has adopted the discretionary requirements as specified in Part E of Schedule II - the financial statements are accompanied with an unmodified audit report.

xi) The disclosures on loans and advances in the nature of loans to firms/companies in which directors are interested are disclosed in the notes to the financial statements.

xii) CEO / CFO Certification

The CEO and CFO have certified to the Board, the requirements of the Listing Regulations, with regard to financial statements.

xiii) Compliance Certificate

Pursuant to the Listing Regulations, a certificate issued by M/s. BNP & Associates, Company Secretaries, certifying the compliance by the Company with the provisions of the Corporate Governance forms part of this Report.

Address for correspondence:

For any assistance, request or instruction regarding transfer or transmission of securities, dematerialisation of securities, change of address, non-receipt of annual report, dividend and interest and any other query relating to the securities of the Company, the investors may write to:

The Company Secretary **Edelweiss Financial Services Limited** Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400 098. Tel: +91 22 4079 5199 E-mail: efsl.shareholders@edelweissfin.com Website: www.edelweissfin.com	**Link Intime India Private Limited** C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400 083. Tel: +91 81081 16767 Fax: +91 22 4918 6060 e-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in	**KFin Technologies Limited** Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally, Mandal, Hyderabad - 500 032 Tel: +91 40 6716 2222 Fax: +91 40 6716 1563 Email: einward.ris@kfintech.com Website: www.kfintech.com

Declaration by the Chairman & Managing Director under Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding adherence to the Edelweiss Code of Conduct

In accordance with the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, it is hereby confirmed that for the financial year ended March 31, 2023, the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Edelweiss Code of Conduct.

For and on behalf of the Board
Edelweiss Financial Services Limited

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

August 4, 2023

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

The Members of
Edelweiss Financial Services Limited
Edelweiss House, Off. C. S. T Road,
Kalina, Mumbai – 400098

We, BNP & Associates have examined all relevant records of **Edelweiss Financial Services Limited** (hereinafter referred as "the Company") for the purpose of certifying the compliance ensured by the Company for disclosure requirements and corporate governance norms as specified for the Listed Companies under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), for the financial year ended 31st March 2023. We have obtained all the information and explanations, which, to the best of our knowledge and belief, necessary for the purpose of this certification.

We state that completing compliance requirements of Corporate Governance is the responsibility of the management of the Company, and our examination is limited to procedures and implementation thereof as adopted by the Company for ensuring the compliance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified for listed company in the LODR for FY 2022-23.

We further state that the above certification is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company during the financial year.

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

Avinash Bagul
Partner
FCS No. 5578
COP No. 19862
UDIN: F005578E000389995

Date: May 26, 2023
Place: Mumbai

Annexure - VII

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING (BRSR)

SECTION A: GENERAL DISCLOSURES

I. Details

1	Corporate Identity Number (CIN) of the Listed Entity	L99999MH1995PLC094641
2	Name of the Listed Entity	Edelweiss Financial Services Limited ("EFSL/the Company")
3	Year of incorporation	1995
4	Registered office address	Edelweiss House, Off CST Road, Kalina, Mumbai – 400 098
5	Corporate address	Edelweiss House, Off CST Road, Kalina, Mumbai – 400 098
6	E-mail	efsl.shareholders@edelweissfin.com
7	Telephone	+91 22 4079 5199
8	Website	www.edelweissfin.com
9	Financial year for which reporting is being done	Financial year ended March 31, 2023
10	Name of the Stock Exchange(s) where shares are listed	i) BSE Limited ii) National Stock Exchange of India Limited
11	Paid-up Capital	₹ 94,32,75,276
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Tarun Khurana, Company Secretary Telephone Number: +91 22 4079 5199 E-mail id: efsl.shareholders@edelweissfin.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures in this Report are made on a standalone basis.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Financial and Insurance Services	Other financial activities, financial service activities (except insurance and pension funding)	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Investment Banking & Holding Company activities	66190 & 64200	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	N. A.	2	2
International *	N. A.	1	1

*Representative office

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	2
International (No. of Countries)	1

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports as a percentage of the total turnover of the Company for the financial year ended March 31, 2023 was 0.11%.

c. A brief on types of customers

The Company is principally engaged in providing investment banking services and holding company activities comprising of development, managerial and financial support to the business of Edelweiss group entities.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled): Refer table below for Employees.

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	Employees					
1	Permanent (D)	64	48	75%	16	25%
2	Other than Permanent (E)	-	-	-	-	-
3	Total employees (D + E)	64	48	75%	16	25%

b. Differently abled Employees and workers:

The Company does not have any worker and differently abled employees, hence, the information relating to them are not provided in the Report.

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (Refer Note 1)	8	2	25%
Key Management Personnel (Refer Note 2)	2	1	50%

Notes:

1 – Includes Managing Director and the Executive Directors

2 – Comprises of Chief Financial Officer and Company Secretary only

20. Turnover rate for permanent employees

	FY 2022-23			FY 2021-22			FY - 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	20%	30%	23%	38%	18%	33%	32%	35%	33%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity*	Does the entity participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	ECap Securities and Investments Limited	Subsidiary	100%	Yes, the subsidiaries of the Company also participate in the Business Responsibility initiatives of the Company to the extent possible
2	Edelweiss Investment Adviser Limited	Subsidiary	100%	
3	ECap Equities Limited	Subsidiary	100%	
4	Edel Finance Company Limited	Subsidiary	100%	
5	Edelweiss Rural & Corporate Services Limited	Subsidiary	100%	
6	EdelGive Foundation	Subsidiary	100%	
7	ECL Finance Limited	Subsidiary	100%	
8	Nido Home Finance Limited	Subsidiary	100%	
9	Edelweiss Retail Finance Limited	Subsidiary	100%	
10	Edelweiss Asset Reconstruction Company Limited	Subsidiary	59.82%	
11	Edelweiss Alternative Asset Advisors Limited	Subsidiary	99.05%	
12	Edelweiss Asset Management Limited	Subsidiary	100%	
13	Edelweiss Trusteeship Company Limited	Subsidiary	100%	
14	Allium Finance Private Limited	Subsidiary	88.28%	
15	Edel Investments Limited	Subsidiary	100%	
16	Edelcap Securities Limited	Subsidiary	100%	
17	Edelweiss Global Wealth Management Limited	Subsidiary	100%	
18	Nuvama Custodial Services Limited	Subsidiary	51%	
19	Comtrade Commodities Services Limited	Subsidiary	100%	
20	Edelweiss Securities and Investments Private Limited	Subsidiary	100%	
21	Edelweiss Tokio Life Insurance Company Limited	Subsidiary	75.08%	
22	Zuno General Insurance Limited	Subsidiary	100%	
23	Edelweiss Real Assets Managers Limited	Subsidiary	100%	
24	Sekura India Management Limited	Subsidiary	100%	
25	EC International Limited	Subsidiary	100%	
26	Edelweiss Alternative Asset Advisors Pte. Limited	Subsidiary	100%	
27	Edelweiss International (Singapore) Pte. Limited	Subsidiary	100%	
28	Nuvama Investment Advisors LLC	Subsidiary	100%	

*% shares held either directly or through subsidiaries

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover: ₹ 30,886.92 million for the financial year ended March 31, 2023

(iii) Net worth: ₹ 72,553 million as on March 31, 2023

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Refer Note below	Nil	Nil		Nil	Nil	
Investors (holders of Non-convertible Debentures)		368	Nil		64	Nil	
Shareholders		Nil	Nil		Nil	Nil	
Employees and workers		Nil	Nil		Nil	Nil	
Customers		Nil	Nil		Nil	Nil	
Value Chain Partners		Nil	Nil		Nil	Nil	
Other (please specify)		Nil	Nil		Nil	Nil	

Various Policies framed in this regard have been uploaded on the website of the Company at www.edelweissfin.com.

The Board has constituted a Stakeholders' Relationship Committee to redress the complaints of the investors. The Company also has a Whistle Blower Policy/Vigil Mechanism to report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct.

The investors including shareholders can send emails to the Company at efsl.shareholders@edelweissfin.com and customers/clients at MB.efsl@edelweissfin.com for any grievances.

24. Overview of the entity's material responsible business conduct issues:

S. No.	Material identified issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Social responsibility towards society	Opportunity	Opportunity: The Company has been contributing a portion of its profits each year to support projects which fulfil a social obligation. Thus, returning to society has been ingrained in the Company's philosophy.	-	Positive: The Company recognises the importance of being socially responsible and playing a part in the development of under-privileged.
2	Privacy and Data Security	Opportunity	Opportunity: The Company has a well-designed information security structure (software, expert manpower and operational practices) which enables the Company to reduce cyber threats and ensure privacy, data security for all our stakeholders' privileged information thereby also facilitating business expansion.	-	Positive: Easier business process automation, increased trust and credibility of stakeholders, improved data management and protected brand reputation. Negative: Breach of Privacy and Data Security

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine Principles referred as P -1 to P – 9 as under:-

P – 1	Businesses should conduct and govern the business with integrity and in a manner that is ethical, transparent and accountable
P – 2	Businesses should provide goods and services in a manner that is sustainable and safe
P – 3	Businesses should respect and promote the well-being of the employees including those in their value chains
P – 4	Businesses should respect the interests of and be responsive to all its stakeholders
P – 5	Businesses should respect and promote human rights
P – 6	Businesses should respect and make efforts to protect and restore the environment
P – 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P – 8	Businesses should promote the inclusive growth and equitable development
P – 9	Businesses should engage with and provide value to the consumers in a responsible manner

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2*	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	**Y**	**Y***	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
b. Has the policy been approved by the Board? (Yes/No)	Yes, the Policies have been approved by the Board								
c. Web Link of the Policies, if available	The Policies are available on the website of the Company at www.edelweissfin.com.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes, the Policies have been translated into procedures to the extent relevant.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the Policies extend to the value chain partners to the extent relevant and necessary.								
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Policies adopted by the Company are in conformity with the applicable statutes/ guidelines/ polices/ rules and regulations etc. The Information Security Management Systems (ISMS) of the Company are certified under ISO/IEC 27001.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has defined the goals/targets with defined timelines to the extent possible.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The key parameters in Policies are tracked and recorded for learning and development to enhance our Policies.								
Governance, leadership and oversight									
7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) One of our top priorities is conducting business in an ethical and sustainable way. Discussions about key ESG issues are ongoing with all of our stakeholders, and we have determined that some of the most crucial ones are environmental footprint, efficient and transparent customer service, corporate governance, risk management, human capital development, and community engagement. The Company's ESG journey is supervised by our highly qualified and diverse Board and ESG expert executives. We have implemented procedures such as a Comprehensive Code of Conduct and Business Ethics, a sound risk culture, digitized business operations, investments in developing fields of cyber security and information security, employee welfare policies, resource monitoring, setting up goals to reduce consumption of electricity, fuel, and paper, among other procedures.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Board of Directors and the respective Committees								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Company has an Executive level ESG Forum to oversee the sustainability related issues. The Forum is Chaired by a Non-executive Director of the Company.								

* Considering the nature of business of the Company, Principle - 2 may not be strictly applicable. However, the Company endeavour to comply with all the applicable rules and regulations w. r. t. its services. We attempt to be transparent, fair in our advice and responsive to customer requirements and feedback.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes, the Board has constituted various Committees which meet periodically and reviews the Policies from time to time as may be necessary and, provides their recommendations to the Board.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																		

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
No, the Polices are reviewed by the Senior Management. There is no independent assessment/evaluation being carried on by any external agency, however, the Internal Audit Function of the Company, reviews the adherence to the Policies from time to time.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by awareness programmes
Board of Directors (BoD)	2	i. Induction Programme for the new Director ii. Familiarisation Programme for the Independent Directors Kindly refer the Familiarisation Programme section on the website of the Company.	
Key Managerial Personnel	3	BRSR and ESG	100
Employees other than BoD and KMPs	5	Fire and Life Safety, Information Security, POSH, SHIELD - Anti Money Laundering, SHIELD - Prohibition of Insider Trading	81

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement			Nil		
Compounding fee					

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment		Nil		

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company has adopted various policies in relation to ethics, bribery and corruption viz. Anti-Money Laundering Policy, Anti-Fraud Policy, Anti Bribery and Corruption Policy, Whistle Blower Policy etc. The Policies extend to the Group Companies also. The Policies can be accessed at www.edelweissfin.com.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs		
Employees		

6. **Details of complaints with regard to conflict of interest:**

Particulars	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:**

None

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	N. A.	N. A.

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, the Company's Code of Conduct for the Directors and Senior Management Personnel provides guidelines for refraining to enter into any transaction or engaging in any practice, directly or indirectly, that would tend to influence the Directors and Senior Management Personnel to act in any manner other than in the best interests of the Company. The Code of

Conduct requires the Directors and Senior Management Personnel to make full disclosure relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict of interest with the Company and seek the necessary approvals before pursuing any such transactions.

The Directors provide an annual affirmation that they have complied with the Code of Conduct requirements during a financial year and that there are no instances of conflict of interest during the year. Additionally, under the applicable provisions of the Act, every Director has to disclose the names of the Company(ies) in which they have interest/concern including intimation of any change thereto. The disclosures as received are placed before the Board at its meeting. The said disclosures helps the Company and the Board in evaluating the possibility of any present or potential conflict of interest. In case, if any Director has a potential conflict, that Director does not participate in discussions on those agenda items in which he/she is interested.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	In view of the nature of activities carried on by the Company, the question is not applicable.		
Capex			

2. a) **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   Since the Company is engaged in the financial services sector, hence, there is a very limited procurement requirement which relates to the office infrastructure, IT equipment and services. The Company follows the practice of sustainable resourcing, where feasible.

   b) **If yes, what percentage of the inputs were sourced sustainably?**

   Not Applicable

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   Considering the nature of our business, the opportunities for reusing or recycling products are limited. However, we have implemented specific practices to manage waste categories such as plastics (including packaging), e-waste, and hazardous waste. For plastics, we use 100% biodegradable plastic garbage bags and we have partnered with a vendor to compost/ recycle wet and dry waste in an eco-friendly manner. Our e-waste such as computers, servers, scanners, batteries and air conditioners are disposed through registered e-waste vendors. As our services do not involve the production or disposal of hazardous waste, we do not generate such waste in our offices.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   Not Applicable

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
Not Applicable					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Nil		

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable					
E-waste						
Hazardous waste						
Other waste						

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category:**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	48	48	100%	48	100%	-	-	48	100%	-	-
Female	16	16	100%	16	100%	16	100%	-	-	-	-
Total	**64**	**64**	**100%**	**64**	**100%**	**16**	**100%**	**48**	**100%**	**-**	**-**

b. Well-being of other than permanent employees and workers:

Not Applicable

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23		FY 2021-22	
	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	88%	Yes	88%	Yes
Gratuity	100%	N.A.	100%	N.A
ESI	N.A.			
Others (Please specify)	N.A.			

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, our offices are designed to cater to the needs of differently abled employees, workers and visitors.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company recognizes its responsibility to ensure absence of discrimiation in all facets by providing fair and equal opportunities to all employees and applicants. The Company has framed an Equal Opportunity Policy which can be accessed by the employees on the intranet.

The Company promotes a work culture that embraces diversity and inclusiveness, enabling all employees to bring their unique perspectives, skills, and experiences to work and create unparalleled value for the stakeholders. The Policy is also uploaded on the website of the Company at www.edelweissfin.com.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees	
	Return to Work Rate	Retention Rate
Male	100%	100%
Female	Nil	Nil
Total	**100%**	**100%**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	Yes, the Company has always believed in open and transparent communication. The employees are encouraged to share their views with the business heads, HR and the senior management. Also, we have Grievance Redressal Mechanism which mentions, various platforms available for different types of grievances, no retaliation, reasonable timescale to solve, confidentiality of the parties involved as much as possible. We also follow an open-door policy, wherein any employee irrespective of hierarchy has access to the senior management.
Other than Permanent Employees	Not Applicable

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	The Company does not have any employee association(s).					
Male						
Female						

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	48	42	88%	8	17%	52	48	92%	10	19%
Female	16	15	94%	5	31%	17	15	88%	6	35%
Total	**64**	**57**	**89%**	**13**	**21%**	**69**	**63**	**91%**	**16**	**23%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
			Employees			
Male	48	44	92%	52	43	83%
Female	16	13	81%	17	15	88%
Total	**64**	**57**	**89%**	**69**	**58**	**84%**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

In view of the nature activities carried on by the Company, there are no occupational health and safety risks.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Periodic communications and alerts are sent out to employees and awareness sessions are conducted on safety related aspects. Employees are given periodic training on fire safety, including evacuation drills.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, we maintain a responsive approach to address work-related hazards and enable employees to mitigate risks effectively. During the year, there were no accidents of any employee of the Company whilst at work.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees of the Company are covered under the Company's health insurance.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
No. of fatalities	Employees	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company emphasises on safe and healthy workplace through a comprehensive approach that encompasses regular safety training and periodic awareness, wellness programs, adherence to policies and practices, and continuous maintenance and inspection of facilities.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Nil
Working Conditions	Nil

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures compliance with the deduction of statutory dues from employees' income, including taxes, provident fund contributions, professional tax and other applicable obligations. This adherence is regularly updated in accordance with relevant regulations. Similarly, our value chain partners (vendors) are contractually obligated to fulfil their compliance responsibilities as agreed upon with the Company.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No. It is need and role criticality based. Upon retirement, we may look at invoking consultant-based employment model for fixed period with defined outcome to be achieved.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Covid tests and vaccinations were done by the Company for support staff.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The stakeholders are identified based on their impact on the business and the impact the business would have on them. The stakeholders *inter alia* include customers, employees, shareholders and investors, Governments and the Regulators, communities and the society at large.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders and Investors	No	Quarterly results, Investor presentations, Annual Report, Annual General Meeting/ Shareholders Meeting, Investor/ analysts calls and meet, Media releases, Website.	Annually, quarterly and ongoing	Discussing the performance of the Company and the priorities.
Government and Regulators	No	Meetings with key regulatory bodies, Written communications, Presentations, Industry associations.	Periodic Need based	-
Business Partners and Vendors	No	Channel partner meets, workshops, conferences and forums, One-to-one meetings, Telephonic and email communication.	Ongoing and need basis	-

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Team engagements, focus groups, internal communications.	Ongoing and need basis	-
Communities	Yes	Directly and through implementing agencies	Ongoing and need basis	-

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Board of Directors through its various Committees seeks feedback as well as oversees the implementation of the initiatives and performance.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, enhancing value to stakeholders is a continuous process. The customer and investor's complaints/grievances are reviewed for a root cause analysis, which provides us an opportunity to further improve our services.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   The CSR activities of the Company are focused on the disadvantaged, vulnerable and marginalised segments of society. The CSR activities are implemented through EdelGIve Foundation, a wholly owned subsidiary of the Company. Further details in this regard are provided in the Annual Report on CSR activities forming part of the Annual Report for FY 2022-23.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of / employees workers covered (D)	% (D / C)
			Employees			
Permanent	64	34	53%	69	69	100%
Other than permanent	-	-	-	-	-	-
Total Employees	**64**	**34**	**53%**	**69**	**69**	**100%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
					Employees					
Permanent										
Male	48	-	-	48	100%	52	-	-	52	100%
Female	16	-	-	16	100%	17	-	-	17	100%
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	For details, please refer the 'Disclosure pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forming part of the Annual Report for FY 2022-23.			
Key Managerial Personnel				
Employees other than BoD and KMP				

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has established a Disciplinary Committee which handles any human rights impacts or issues that could potentially surface in the workplace.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is steadfast in its commitment to respecting and safeguarding human rights. We firmly believe in upholding the social and economic dignity and freedom of all employees, regardless of factors such as nationality, gender, race, economic status or religion. This conviction is deeply embedded in our policies and demonstrated through our actions. The company has established a range of platforms that serve as avenues for addressing human rights concerns like - Disciplinary Committee, POSH, Whistleblower Mechanism, Grievance Redressal Mechanism.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil			Nil		
Discrimination at workplace						
Child Labour						
Forced Labour/Involuntary Labour						
Wages						
Other human rights related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company ensures that the complainant, witnesses and the person(s) against whom the complaint has been made are not victimized/discriminated while dealing with the complaints of discrimination and harassment. This is also part of our disciplinary mechanism.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No

9. Assessments for the year:

	% of offices that were assessed (by entity or statutory authorities or third parties)
Child labour	NIL
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

None

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

Human rights due diligence covers several critical elements, including a well-defined policy commitment that is institutionalized. We ensure that our recruitment policy explicitly prohibits the hiring of anyone below 18 years of age. Moreover, we have mitigation measures, including a grievance redressal mechanism that enables individuals to raise concerns related to human rights.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, our offices are designed to cater to the needs of differently-abled employees and visitors.

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	**FY 2022-23**	**FY 2021-22**
Total electricity consumption (A)	**444**	469
Total fuel consumption (B)	**-**	-
Energy consumption through other sources (C)	**-**	-
Total energy consumption (A+B+C)	**444**	**469**
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (mn.)	**0.01**	0.03
Energy intensity *(optional)* – the relevant metric may be selected by the entity	**-**	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No external agency has been appointed.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	**5**	11
(ii) Groundwater	**198**	72
(iii) Third party water	**25**	41
(iv) Seawater / desalinated water	**-**	-
(v) Others	**-**	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**228**	**124**
Total volume of water consumption (in kilolitres)	**223**	**112**
Water intensity per rupee of turnover *(Water consumed / turnover)*	**NA**	NA
Water intensity *(optional)* – the relevant metric may be selected by the entity	**NA**	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No external agency has been appointed.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

No

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	NA	**NA**	NA
SOx	NA	**NA**	NA
Particulate matter (PM)	NA	**NA**	NA
Persistent organic pollutants (POP)	NA	**NA**	NA
Volatile organic compounds (VOC)	NA	**NA**	NA
Hazardous air pollutants (HAP)	NA	**NA**	NA
Others – please specify	NA	**NA**	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No external agency has been appointed.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO2 equivalent*	**NA**	NA
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO2 equivalent*	**NA**	NA
Total Scope 1 and Scope 2 emissions per rupee of turnover		**NA**	NA
Total Scope 1 and Scope 2 emission intensity *(optional)* – the relevant metric may be selected by the entity		**NA**	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No external agency has been appointed.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Not Applicable

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	**0.031**	0.008
E-waste ***(B)***	**0.059**	-
Bio-medical waste ***(C)***	**-**	-
Construction and demolition waste ***(D)***	**-**	-
Battery waste ***(E)***	**-**	-
Radioactive waste ***(F)***	**-**	-
Other Hazardous waste. Please specify, if any. **(G)**	**-**	-
Other Non-hazardous waste generated ***(H).*** *Please specify, if any.* (Break-up by composition i.e. by materials relevant to the sector) **Total (A+B + C + D + E + F + G + H)**	**0.09**	**0.08**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	**0.13**	0.25
(ii) Re-used	**-**	-
(iii) Other recovery operations	**-**	-
Total	**0.13**	**0.25**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	**-**	-
(ii) Landfilling	**-**	-
(iii) Other disposal operations	**-**	-
Total	**-**	**-**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No, independent assessment has been carried out.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We are committed to minimizing waste and promoting recycling in our organization. The types of waste we primarily focus on include food waste, paper, plastic, and e-waste. To reduce plastic waste, we have minimised procuring single use plastic and have implemented the use of glass bottles at our offices. All our facilities use 100% biodegradable plastic garbage bags to collect and dispose of dry and wet waste.

To reduce paper consumption, we have implemented various measures to digitize processes and minimize the usage of paper across our offices. We have also minimised using paper-based office stationery, except for mandatory items.

Regarding e-waste management, we dispose of computers, servers, scanners, UPSs, batteries, air conditioners, and other such e-waste through registered vendors

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	**64**	180
Total fuel consumption (B)	**-**	-
Energy consumption through other sources (C)	**-**	-
Total energy consumed from renewable sources (A+B+C)	**64**	**180**
From non-renewable sources		
Total electricity consumption (D)	**380**	289
Total fuel consumption (E)	**-**	-
Energy consumption through other sources (F)	**-**	-
Total energy consumed from non-renewable sources (D+E+F)	**380**	**289**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No, independent assessment has been carried out.

2. **Provide the following details related to water discharged:**

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	**NA**	NA
- With treatment – please specify level of treatment	**NA**	NA
(ii) To Groundwater		
- No treatment	**NA**	NA
- With treatment – please specify level of treatment	**NA**	NA
(iii) To Seawater		
- No treatment	**NA**	NA
- With treatment – please specify level of treatment	**NA**	NA
(iv) Sent to third-parties		
- No treatment	**NA**	NA
- With treatment – please specify level of treatment	**NA**	NA
(v) Others		
- No treatment	**NA**	NA
- With treatment – please specify level of treatment	**334**	104
Total water discharged (in kilolitres)	**334**	**104**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No, independent assessment has been carried out.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

I. **Name of the area:** None

II. **Nature of operations:** None

III. **Water withdrawal, consumption and discharge in the following format:** None

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	**5**	11
(ii) Groundwater	**198**	72
(iii) Third party water	**25**	41
(iv) Seawater / desalinated water	**NA**	NA
(v) Others	**NA**	NA
Total volume of water withdrawal (in kilolitres)	**228**	**124**
Total volume of water consumption (in kilolitres)	**223**	**112**
Water intensity per rupee of turnover *(Water consumed / turnover)* **(Mn)**	**0.01**	0.01
Water intensity *(optional)* – the relevant metric may be selected by the entity	**-**	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	**NA**	NA
- With treatment – please specify level of treatment	**NA**	NA
(ii) Into Groundwater		
- No treatment	**NA**	NA
- With treatment – please specify level of treatment	**NA**	NA
(iii) Into Seawater		
- No treatment	**NA**	NA
- With treatment – please specify level of treatment	**NA**	NA
(iv) Sent to third-parties		
- No treatment	**NA**	NA
- With treatment – please specify level of treatment	**NA**	NA
(v) Others		
- No treatment	**NA**	NA
- With treatment – please specify level of treatment	**18,754**	5,816
Total water discharged (in kilolitres)	**18,754**	**5,816**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No, independent assessment has been carried out.

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO2 equivalent*	**0.092**	0.098
Total Scope 3 emissions per rupee of turnover (mn)		**0.000**	0.000
Total Scope 3 emission intensity *(optional)* – the relevant metric may be selected by the entity		**-**	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No, independent assessment has been carried out.

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative *(Web-link, if any, may be provided along-with summary)*	Outcome of the initiative
Not Applicable			

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The Company has Corporate Business Continuity Policy which aims to formalize the business continuity program and provide guidance on developing, implementing, exercising, and maintaining group-specific business continuity plans for respective groups. The Policy's primary objective is to ensure the recovery of critical and significant processes within pre-established timeframes, the restoration of processing sites, and ultimately, the return to a permanent operating environment.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Not Applicable

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Not Applicable

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. **(a) Number of affiliations with trade and industry chambers/ associations.**

The Company is a member of three Chambers and Associations.

(b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2.	Confederation of Indian Industry (CII)	National
3.	Associated Chambers of Commerce & Industry of India (ASSOCHAM)	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
No corrective actions required since there were no such cases.		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
NIL					

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has established the mechanism to receive and redress the grievances of the community which can be accessed at the website of the Company at www.edelweissfin.com

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	Not Applicable in view of the nature of the activities carried on by the Company	
Sourced directly from within the district and neighbouring districts		

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
During the financial year ended March 31, 2023, the Company contributed an amount of ₹ 10 crores towards the Corporate Social Responsibility (CSR) activities, including the amount spent in the designated aspirational districts identified by the Government bodies.			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No):

(b) From which marginalized /vulnerable groups do you procure?

(c) What percentage of total procurement (by value) does it constitute?

Since the Company is engaged in the financial services sector, hence, there is a very limited procurement requirement which relates to the office infrastructure, IT equipment and services. The Company source its requirements from the local and small vendors, where feasible.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Please refer Annual Report on CSR forming part of the Annual Report for FY 2022-23	15,21,803	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The clients of the Company provides the feedback/complaints through emails, letters, through Regulatory Authorities etc. On receipt, queries and the complaints are segregated and analysed and then responded to by the respective teams with the suitable response/resolution as per the TATs defined internally.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3. **Number of consumer complaints in respect of the following:**

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL					
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Not Applicable	
Forced recalls		

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes, the Company has a policy and can be accessed by the employees at the intranet.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   None

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Not Applicable

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Not Applicable

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Not Applicable

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No).**

   Not Applicable

5. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along-with impact**

      Not Applicable

   b. **Percentage of data breaches involving personally identifiable information of customers**

      Not Applicable

For and on behalf of the Board
Edelweiss Financial Services Limited

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

August 4, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Financial Services Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Edelweiss Financial Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and trusts (the Holding Company, its subsidiaries and its trusts together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, trusts and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2023, their consolidated profit including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Key audit matters	How our audit addressed the key audit matter
Impairment of receivables from financing and other business (as described in note 5.6, 13, 13.1, 14, 14.2 & 57.7 of the Consolidated Financial Statements)	
The Group's impairment provision for receivables from financing business is based on the expected credit loss approach laid down under Ind AS 109. Ind AS 109 requires the Group to provide for impairment of its financial assets as at the reporting date using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Group's financial assets (loan portfolio). In the process, a significant degree of judgement has been applied by the management for: a) Staging of financial assets (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories); b) Grouping of the loan portfolio under homogenous pools in order to determine probability of default on a collective basis; c) Assigning internal rating grades to customers for which external rating is not available; d) Calibrating external ratings-linked probability of default to align with past default rates; e) Applying assumptions regarding the probability of various scenarios and discounting rates for different loan products; f) Estimation of management overlay for macro- economic factors bearing a correlation with the credit quality of the loans. In view of such high degree of management's judgement involved in estimation of ECL, it is considered as a key audit matter.	The audit procedures, including those reported in the auditor's report of respective subsidiary companies, comprised the following: a) Read and assessed the Group's accounting policy for impairment of financial assets and its compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. b) Tested the design and operating effectiveness of the controls for staging of loans based on their past-due status. Tested samples of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. c) Performed procedures to test the inputs used in the ECL computation, on a sample basis. d) Tested assumptions used by the management in determining the overlay for macro- economic factors. e) Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of Company's policy on OTR. f) Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. g) Read the report on ECL model reviewed by external consultant during the year.

INDEPENDENT AUDITOR'S REPORT (Continued)

Key audit matters	How our audit addressed the key audit matter
IT systems and controls	
The reliability and security of IT systems play a key role in the financial reporting process of the Group. The Group's key financial accounting and reporting processes are highly automated, whereby any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records. Therefore, the assessment of the general IT controls and the application controls specific to the accounting and preparation of financial information is considered to be a key audit matter.	The audit procedures assisted by our IT specialists, including those reported in the auditor's report of respective subsidiary companies, comprised the following: a) Tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. b) Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorized. c) Tested the periodic review of access rights. Also tested requests of changes to systems for approval and authorization. d) In addition to the above, tested the design and operating effectiveness of certain automated controls that were considered as key internal controls. e) Tested the design and operating effectiveness of compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.
Valuation of Investments in Security Receipts (SR) for Edelweiss Assets Reconstruction Company Limited (as described in note 5.11, 14 & 56 of the Consolidated Financial Statements)	
The fair value of SRs is determined through discounted cash flow method which involves management judgement using level 3 inputs such as projection of future cash flows and expenses. The management has involved credit rating agencies for valuation of SR. Considering the fair valuation of investments is significant to overall consolidated financial statements and the degree of management's judgment involved in the estimate, any error in the estimate could lead to material misstatement in the consolidated financial statements. Accordingly, it is considered as a key audit matter.	The audit procedures those reported in the auditor's report of a subsidiary company, comprised the following: a) Assessment of internal controls over measurement of fair value and evaluating the methodologies, inputs, judgments made and assumptions used by management in determining fair values. b) Evaluated rationale of the models and accounting treatment applied. Compared observable inputs against independent sources and externally available market data for sample cases. c) Performed testing on a sample basis of key inputs as mentioned above to validate the reasonableness of the input values. d) Assessed disclosures included in the Financial Statements with respect to such fair valuation.

INDEPENDENT AUDITOR'S REPORT (Continued)

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

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

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

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

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (Continued)

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

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

- 31 subsidiaries, whose financial statements include total assets of ₹ 504,010.53 million as at March 31, 2023 and total revenues of ₹ 75,598.18 million and net cash inflow of ₹ 10,194.56 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management

- 7 associate companies forming part of the Group, whose statements include Group's share of net profit after tax of ₹ 307.78 million and Group's share of total comprehensive income of ₹ 326.26 million for the period from April 1, 2022 to March 30, 2023, as considered in the consolidated financial statement, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and 7 associate companies, and our report in terms of sub- sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and 7 associate companies, is based solely on the report(s) of such other auditors.

(b) The actuarial valuation of liabilities of Edelweiss Tokio Life Insurance Company Limited (ETLIFE) for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2023 is the responsibility of ETLIFE's Appointed Actuary ("the Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2023 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", Ind AS 109 "Financial Instruments", the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ('IRDAI') and the Institute of Actuaries of India in concurrence with IRDAI. The auditors have relied upon the Appointed Actuary's certificate in this regard for forming their opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists in financial statement of the ETLIFE.

INDEPENDENT AUDITOR'S REPORT (Continued)

(c) The actuarial valuation of liabilities Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited (ZGIL) for Incurred But Not Reported and Incurred But Not Enough Reported claims of ZGIL as at March 31, 2023 is the responsibility of ZGIL's Appointed Actuary. The actuarial valuation of these liabilities has been duly certified by the ZGIL's Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 "Insurance Contracts", the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with IRDAI. The auditors have relied on the ZGIL's Appointed Actuary's certificate for expressing their conclusion in this regard.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(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 email confirmation received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate, none of the directors of the Group's companies and its associate, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

INDEPENDENT AUDITOR'S REPORT (Continued)

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies and associate, incorporated in India, and the operating effectiveness of such controls refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associate, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiaries and associate incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated financial statements – Refer Note 52.1 (a) to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 83 to the consolidated financial statements in respect of such items as it relates to the Group and its associate;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate, incorporated in India during the year ended March 31, 2023.

iv. a) The respective managements of the Holding Company and its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of its knowledge and belief as disclosed in the note 69(A) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries and its associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, other than as disclosed in the note 69(B) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries and associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and

INDEPENDENT AUDITOR'S REPORT (Continued)

associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The final dividend paid by the Holding Company, its subsidiaries, associate companies incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid during the year by the Holding Company and subsidiary Company and until the date of the audit reports of such Holding Company and Subsidiary Company incorporated in India is in accordance with section 123 of the Act.

As stated in note 76 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries and associate companies incorporated in India, hence reporting under this clause is not applicable.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number:102102
UDIN: 23102102BGXJES3910
Place of Signature: Mumbai
Date: May 26, 2023

INDEPENDENT AUDITOR'S REPORT (Continued)

Annexure 1 Referred to in Paragraph Under the Heading "Report on Other Legal and Regulatory Requirements" of Our Report of Even Date on the Consolidated Financial Statements of Edelweiss Financial Services Limited

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

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

S. No.	Name	CIN	Holding company/ Subsidiary/ associate	Clause number of the CARO report which is unfavorable or adverse
1	Edelweiss Asset Reconstruction Company Limited	U67100MH2007PLC174759	Subsidiary	iii (c) and iii (d)
2	Nido Home Finance Limited (formerly Edelweiss Housing Finance Limited)	U65922MH2008PLC182906	Subsidiary	iii (c) and iii (d)
3	Ecap Securities & Investments Limited	U67190TG2008PLC057122	Subsidiary	ix (d) and xvii
4	Edelcap Securities Limited	U67120TG2008PLC057145	Subsidiary	xvii
5	Ecap Equities Limited (formerly Edel Land Limited)	U74900MH2008PLC287466	Subsidiary	i(c), iii(c), iii(d), ix(d) and xvii
6	Edelweiss Global Wealth Management Limited	U67100TG2007PLC112499	Subsidiary	xvii
7	Allium Finance Private Limited	U67120MH2008PTC180229	Subsidiary	iii (c) and iii (d)
8	Edelweiss Investment Adviser Limited	U74140TG2008PLC120334	Subsidiary	iii (c), iii (d) and xvii
9	Edelweiss Retail Finance Limited	U67120MH1997PLC285490	Subsidiary	iii (c) and iii (d)
10	ECL Finance Limited	U65990MH2005PLC154854	Subsidiary	iii (c) and iii (d) and xvii
11	Edelweiss Securities and Investments Private Limited	U65990TG2009PTC113078	Subsidiary	iii (c) and iii (d)
12	Edelweiss Rural & Corporate Services Limited	U45201TG2006PLC078157	Subsidiary	iii (c), iii (d), ix (d), ix (e), xvii and xix
13	Comtrade Commodities Services Limited	U66990GJ1995PLC025267	Subsidiary	xvii
14	Edel Finance Company Limited	U65920MH1989PLC053909	Subsidiary	xvii
15	Edelweiss Real Assets Managers Limited	U67110MH2021PLC362755	Subsidiary	xvii
16	Edelweiss Financial Services Limited	L99999MH1995PLC094641	Holding Company	ix (e)
17	Nuvama Wealth and Investment Limited (formerly Edelweiss Broking Limited)	U65100GJ2008PLC077462	Associate	iii (c)
18	Nuvama Asset Management Limited (formerly ESL Securities Limited)	U67190MH2019PLC343440	Associate	xvii
19	Nuvama Capital Services (IFSC) Limited (formerly known as Edelweiss Securities (IFSC) Limited)	U65999GJ2016PLC094838	Associate	xvii
20	Pickright Technologies Private Limited	U72200KA2019PTC126326	Associate	xvii

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number:102102
UDIN: 23102102BGXJES3910
Place of Signature: Mumbai
Date: May 26, 2023

INDEPENDENT AUDITOR'S REPORT (Continued)

Annexure 2 to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of Edelweiss Financial Services Limited

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

In conjunction with our audit of the consolidated financial statements of Edelweiss Financial Services Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Annexure 2 to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of Edelweiss Financial Services Limited (Continued)

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

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

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

Opinion

In our opinion, the Group and its associate, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 20 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number:102102
UDIN: 23102102BGXJES3910
Place of Signature: Mumbai
Date: May 26, 2023

CONSOLIDATED BALANCE SHEET

as at 31 March 2023

(Currency: Indian rupees in millions)	Note	31-Mar-2023	31-Mar-2022
ASSETS			
Financial assets			
(a) Cash and cash equivalents	8	**27,458.60**	19,885.63
(b) Bank balances other than cash and cash equivalents	9	**9,532.13**	10,503.34
(c) Derivative financial instruments	10	**779.00**	685.22
(d) Stock in trade (Securities held for trading)	11	**26,994.05**	15,118.11
(e) Trade Receivables	12	**4,133.08**	4,691.71
(f) Loans	13	**173,536.28**	200,976.16
(g) Investments	14	**144,628.19**	126,274.89
(h) Other financial assets	15	**9,187.09**	11,035.23
Total financial assets		**396,248.42**	**389,170.29**
Non-financial assets			
(a) Reinsurance assets		**3,013.36**	3,432.77
(b) Current tax assets (net)		**8,227.34**	8,912.80
(c) Deferred tax assets (net)	16	**12,115.65**	10,645.61
(d) Investment property	17	**1,822.13**	3,034.26
(e) Property, Plant and Equipment	18	**9,879.87**	10,610.19
(f) Capital work in progress	19	**7.09**	0.57
(g) Intangible assets under development	20	**240.60**	195.70
(h) Goodwill on consolidation	21	**236.60**	663.35
(i) Other Intangible assets	18	**1,285.06**	1,204.17
(j) Right to use (ROU) assets	18	**448.13**	461.58
(k) Other non- financial assets	22	**7,118.42**	4,466.51
Total non-financial assets		**44,394.25**	**43,627.51**
TOTAL ASSETS		**440,642.67**	**432,797.80**
LIABILITIES AND EQUITY			
Financial liabilities			
(a) Derivative financial instruments	10	**775.72**	2,259.89
(b) Trade Payables	23		
i. total outstanding dues of micro enterprises and small enterprises		**25.96**	17.51
ii. total outstanding dues of creditors other than micro enterprises and small enterprises		**14,096.20**	12,883.76
(c) Insurance claims payable		**509.76**	345.28
(d) Debt securities	24	**154,030.34**	155,057.04
(e) Borrowings (other than debt securities)	25	**49,947.02**	56,550.66
(f) Deposits	26	**16.25**	15.60
(g) Subordinated liabilities	27	**13,366.87**	15,486.53
(h) Lease liabilities	52	**554.08**	566.01
(i) Other financial liabilities	28	**53,516.37**	50,927.21
Total financial liabilities		**286,838.57**	**294,109.49**
Non-financial liabilities			
(a) Current tax liabilities (net)		**249.21**	173.94
(b) Provisions	29	**623.96**	495.40
(c) Policyholders' liabilities		**66,135.11**	55,288.34
(d) Deferred tax liabilities (net)	16	**1,827.60**	2,166.41
(e) Other non-financial liabilities	30	**6,505.91**	4,641.02
Total non-financial liabilities		**75,341.79**	**62,765.11**
TOTAL LIABILITIES		**362,180.36**	**356,874.60**
EQUITY			
(a) Equity Share capital	31	**898.38**	898.20
(b) Other equity	32	**66,542.74**	64,475.96
Equity attributable to owners of the parent		**67,441.12**	**65,374.16**
Equity attributable to Non-Controlling Interests		**11,021.19**	10,549.04
TOTAL EQUITY		**78,462.31**	**75,923.20**
TOTAL LIABILITIES AND EQUITY		**440,642.67**	**432,797.80**

The accompanying notes are an integral part of the Consolidated Financial Statements. 1 to 84

As per our report of even date attached

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firms Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No: 102102

Mumbai 26 May 2023

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Venkatchalam Ramaswamy
Vice Chairman & Executive Director
DIN : 00008509

Ananya Suneja
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 26 May 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2023

(Currency: Indian rupees in millions)	Note	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Revenue from operations			
Interest income	33	**29,458.64**	30,454.79
Dividend Income		**318.86**	256.47
Fee and commission income	34	**12,443.43**	14,438.26
Net gain on fair value changes	35	**23,038.52**	6,324.43
Premium from insurance business (net)		**19,278.13**	16,444.53
Other operating revenue	36	**272.78**	275.56
Total revenue from operations		**84,810.36**	**68,194.04**
Other income	37	**1,515.55**	3,931.87
Total income		**86,325.91**	**72,125.91**
Expenses			
Finance costs	38	**25,745.63**	29,841.09
Impairment on financial instruments	40	**3,618.82**	422.72
Change in valuation of credit impaired loans (Refer Note 62 & 82)		**8,852.26**	(875.72)
Employee benefits expense	39	**10,651.74**	10,642.69
Depreciation, amortisation and impairment on investment property	17 & 18	**1,381.60**	1,511.23
Change in insurance policy liability - actuarial		**11,266.18**	11,699.63
Policy benefits paid		**6,063.94**	5,125.88
Other expenses	41	**16,216.43**	12,451.13
Total expenses		**83,796.60**	**70,818.65**
Profit / (loss) before share in profit of associates and tax		**2,529.31**	1,307.26
Share in profit / (loss) of associates		**1,317.94**	966.54
Profit / (loss) before tax		**3,847.25**	**2,273.80**
Tax expense:	42		
Current tax		**1,640.48**	1,077.71
Deferred tax		**(1,848.80)**	(924.65)
Profit / (loss) for the year		**4,055.57**	**2,120.74**
Other Comprehensive Income / (loss)			
(A) (i) Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		**(12.57)**	(88.25)
Revaluation gain through Other Comprehensive Income		**-**	(518.91)
(ii) Income tax relating to items that will not be reclassified to profit or loss		**3.40**	155.55
Subtotal (A)		**(9.17)**	**(451.61)**
(B) (i) Items that will be reclassified to profit or loss			
Debt Instruments through Other Comprehensive Income		**18.32**	(822.03)
Exchange differences in translating the financial statements of foreign operations		**162.56**	81.21
(ii) Income tax relating to items that will be reclassified to profit or loss		**-**	-
Subtotal (B)		**180.88**	**(740.82)**
Share in profit / (loss) of associate (C)		**14.06**	**(1.94)**
Other comprehensive income / (loss) (A+B+C)		**185.77**	**(1,194.37)**
Total comprehensive income / (loss)		**4,241.34**	**926.37**
Profit / (loss) for the year attributable to:			
Owners of the parent		**3,441.63**	1,887.84
Non-controlling interests		**613.94**	232.90
Other comprehensive income / (loss) for the year attributable to:			
Owners of the parent		**197.73**	(732.84)
Non-controlling interests		**(11.96)**	(461.53)
Total comprehensive income / (loss) for the year attributable to:			
Owners of the parent		**3,639.36**	1,155.00
Non-controlling interests		**601.98**	(228.63)
Earnings per share (Face value ₹ 1 each)	44		
- Basic		**3.83**	2.11
- Diluted		**3.83**	2.11

The accompanying notes are an integral part of the Consolidated Financial Statements. 1 to 84

As per our report of even date attached

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firms Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No: 102102

Mumbai 26 May 2023

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Venkatchalam Ramaswamy
Vice Chairman & Executive Director
DIN : 00008509

Ananya Suneja
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 26 May 2023

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 31 March 2023

	(Currency : Indian rupees in millions)	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
A	**Cash flow from operating activities**		
	Profit / (Loss) before tax	**3,847.25**	2,273.80
	Adjustments for:		
	Depreciation, amortisation and impairment on investment property	**1,381.60**	1,511.23
	Expense on employee stock option plans and stock appreciation rights	**87.28**	106.72
	Derecognition of Goodwill	**426.75**	-
	Impairment on financial instruments	**3,618.82**	422.72
	Change in valuation of credit impaired loans	**8,852.26**	(875.72)
	Interest on income tax refund	**(191.49)**	(242.80)
	Dividend Income	**(318.86)**	(256.47)
	(Profit) / loss on sale of property, plant and equipment (net)[1]	**3.30**	25.25
	(Profit) / loss on sale of investment property (net)[1]	**(801.67)**	-
	Realised fair value (gain) / loss on financial instruments	**(7,744.04)**	(6,705.22)
	Unrealised fair value (gain) / loss on financial instruments	**(15,294.48)**	380.78
	Provision for policyholders liability	**11,266.18**	11,699.63
	Finance costs	**8,141.03**	3,637.49
	Operating cash flow before working capital changes	**13,273.93**	**11,977.41**
	Adjustments for:		
	Decrease / (increase) in trade receivables	**(4,188.00)**	(891.18)
	Decrease / (increase) in stock-in-trade	**(11,707.60)**	1,071.43
	Decrease / (increase) in Other financial/non financial assets	**(384.40)**	1,402.09
	Decrease / (increase) in Derivative Financial Instruments	**(2,246.80)**	2,779.54
	Decrease / (increase) in loans	**19,740.70**	25,523.02
	Increase / (decrease) in trade payables	**1,220.90**	8,006.50
	Increase / (decrease) in insurance claim payable	**164.50**	150.90
	Increase / (decrease) in other financial liabilities	**414.40**	6,214.57
	Increase / (decrease) in Provisions	**116.00**	735.87
	Increase / (decrease) in provision for policyholders' liabilities	**(421.40)**	39.40
	Increase / (decrease) in other non-financial liabilities	**1,865.05**	1,491.48
	Cash generated from / (used in) operations	**17,847.28**	**58,501.03**
	Income taxes paid (net of refund)	**(648.40)**	(2,578.55)
	Net cash generated from / (used in) operating activities - A	**17,198.88**	**55,922.48**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment and intangibles	**(818.60)**	(1,028.39)
	Proceeds from sale of property, plant and equipment	**46.20**	421.37
	(Purchase) / sale of investment property[1]	**2,012.76**	360.30
	(Purchase) / sale of investments[1]	**4,927.15**	(8,703.26)
	Dividend on investments	**318.86**	256.47
	(Investment) / Maturity of Bank deposits	**971.20**	(1,886.40)
	Net cash generated from / (used in) investing activities - B	**7,457.57**	**(10,579.91)**

CONSOLIDATED STATEMENT OF CASH FLOW (Continued)

for the year ended 31 March 2023

(Currency : Indian rupees in millions)	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
C Cash flow from financing activities		
Proceeds from issue of shares including premium and share application money	**1.65**	318.44
Investment by Non Controlling Interest	**-**	(809.33)
Proceeds / (repayment) from Debt securities[1]	**1,073.17**	(19,801.50)
Proceeds / (repayment) from Borrowings (other than debt securities)[1]	**(6,603.64)**	(37,768.60)
Proceeds / (repayment) from Deposits[1]	**0.65**	(80.40)
Proceeds / (repayment) from Subordinated Liabilities[1]	**(2,119.66)**	398.80
Dividend	**(1,376.06)**	(1,315.89)
Lease payment	**(38.49)**	(38.50)
Effect of change in group interest	**(42.56)**	(1,852.88)
Finance cost paid	**(8,102.54)**	(3,598.99)
Proceeds/(repayment) on ESOP/SAR charge/(reversal)	**124.00**	106.76
Net cash generated from / (used in) financing activities - C	**(17,083.48)**	**(64,442.09)**
Net increase in cash and cash equivalents (A+B+C)	**7,572.97**	**(19,099.52)**
Cash and cash equivalents as at the beginning of the year	**19,885.63**	38,985.15
Cash and cash equivalents as at the end of the year	**27,458.60**	19,885.63

[1] Net figures have been reported on account of volume of transactions.

Notes:

1. Cash receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows.
2. Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.
3. Net cash generated from/(used in) operating activities includes interest received ₹ 29,458.64 million (Previous year ₹ 30,454.79 million) and interest paid ₹ 17,604.60 million (Previous year ₹ 26,203,60 million).
4. Refer note 51 for changes in liabilities arising from financing activities.

The accompanying notes are an integral part of the Consolidated Financial Statements. 1 to 84

As per our report of even date attached

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firms Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No: 102102

Mumbai 26 May 2023

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Venkatchalam Ramaswamy
Vice Chairman & Executive Director
DIN : 00008509

Ananya Suneja
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 26 May 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

(Currency : Indian rupees in millions)

A Equity share capital

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Balance at the beginning of the year	**898.20**	890.90
Changes in Equity Share Capital due to prior period errors	**-**	-
Restated balance at the beginning of the current year	**898.20**	**890.90**
Changes in equity share capital during the year	**0.18**	7.30
Balance at the end of the year	**898.38**	**898.20**

1. Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Edelweiss Financial Services Limited standalone financial statements, these trusts are holding 44,896,780 number of equity shares amounting to ₹ 44.90 million (Previous year ₹ 44.90 million). These are treasury shares and deducted from total outstanding equity shares.

2. Refer note 31 for detailed quantitative information including investors holding more than 5% of equity share capital.

3. The above two Welfare Trust (s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.

B Other Equity

Particulars	Share application money pending allotment	Reserves and Surplus										Other Comprehensive Income				Total attributable to owners of the parent	Non-Controlling Interest
		Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Employee Stock Options Plan (ESOP) reserve/Stock appreciation rights (SAR)	Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	Reserve under section 29C of the National Housing Bank Act, 1987	General reserve	Debenture redemption reserve	Impairment Reserve	Retained earnings	Exchange differences on translating the financial statements of a foreign operation	Revaluation Reserve through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Debt instruments through Other Comprehensive Income		
Balance as at 31-Mar-2021	**1.70**	**8,456.79**	**187.87**	**29,134.23**	**1,128.28**	**6,757.98**	**547.80**	**717.15**	**6,765.61**	**1,829.25**	**6,067.68**	**(17.52)**	**4,571.09**	**(1,700.00)**	**432.78**	**64,880.69**	**10,998.36**
Profit or loss	-	-	-	-	-	-	-	-	-	-	1,887.84	-	-	-	-	1,887.84	232.90
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	(64.84)	81.21	(345.59)	-	(403.62)	(732.84)	(461.53)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,823.00**	**81.21**	**(345.59)**	**-**	**(403.62)**	**1,155.00**	**(228.63)**
Dividends to equity shareholders	-	-	-	-	-	-	-	-	-	-	(709.54)	-	-	-	-	(709.54)	-
Transfers to securities premium on exercise of ESOP	-	-	-	110.75	(110.75)	-	-	-	-	-	-	-	-	-	-	-	-
Issue of equity instruments on ESOP	(320.14)	-	-	312.84	-	-	-	-	-	-	-	-	-	-	-	(7.30)	-
Share application money received	318.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	318.44	-
ESOP charge	-	-	-	-	63.95	-	-	-	-	-	-	-	-	-	-	63.95	-
Stock appreciation rights (SAR) charge	-	-	-	-	119.64	-	-	-	-	-	-	-	-	-	-	119.64	-
Reversal on account of lapses of ESOP/SAR	-	-	-	-	(439.54)	-	-	-	-	-	-	-	-	-	-	(439.54)	-
Transfer Under 45 -IC RBI	-	-	-	-	-	290.58	-	-	-	-	(290.58)	-	-	-	-	-	-
Transfer Under 29C NHB	-	-	-	-	-	-	27.62	-	-	-	(27.62)	-	-	-	-	-	-
Transfer under Impairment reserve	-	-	-	-	-	-	-	-	-	250.24	(250.24)	-	-	-	-	-	-
Transfer under Debenture Redemption Reserve	-	-	-	-	-	-	-	-	(3,221.97)	-	3,221.97	-	-	-	-	-	-
Transfer under Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	504.22	-	(504.22)	-	-	-	-
Effect of changes in group's interest	-	(430.34)	-	-	-	-	-	-	-	-	(383.44)	(101.51)	-	-	9.91	(905.38)	(220.69)
Balance as at 31-Mar-2022	**-**	**8,026.45**	**187.87**	**29,557.82**	**761.58**	**7,048.56**	**575.42**	**717.15**	**3,543.64**	**2,079.49**	**9,955.45**	**(37.82)**	**3,721.28**	**(1,700.00)**	**39.07**	**64,475.96**	**10,549.04**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

for the year ended 31 March 2023

(Currency : Indian rupees in millions)

B Other Equity (Continued)

Particulars	Share application money pending allotment	Reserves and Surplus										Other Comprehensive Income				Total attributable to owners of the parent	Non-Controlling Interest
		Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Employee Stock Options Plan (ESOP) reserve/Stock appreciation rights (SAR)	Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	Reserve under section 29C of the National Housing Bank Act, 1987	General reserve	Debenture redemption reserve	Impairment Reserve	Retained earnings	Exchange differences on translating the financial statements of a foreign operation	Revaluation Reserve through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Debt instruments through Other Comprehensive Income		
Balance as at 31-Mar-2022	-	8,026.45	187.87	29,557.82	761.58	7,048.56	575.42	717.15	3,543.64	2,079.49	9,955.45	(37.82)	3,721.28	(1,700.00)	39.07	64,475.96	10,549.04
Profit or loss	-	-	-	-	-	-	-	-	-	-	3,441.63	-	-	-	-	3,441.63	613.94
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	6.04	162.55	-	-	29.14	197.73	(11.96)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	3,447.67	162.55	-	-	29.14	3,639.36	601.98
Dividends to equity shareholders	-	-	-	-	-	-	-	-	-	-	(1,325.35)	-	-	-	-	(1,325.35)	-
Transfers to securities premium on exercise of ESOP	-	-	-	23.28	(23.28)	-	-	-	-	-	-	-	-	-	-	-	-
Issue of equity instruments on ESOP	(1.65)	-	-	1.47	-	-	-	-	-	-	-	-	-	-	-	(0.18)	-
Share application money received	1.65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.65	-
ESOP charge	-	-	-	-	32.21	-	-	-	-	-	-	-	-	-	-	32.21	-
Stock appreciation rights (SAR) charge	-	-	-	-	108.81	-	-	-	-	-	-	-	-	-	-	108.81	-
Reversal on account of lapses of ESOP/SAR	-	-	-	-	(79.94)	-	-	-	-	-	-	-	-	-	-	(79.94)	-
ESOP/SAR charges transferred to reserves	-	-	-	-	(100.66)	-	-	-	-	-	100.66	-	-	-	-	-	-
Transfer Under 45 -IC RBI	-	-	-	-	-	415.42	-	-	-	-	(415.42)	-	-	-	-	-	-
Transfer Under 29C NHB	-	-	-	-	-	-	32.13	-	-	-	(32.13)	-	-	-	-	-	-
Transfer under Impairment reserve	-	-	-	-	-	-	-	-	-	262.77	(262.77)	-	-	-	-	-	-
Transfer under Debenture Redemption Reserve	-	-	-	-	-	-	-	-	(469.63)	-	469.63	-	-	-	-	-	-
Transfer under Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	96.09	-	(96.09)	-	-	-	-
Transfer under Capital Redemption Reserve	-	-	100.00	-	-	-	-	-	-	-	(100.00)	-	-	-	-	-	-
Effect of changes in group's interest	-	-	-	-	-	-	-	-	-	-	(305.57)	(4.21)	-	-	-	(309.78)	(129.83)
Balance as at 31-Mar-2023	-	8,026.45	287.87	29,582.57	698.72	7,463.98	607.55	717.15	3,074.01	2,342.26	11,628.26	120.52	3,625.19	(1,700.00)	68.21	66,542.74	11,021.19

Refer note 32 for information on nature of reserves maintained at Group level

The accompanying notes are an integral part of the Consolidated Financial Statements 1 to 84.

As per our report of even date attached

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firms Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No: 102102

Mumbai 26 May 2023

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Venkatchalam Ramaswamy
Vice Chairman & Executive Director
DIN : 00008509

Ananya Suneja
Chief Financial Officer
Mumbai 26 May 2023

Tarun Khurana
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Edelweiss Financial Services Limited (the Holding Company), Public Limited company domiciled in India, and incorporated on 21st November 1995 under the provision of Companies Act, 1956. The shares of the Holding Company are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE), India. The Holding Company is principally engaged in providing investment banking services and holding company activities comprising of development, managerial and financial support to the business of Edelweiss group entities. The Holding Company has its registered office at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai, India.

2. Basis of preparation of consolidated financial statements

The consolidated financial statements relate to Edelweiss Financial Services Limited ('the Holding Company') and its subsidiaries, consolidating trusts (together 'the Group') and associates. The Group offers wide suite of financial services products to retail and institutional customers. Group is primarily engaged in (a) agency business, which includes advisory and other fee based services, (b) Capital business which includes lending business and investment activities, (c) Life insurance and General insurance business (d) Asset reconstruction business and (e) Treasury business includes income from trading activities.

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). These consolidated financial statements have been approved for issue by the Board of Directors of the Holding Company on 26 May 2023.

These consolidated financial statements have been prepared on a historical cost basis, except for entities under liquidation / dissolution[1] and certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, fair value through Profit or Loss and other financial assets held for trading, certain property plant and equipment which have been measured at fair value. The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

3. Presentation of financial statements

The Group prepares and presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (noncurrent) is presented in Note no. 50.

The Group generally reports financial assets and financial liabilities on gross basis in the balance sheet. They are offset and reported as net only where it is permissible by Ind AS or in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

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

[1] Refer note 58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

4. Basis of consolidation:

The consolidated financial statements incorporate the financial statements of the Holding Company and all its subsidiaries as at 31 March 2023 including any controlled structured entities, being the entities that it controls . Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary. In the event of any change in one or more of the three elements of control, the Group reassess nature of control and stops consolidation if it concludes that the Group has lost the control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

Consolidation procedure:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill, refer note no 5.25

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

4. Basis of consolidation: (Continued)

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

Given the level of judgement required regarding consolidation of structured entities, these considerations are described further in the significant accounting judgements in Note 6.1(c). Disclosures for investment in subsidiaries, and structured entities are provided in Note 58.

The financial statements of all subsidiaries incorporated outside India are converted on the following basis: (a) Income and expenses are converted at the average rate of exchange applicable for the period/year and (b) All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of period/year end translation is debited or credited as "Exchange differences on translating the financial statements of a foreign operation" forming part of Other Comprehensive Income and accumulated as a separate component of other equity.

Investment in associates:

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

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

5. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

5.1 Recognition of Interest, Dividend income and Donation income

Interest Income

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs attributable to acquisition of a financial instrument Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.1 Recognition of Interest, Dividend income and Donation income (Continued)

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

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

For purchased or originated credit-impaired (POCI) financial assets, the Group calculates interest income by calculating the credit- adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

Dividend Income

Dividend income is recognised in profit or loss when the Group's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

Donation/grants received

General donations are recognised as income in the year of receipt in the statement of profit and loss. Amount received with a specific direction from donors towards a particular project for more than a financial year is recognized as income, only to the extent of cost incurred in that financial year and balance is recorded as liability. Amounts received with a specific direction from donors that such amounts shall from a part of Corpus of the Foundation are credited as Corpus Fund and disclosed as a liability in the Balance Sheet.

5.2 Financial Instruments

5.2.1 Date of recognition

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

5.2.2 Initial measurement of financial instruments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.2 Financial Instruments (Continued)

5.2.3 Day 1 profit or loss

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

5.3 Classification of financial instruments

5.3.1 Financial assets:

The Group classifies all its financial assets based on the business model for managing the assets and the asset's contractual Terms. Financial Assets are measured at either:

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

The Group measures debt financial assets that meet the following conditions at amortised cost:

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

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

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

All other financial assets are initially measured at fair value and subsequently measured at FVTPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.3 Classification of financial instruments (Continued)

5.3.1 Financial assets: (Continued)

5.3.1.1 Amortised cost and Effective interest method

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

5.3.1.2 Financial assets held for trading

The Group classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of pattern of short-term profit taking. Held-for- trading assets are recorded and measured in the balance sheet at fair value. Financial assets designated at FVTPL, please refer note 5.3.2.2

5.3.1.3 Financial asset measured at FVOCI

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

5.3.1.4 Investment in equity instruments

The Group subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to irrevocably classify some of its strategic equity investments to be measured at FVOCI. Such classification is determined on an instrument- by-instrument basis.

5.3.2 Financial liabilities

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

5.3.2.1 Debt securities and other borrowed funds

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.3 Classification of financial instruments (Continued)

5.3.2 Financial liabilities (Continued)

5.3.2.2 Financial assets and Financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value. An individual instrument is designated at FVTPL upon initial recognition only when one of the following criterias are met.

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

Financial assets and financial liabilities measured at FVTPL are recorded in the balance sheet at fair value and any changes in fair value are recorded in profit and loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, as the case may be, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

5.3.2.3 Financial guarantee:

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

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

5.3.2.4 Loan commitment

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

5.3.3 Financial liabilities and equity instruments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.3 Classification of financial instruments (Continued)

5.3.3 Financial liabilities and equity instruments (Continued)

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

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

Derivatives

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non- financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.

- It is settled at a future date.

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

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

Embedded derivatives

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

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 though 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.3 Classification of financial instruments (Continued)

5.3.3 Financial liabilities and equity instruments (Continued)

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

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.3 Classification of financial instruments (Continued)

5.3.3 Financial liabilities and equity instruments (Continued)

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

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

5.4 Reclassification of financial assets and financial liabilities

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

5.5 Derecognition of financial assets and financial liabilities

5.5.1 Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, it substantially becomes a new financial assets. In these case to the extent that impairment loss has not already been recorded difference is recognised as derecognition gain or loss in the statement of profit and loss. The newly recognised financial asset are treated as Stage 1 for ECL measurement purposes, unless the new financial asset is classified as Purchased Or Originated Credit Impaired (POCI) assets.

While assessing whether or not to derecognise a financial asset, the Group considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Group calculates modified carrying value by discounting modified cash flow at the original EIR and records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

5.5.2 Derecognition of financial assets (other than due to substantial modification)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.5 Derecognition of financial assets and financial liabilities (Continued)

5.5.2 Derecognition of financial assets (other than due to substantial modification) (Continued)

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

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

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

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

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

A transfer qualifies for derecognition only if either:

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

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

5.5.3 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and a new financial liability is recognised. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, would be recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.6 Impairment of financial assets

The Group records allowance for expected credit losses for all financial assets, other than financial assets held at FVTPL, together with loan commitment and financial guarantee contracts. Equity instruments are not subjected to impairment allowance.

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.7 Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Depending on its form, Collateral can have a significant financial effect in mitigating the Group's credit risk and the fair value of collateral affects the calculation of ECLs. Fair value of Collateral is generally assessed, at the inception and re- assessed on a periodical basis. Collateral with frequent changes in underlying value and requiring counterparty to maintain stipulated margin/security cover, is valued daily.

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

5.8 Repossessed Collateral

The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Repossessed assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Other assets are transferred to 'Assets held for sale' at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Group's policy.

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

5.9 Write off

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

5.10 Forborne and modified loan

Considering borrower's financial difficulties the Group may sometimes make some concessions or modifications to the original terms of loans. The Group considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group would not have agreed to them if the borrower had been in good financial health. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms are renegotiated, impairment is measured using the original EIR on modified cash flows. Where such concessions are granted Group continue to monitor forborne loans for an observable period for regular payment of renegotiated cash flows. Group evaluates each case for derecognition and classification of loan in Stage 2 or Stage 3. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset, until it is collected or written off.

5.11 Determination of fair value

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.11 Determination of fair value (Continued)

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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

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

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

5.12 Revenue from contracts with customers

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

I. Identification of contract

II. Identification of the separate performance obligation in the contract

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.12 Revenue from contracts with customers (Continued)

III. Determination of transaction price

IV. Allocation of transaction price to separate performance obligation and

V. Recognition of revenue when (or as) each performance obligation is satisfied

The Group recognises revenue (net of applicable Goods and Service Tax (GST)) from the following sources:

a. Fee income including investment banking, advisory fees and syndication fees, is accounted in accordance with agreement entered into with respective investment managers / advisors.

b. Clearing fee income arises, when the performance obligation related to trade is executed and a valid contract is generated for the trade. Fee income is accounted for, at a point in time or over a period of time in accordance with the terms and contracts entered into between the Group and the counterparty.

c. Brokerage income including client subscription fees is recognised as per contracted rates at the point in time when transaction's performance obligation is satisfied on behalf of the customers on the trade date.

d. Investment management fees are recognised net of GST over the tenure in accordance with the Investment Management Agreement with Investment Manager.

e. Management fee from trusts declared by it for acquisition of financial assets and the same is accounted for over the tenure as per terms of the relevant trust deeds and offer document issued by the Trust. Further any upside share in excess realisation over acquisition price of financial asset is recognised in accordance with terms of the relevant trust deed/offer document. Redemption incentive and recovery incentive is accounted over the period on cash basis, i.e. as and when received by the Group as per the terms of the relevant trust deeds and offer document issued by the Trust.

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

g. Interest on delayed payments and rental income are recognised as revenue on certainty of realisation.

h. Agency commission/procurement income is recorded in pursuant to terms and conditions mentioned in scope of work or agreement.

i. Real estate advisory fee is recognised as per the terms and conditions mentioned in the agreement.

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

k. Revenue from rendering of trustee services is recognised in accordance with the terms and conditions of the Compensation Agreement between the trustee company and the fund.

l. Sales of Commodities is accounted as per the terms of agreement with parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.12 Revenue from contracts with customers (Continued)

m. The Group recognises incremental costs of obtaining a contract with a customer as an asset if it expects to recover those costs. This asset is amortised to profit or loss on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.

n. Lease rentals are recognised as income in Statement of Profit and Loss on a straight-line basis over the lease term. Costs related to operating and maintenance of investment property is recognised as expense.

o. Insurance and other claims are recognised as revenue on certainty of realisation.

p. Profit or loss on sale of investments is recognised on trade date basis.

5.13 Leases

Group as a lessee

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

Lease Liabilities

At the initial recognition, the Group measures lease liabilities at present value of all lease payments discounted, using the Group's incremental cost of borrowing, to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Subsequently, the lease liability is

- increased to reflect the accretion of interest; and
- reduced for the lease payments made and
- remeasured to reflect any change in the lease term, change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments), or change in option to purchase the underlying asset.

Measurement of Right of use assets

The Group recognises 'Right-of-Use' assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The cost of 'Right-of-Use' assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.13 Leases (Continued)

Subsequently 'Right-of-Use' assets are measured at cost less any accumulated depreciation; and impairment losses; and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term or the estimated useful lives of the assets whichever is short.

Short term lease

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

Group as lessor

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

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

5.14 Earnings per share

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

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

5.15 Foreign currency transactions

The Consolidated Financial information are presented in Indian Rupees which is also functional currency of the Parent. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non- monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange Translation Reserve (FCTR) thus created is recognised in Other Comprehensive Income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.15 Foreign currency transactions (Continued)

In respect of monetary assets and liabilities, in ordinary course of business, are translated at exchange rate prevailing at the dates of the transactions and subsequently remeasured at rates prevailing at end of each reporting period. Exchange gain/(loss) arising thereof is recognised in profit or loss in the period in which they arise.

5.16 Retirement and other employee benefit

Provident fund and national pension scheme

The Group contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for as expense, when an employee renders the related service in the statement of profit and loss.

Gratuity

The Group's gratuity scheme is a defined benefit plan. An independent actuarial valuation is carried out to determines the present value of the obligation under such benefit plan using the Projected Unit Credit Method. Benefits in respect of gratuity are funded with an Insurance company approved by Insurance Regulatory and Development Authority (IRDA). Any deficits in plan assets managed by Insurer as compared to present valuation of obligation, determined by actuary, are recognised as a liability.

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

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

Compensated Absences

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

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.17 Share-based payment arrangements

Equity-settled share- based payments to employees are granted by the ultimate Holding Company. These are measured by reference to the fair value of the equity instruments at the grant date. These includes Stock Appreciation Rights (SARs) which grants employees right to receive the difference between the SAR price and the market price of equity shares of the ultimate Holding Company on the date of vesting. Settlement of the difference can be made, either in cash or by issuance of equity shares of the ultimate Holding Company, is at the discretion of the ultimate Holding Company. These are classified as equity settled share-based transaction.

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

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

Property plant and equipment (PPE) is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. PPE is recognised when it is probable that future economic benefits associated with the item is expected to flow to the Company and the cost of the item can be measured reliably. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.18 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 fixtures	10 years
Vehicles	8 years
Vessel (Boat)	13 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years
Solar power plant	15 years

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

Subsequent measurement of land and building under revaluation model

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

Right-of-use assets are depreciated on a straight-line basis over the lease term.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.19 Intangible assets

The Group's intangible assets mainly include the value of computer software and management rights. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in a business combination are recognised at their fair value as at the date of acquisition. Subsequently, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognised in the statement of profit and loss when the asset is derecognised.

5.20 Impairment of non-financial assets

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

5.21 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

5.22 Provisions and other contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre- tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.22 Provisions and other contingent liabilities (Continued)

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

5.23 Income tax

Income tax expense represents the sum of the current tax and deferred tax.

5.23.1 Current tax

The tax payable for the reporting period is computed on taxable profit for the year. The Group's current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

5.23.2 Deferred tax

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.23 Income tax expenses (Continued)

5.23.2 Deferred tax (Continued)

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

- the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or

- tax planning opportunities are available that will create taxable profit in appropriate periods.

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

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

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

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

Minimum alternate tax (MAT)

MAT paid in a year is charged to the statement of profit and loss as current tax. The Group recognises unused MAT credit as a deferred tax asset only to the extent that it is probable that the Group will be able to utilise during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises deferred tax asset (MAT credit) as an asset, the said asset is created by way of credit to the statement of profit and loss. The Group reviews the MAT asset at each reporting date and writes down the asset to the extent that it is not probable that the Group will be able to utilise it during the specified period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.24 Investment properties

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

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

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

5.25 Business Combination

The acquisition method of accounting is used for business combinations by the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is tested for impairment annually or more frequently if impairment indicators exists. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Business combination under common control

Common control business combinations includes transactions, such as transfer of subsidiaries or businesses, between entities within a group. Group has accounted all such transactions based on pooling of interest method, as follows:-

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities.
- The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.26 Significant accounting policies of life insurance business (Edelweiss Tokio Life Insurance Company Limited ("ETLIFE")):

a. Product classification

Insurance contract

Insurance contracts are those contracts when ETLIFE has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

As a general guideline, ETLIFE determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Such contract remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Contracts can be classified as insurance contracts after inception if insurance risk becomes significant.

Investment contract

Investment contracts are those contracts which are not insurance contract. Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant. Some insurance and investment contracts contain a discretionary participation feature (DPF), which is a contractual right to receive additional benefits as a supplement to guaranteed benefits.

Insurance and investment contracts are further classified as with DPF, Linked Business and Others. Insurance contracts and investment contracts with DPF are measured and accounted under existing accounting practices at the date of transition to Ind AS which is in accordance with Ind AS 104.

b. Revenue recognition

- Premium Income

  Premium income on insurance contracts and investment contracts with DPF are recognised as income when due from policyholders. For regular premium contracts, receivables are recognised at the date when payments are due.

  In respect of linked business, premium income is recognised when the associated units are allotted. Top up premiums paid by unit-linked policyholders are considered as single premium and recognised as income when the associated units are created.

  Where policies lapse due to non-receipt of premiums, then all the related premium income accrued but not received from the date they are deemed to have lapsed is offset against premiums. Premium on lapsed policies is recognised as income on receipt basis on reinstatement or revival of these policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.26 Significant accounting policies of life insurance business (Edelweiss Tokio Life Insurance Company Limited ("ETLIFE")): (Continued)

- Premium Income (Continued)

  Investments contract policyholders are charged fees for policy administration, investment management, surrenders or other contract services. The fees may be fixed amounts or vary with the amounts being managed and will generally be charged as an adjustment to the policyholder's balance.

  For investment contract without DPF, deposit accounting in accordance with Ind AS 104 and Ind AS 109 is followed. Consequently only to the extent of charges and fees collected from such investment contract is accounted as income in statement of profit and loss. unless they relate to services to be provided in future periods, in which case they are deferred and recognized as and when the services are provided.

- Reinsurance premium ceded

  Reinsurance premium ceded is accounted at the time of recognition of premium income in accordance with the treaty or in principle arrangement/agreement with the reinsurers.

- Income from Unit Linked Policies

  Income from unit-linked policies, which include fund management charges, policy administration charges, mortality charges and other charges, wherever applicable, are recovered from the unit-linked funds in accordance with the terms and conditions of the policies issued and are recognised as and when due.

- Fee management charges of investment contract

  Investments contract policyholders are charged fees for policy administration, investment management, surrenders or other contract services. The fees may be fixed amounts or vary with the amounts being managed and will generally be charged as an adjustment to the policyholder's balance. The fees are recognised as revenue in the period in which they are collected unless they relate to services to be provided in future periods, in which case they are deferred and recognised as and when the services are provided.

- Interest income on policy loans is recognised using effective interest rate method

c. Acquisition costs

Acquisition cost which are primarily relatable to the acquisition of insurance and investment contracts with DPF are expensed in the period in which they are incurred.

For investment contracts with or without DPF, acquisition costs that are directly attributable to securing an investment contract are deferred and amortised over the period in which the service is provided.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.26 Significant accounting policies of life insurance business (Edelweiss Tokio Life Insurance Company Limited ("ETLIFE")): (Continued)

c. Acquisition costs (Continued)

Benefits paid:

Benefits paid consists of the policy benefit and claim settlement costs, if any.

- Non-linked business

  Death, rider, withdrawals and surrender claims are accounted for on receipt of intimation. Maturity, survival benefit and annuities are accounted when due.

- Linked-business

  Death and rider are accounted for on receipt of intimation. Maturity claims and survival benefit are accounted for on due basis when the associated units are cancelled. Surrenders and withdrawals are accounted for on receipt of intimation. Amount payable on lapsed/ discontinued policies are accounted for on expiry of lock in period of these policies. Surrenders, withdrawals and lapsation are disclosed at net of charges recoverable.

- Reinsurance

  Reinsurance claims receivable are accounted for in the same period as the related claim.

d. Reinsurance ceded

ETLIFE cedes reinsurance in the normal course of business, with retention limits varying by line of business. Premiums ceded and claims reimbursed are presented on a gross basis in the statement of profit and loss.

Reinsurance assets primarily include balances due from reinsurance companies for ceded insurance. Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying contract liabilities, outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. The impairment loss is recorded in the statement of Profit or loss.

e. Liability adequacy test

ETLIFE assesses at the end of each reporting period whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency shall be recognised in the statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.26 Significant accounting policies of life insurance business (Edelweiss Tokio Life Insurance Company Limited ("ETLIFE")): (Continued)

f. Policyholder Liability

Insurance contract and investment contract with DPF.

Under the Ind AS 104 requirement, insurance, and investment contract with DPF claims / liabilities are measured using the accounting policies consistent with those adopted previously under existing accounting practices.

Hence, the policyholder liabilities are calculated in accordance with the accepted actuarial practice, requirements of Insurance Act, 1938 and amendments thereafter, applicable regulations notified by the Insurance Regulatory and Development Authority of India (IRDAI), and Actuarial Practice Standards issued by the Institute of Actuaries of India.

g. Investment contracts without DPF

Liability in respect of investment contracts is recognised in accordance with Ind AS, taking into account accepted actuarial practices. Deposits (premium amount) collected are not accounted for through the statement of profit or loss but are accounted for directly through the balance sheet as an addition to the investment contract liability. Amounts paid (benefit amounts) are recorded as reductions of the investment contract liability.

h. Unclaimed amount of policyholders

- Assets held for unclaimed amount of policyholders is created and maintained in accordance with the requirement of IRDAI (Investments) Regulations, 2016 read with read along with Master Circular and guidelines amended from time to time.
- Unclaimed amount of policyholders' assets grouped under 'Other financial assets' is invested in money market instruments and / or fixed deposits of scheduled banks which are valued at amortised cost.
- Income on unclaimed amount of policyholders is credited to respective unclaimed account and is accounted for on an accrual basis.
- Amount payable on account of income earned on assets held for unclaimed amount of policyholders is accounted for on an accrual basis and is disclosed net of fund management charges.
- Unclaimed amount of policyholders' liability grouped under trade payables is determined on the basis of NAV of the units outstanding as at the valuation date.
- Amounts remaining unclaimed for a period of 10 years together with all respective accretions to the fund are deposited into the Senior Citizen Welfare Fund (SCWF) in accordance with requirement of above mentioned regulations.
- Premium Income

  Premium (net of goods and service tax), including reinstatement premium on direct business and reinsurance accepted, other than for Long term motor insurance policies for new cars and new two wheelers ('Long-term motor insurance policies') issued on and after September 1, 2018, having term of more than one year, is recognized as income at the commencement of risk over the contract period or the period of risk, whichever is appropriate, on a gross basis and for installment cases, it is recognized on installment due dates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.27 Significant accounting policies of General insurance business (Zuno General Insurance Limited "ZGIL" (formerly known as Edelweiss General Insurance Company Limited "EGICL"))

Revenue recognition in general insurance business (Continued)

Own Damage coverage premium in Long-term motor insurance policies is recognized in accordance with the movement IDV (Insured declared value) on a yearly basis over the policy period and Third Party coverage premium is recognized equally on a yearly basis over the policy period at the commencement of risk on 1/n basis where 'n' denotes the term of the policy period in years.

Reinstatement premium is recorded as and when such premiums are recovered. Any subsequent revisions to premium are recognized in the year in which they occur over the remaining period of risk or contract period, as applicable. Adjustments to premium income arising on cancellation of policies are recognized in the period in which they are cancelled.

- Reinsurance Ceded

Insurance premium on ceding of the risk other than Long-term motor insurance policies is recognized in the period in which the risk commences in accordance with reinsurance arrangements with the reinsurers. In case of Long-term motor insurance policies reinsurance premium is recognized on the insurance premium allocated for the year in accordance with reinsurance arrangements with the reinsurers. Any subsequent revisions to, refunds or cancellations of premiums are recognized in the year in which they occur.

Premium on excess of loss reinsurance cover is accounted as per the terms of the reinsurance arrangements. Adjustment to reinsurance premium arising on cancellation of policies is recognized in the period in which they are cancelled.

- Commission income from reinsurance ceded

Commission from reinsurance ceded is recognised as income on ceding of reinsurance premium in the period of ceding of risk. Profit commission under reinsurance treaties, wherever applicable, is recognised as income in the year of final determination of profits as confirmed by reinsurers and combined with commission on reinsurance ceded.

- Reserve for Unexpired Risk

Reserve for unexpired risk represent that part of net written premium which is attributable to and allocated to the succeeding accounting periods. Reserve for unexpired risk is calculated on net written premium on all unexpired policies at the balance sheet date based on 1/365th method for all segments, other than Health insurance policies with Health 241 Add ON cover. In Marine Hull business it is subject to a minimum of 100%.

In Switch product, the unexpired risk for Accidental damage cover is calculated on basis its usages i.e. used premium is accounted as earned premium and unused portion is accounted as unexpired risk reserve and for Fire & theft cover the unexpired risk is calculated on net written premium based on 1/365th method.

In Health insurance policies with Health 241 Add ON cover; the unexpired risk is calculated on net written premium on all unexpired policies at the balance sheet date based on:

a. 1/730 basis where there is no claim reported in the 1st year of policy

b. 1/365 basis where the claim is reported in the 1st year of policy

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

5. Significant accounting policies (Continued)

5.27 Significant accounting policies of General insurance business (Zuno General Insurance Limited "ZGIL" (formerly known as Edelweiss General Insurance Company Limited "EGICL")) (Continued)

Revenue recognition in general insurance business (Continued)

- Claims Incurred

  Claims incurred comprise of claims paid (net of salvage and other recoveries), change in estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER). Further, claims incurred also include specific claim settlement costs comprising survey fees, legal expenses and other directly attributable costs. Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation based on internal management estimates or on estimates from surveyors/insured in the respective revenue account(s).

  Estimated liability for outstanding claims at balance sheet date is recorded net of claims recoverable from / payable to co-insurers / reinsurers, salvage to the extent there is certainty of realisation and other recoveries. Estimated liability for outstanding claims is determined by the management on the basis of ultimate amounts likely to be paid on each claim, established by the management in light of past experience and progressively modified for changes as appropriate, on availability of further information and in cases where claim payment period exceeds four years based on actuarial valuation. These estimates include claim settlement costs likely to be incurred to settle outstanding claims.

  IBNR reserves are provisions for claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, for claims that have been incurred but are not enough reported (IBNER). The provision for IBNR and IBNER is based on actuarial estimate duly certified by the Appointed Actuary of ZGIL. The actuarial estimate is derived in accordance with relevant IRDAI regulations and Guidance Note GN 21 issued by the Institute of Actuaries of India. The Appointed Actuary has certified that the methodology and assumptions used to estimate the liability are appropriate and in accordance with guidelines and norms issued by the Institute of Actuaries of India in concurrence with the IRDAI regulations.

- Premium deficiency

  Premium deficiency ('PDR') is recognised at segmental revenue account level, when the sum of expected net claim costs, related expenses and maintenance costs (related to claims handling) exceed the reserve for unexpired risks. The premium deficiency is calculated and duly certified by the Appointed Actuary.

6. Critical accounting judgements and key sources of estimation uncertainty

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

6. Critical accounting judgements and key sources of estimation uncertainty (Continued)

6.1. Critical judgements in applying accounting policies

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

a. Business model assessment

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

b. Significant increase in credit risk

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

c. Consolidation of structured entities

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

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

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

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

6. Critical accounting judgements and key sources of estimation uncertainty (Continued)

6.2 Key sources of estimation uncertainty

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

a. Fair value of financial instruments

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

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

b. Impairment of financial assets

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

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

- PD calculation includes historical data, assumptions and expectations of future conditions.
- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

6. Critical accounting judgements and key sources of estimation uncertainty (Continued)

6.2 Key sources of estimation uncertainty (Continued)

c. Effective interest rate method

The Group's EIR methodology, as explained in Note 5.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle.

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

d. Accounting for deferred taxes

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

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

e. Estimating the incremental borrowing rate

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

f. Asset liability management

Management has made an assessment of its ability to continue and is satisfied that it has the resources to continue in business for the foreseeable future.

7. Standards issued but not yet effective

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

(i) Amendment to Ind AS 8 - Definition of Accounting Estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

7. Standards issued but not yet effective (Continued)

(ii) Amendment to Ind AS 1- Disclosure of Accounting Policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Consequential amendments have been made in Ind AS 107.

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

(iii) Amendment to Ind AS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

Consequential amendments have been made in Ind AS 101.

The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Group is currently assessing the impact of the amendments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

8. Cash and cash equivalents

Particulars	31-Mar-2023	31-Mar-2022
Cash in hand	**34.86**	31.97
Cheques in hand	**385.74**	295.93
Balances with banks: (refer note 1 below)		
-in Current accounts	**20,891.69**	16,590.97
-in fixed deposits with original maturity less than 3 months	**6,146.31**	2,966.76
Total	**27,458.60**	**19,885.63**

Note 1:

Pledged bank balance/fixed deposits aggregating to ₹ 5,053.82 million (previous year ₹ 3,271.32 million) against debt securities issued.

9. Bank balance other than cash and cash equivalents

Particulars	31-Mar-2023	31-Mar-2022
Fixed deposits with original maturity less than 3 months at amortised cost (refer Note 1 below)	**9,522.32**	10,494.74
(held as margin money or security against borrowings, debt securities and guarantees)		
Unpaid dividend accounts	**9.81**	8.60
Total	**9,532.13**	**10,503.34**

Note 1:

- Pledged fixed deposit aggregating to ₹ 2,326.63 million (previous year ₹ 3,484.44 million) with bank for securing credit facilities, obtaining bank guarantees, securitisation contracts and meeting margin requirement for trading in cross currency swaps and forward margin.
- Pledged fixed deposit aggregating to ₹ 66.09 million (previous year ₹ 72.66 million) with VAT,CST and excise authorities.
- Pledged fixed deposit aggregating to ₹ 16.29 million (previous year ₹ 41.88 million) with agriculture produce market committee for obtaining Mandi license.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

10. Derivative financial instruments

	31-Mar-2023	Notional amount (Units)	Fair value of asset (₹ in millions)	Notional amount (Units)	Fair value of liability (₹ in millions)
(i)	**Currency derivatives**				
	Currency Futures	**250,000**	**0.03**	**7,382,069**	**485.42**
	Options purchased	**111,401,000**	**56.48**	**-**	**-**
	Options sold	**-**	**-**	**139,327,000**	**49.88**
	Less: amounts offset (refer note 10.1)	**(250,000)**	**(0.03)**	**(125,457,069)**	**(533.45)**
	Subtotal (i)		**56.48**		**1.85**
(ii)	**Interest rate derivatives**				
	Forwards and Interest Rate Swaps	**31,425,263,200**	**140.62**	**7,500,000,000**	**23.96**
	Futures	**-**	**-**	**16,220,000**	**1.42**
	Less: amounts offset (refer note 10.1)	**-**	**-**	**(16,220,000)**	**(1.42)**
	Subtotal (ii)		**140.62**		**23.96**
(iii)	**Equity linked derivatives**				
	Stock Futures	**7,511,845**	**82.37**	**5,444,117**	**54.55**
	Options purchased	**2,376,300**	**1.53**	**3,209,700**	**16.77**
	Options sold (written)	**-**	**-**	**225,000**	**1.88**
	Less: amounts offset (refer note 10.1)	**(7,511,845)**	**(82.37)**	**(5,444,117)**	**(54.55)**
	Subtotal (iii)		**1.53**		**18.65**
(iv)	**Index linked derivatives**				
	Index Futures	**70,849**	**46.27**	**21,700**	**6.74**
	Options purchased	**62,447,310**	**105.23**	**73,700**	**5.35**
	Options sold (written)	**-**	**-**	**55,158,385**	**293.75**
	Less: amounts offset (refer note 10.1)	**(70,849)**	**(46.27)**	**(53,548,000)**	**(18.37)**
	Subtotal (iv)		**105.23**		**287.47**
(v)	**Embedded derivatives**				
	In market linked debentures	**-**	**475.14**	**794,600,000**	**443.79**
	Subtotal (v)		**475.14**		**443.79**
(vi)	**Commodity derivatives**				
	Options purchased	**-**	**-**	**21,100**	**0.27**
	Less: amounts offset (refer note 10.1)	**-**	**-**	**(21,100)**	**(0.27)**
	Subtotal (vi)		**-**		**-**
	Total		**779.00**		**775.72**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

10. Derivative financial instruments (Continued)

	31-Mar-2022	Notional amount (Units)	Fair value of asset (₹ in millions)	Notional amount (Units)	Fair value of liability (₹ in millions)
(i)	**Currency derivatives**				
	Currency Futures	20,336,139	58.71	7,234,000	3.13
	Options purchased	168,942,000	158.73	-	-
	Options sold	-	-	238,204,000	173.39
	Less: amounts offset (refer note 10.1)	(20,336,139)	(58.71)	(245,438,000)	(176.52)
	Sub total (i)		**158.73**		**-**
(ii)	**Interest rate derivatives**				
	Forwards and Interest Rate Swaps	12,650,000,000	53.61	20,852,521,074	267.16
	Futures	24,596,000	1.23	13,972,000	0.48
	Less: amounts offset (refer note 10.1)	(24,596,000)	(1.23)	(13,972,000)	(0.48)
	Subtotal (ii)		**53.61**		**267.16**
(iii)	**Equity linked derivatives**				
	Stock Futures	2,484,697,540	47.70	1,256,087,136	39.10
	Options purchased	1,087,825	71.97	-	-
	Options sold (written)	-	-	1,549,875	15.15
	Less: amounts offset (refer note 10.1)	(2,484,697,540)	(47.70)	(1,256,087,136)	(39.10)
	Subtotal (iii)		**71.97**		**15.15**
(iv)	**Index linked derivatives**				
	Index Futures	21,000,035,811	44.92	16,050	(4.51)
	Options purchased	93,853,293,550	380.11	279,400	32.71
	Options sold (written)	-	-	93,702,854,250	492.69
	Less: amounts offset (refer note 10.1)	(21,000,035,811)	(44.92)	(1,856,000)	(99.72)
	Subtotal (iv)		**380.11**		**421.17**
(v)	**Embedded derivatives**				
	In market linked debentures	-	20.80	43,158,000,000	1,556.41
	Subtotal (v)		**20.80**		**1,556.41**
(vi)	**Commodity derivatives**				
	Commodity Futures	13,000	0.00	800	0.02
	Less: amounts offset (refer note 10.1)	(13,000)	(0.00)	(800)	(0.02)
	Subtotal (vi)		-		-
	Total		**685.22**		**2,259.89**

0.00 million indicates amount less than ₹ 0.01 million

Notes

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

2 Group has designed a risk based strategy to cover exposure on issued Benchmarked Linked Debentures, by entering into a derivative contracts either to minimise the loss or to earn a minimum committed income by entering into a combination of derivative contracts (say for example purchased call and put options) with a wide range of strike prices. Above strategy has been approved by the risk committee of respective subsidiary Companies in the Group and ensures that risk is fully or partially covered, which supports to reduce the risk exposure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

10. Derivative financial instruments (Continued)

10.1 Offsetting:

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

Financial assets subject to offsetting, netting arrangements

As at 31 March 2023:

Financial assets subject to offsetting	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised in the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial assets	907.67	128.67	779.00	23.96	59.40	814.44	-	779.00	814.44
Margin placed with broker	135.43	-	135.43	-	-	135.43	-	135.43	135.43

Financial liabilities subject to offsetting	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total liabilities	Maximum Exposure to Risk
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets	Collateral paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial liabilities	1,383.78	608.06	775.72	23.96	-	751.76	-	775.72	751.76

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

10. Derivative financial instruments (Continued)

10.1 Offsetting: (Continued)

As at 31 March 2022:

Financial assets subject to offsetting	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet			Assets not subject to netting arrangements	Total assets	Maximum Exposure to Risk
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised in the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial assets	742.92	152.56	590.36	51.34	71.55	610.57	94.86	685.22	705.43
Margin placed with broker	537.15	(2.36)	539.51	-	-	539.51	-	539.51	539.51

Financial liabilities subject to offsetting	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet			Liabilities not subject to netting arrangements	Total liabilities	Maximum Exposure to Risk
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets	Collateral paid	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet	After consideration of netting potential
Derivative financial liabilities	2,496.41	315.84	2,180.57	51.34	-	2,129.23	79.32	2,259.89	2,208.55

*As at the reporting date the amount of cash margin received that has been offset against gross derivative assets ₹ 128.67 million (Previous year ₹ 152.56 million). As at the reporting date the amount of cash margin paid that has been offset against gross derivative liability ₹ 608.06 million (Previous year ₹ 315.84 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

11. Stock in trade (Securities held for trading) at FVTPL

Particulars	31-Mar-2023	31-Mar-2022
Government Securities	**25,757.12**	10,085.12
Mutual Fund	**1,061.96**	1,377.90
Debt securities	**136.37**	133.65
Equity Shares	**38.60**	3,521.44
Total	**26,994.05**	**15,118.11**
Investments in India	**26,994.05**	14,431.88
Investments outside India	**-**	686.23
Total	**26,994.05**	**15,118.11**

Note: Stock in trade pledged with exchange is amounting to ₹ 98.67 million (previous year ₹ 1,404.19 million).

12. Trade Receivables

Particulars	31-Mar-2023	31-Mar-2022
Receivables considered good - secured	**-**	0.03
Receivables considered good - unsecured	**2,276.88**	2,210.47
Receivables which have significant increase in credit risk	**381.86**	434.21
Receivables - credit impaired	**2,629.59**	3,875.42
Gross receivables	**5,288.33**	**6,520.13**
Provision for impairment - unsecured	**(129.40)**	(20.12)
Allowance for expected credit losses - Receivables which have significant increase in credit risk	**(45.78)**	(52.19)
Provision for impairment - credit impaired	**(980.07)**	(1,756.11)
Total receivables net of provision	**4,133.08**	**4,691.71**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

12. Trade Receivables (Continued)

12.1 Trade receivables ageing schedule

As at 31 March 2023	Outstanding for following periods from due date of receipt					
Particulars	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	2,273.48	2.95	0.27	0.18	-	2,276.88
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	99.42	275.73	6.52	0.19	-	381.86
(iii) Undisputed Trade Receivables – credit impaired	39.08	159.46	402.20	319.13	1,709.72	2,629.59
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Gross receivables (A)	2,411.98	438.14	408.99	319.50	1,709.72	5,288.33
(i) Undisputed Trade receivables – considered good	(126.88)	(2.07)	(0.27)	(0.18)	-	(129.40)
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	(10.70)	(28.37)	(6.52)	(0.19)	-	(45.78)
(iii) Undisputed Trade Receivables – credit impaired	(12.33)	(26.15)	(77.15)	(63.68)	(800.76)	(980.07)
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total ECL Provision on receivables (B)	(149.91)	(56.59)	(83.94)	(64.05)	(800.76)	(1,155.25)
Total receivables net of provision = (A)-(B)	2,262.07	381.55	325.05	255.45	908.96	4,133.08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

12. Trade Receivables (Continued)

12.1 Trade receivables ageing schedule (Continued)

As at 31 March 2022	Outstanding for following periods from due date of receipt					
Particulars	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	2,208.09	2.17	0.22	0.02	-	2,210.50
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	241.91	188.37	3.75	0.18	-	434.21
(iii) Undisputed Trade Receivables – credit impaired	106.58	300.15	472.68	448.50	2,544.86	3,872.77
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	2.65	-	2.65
Gross receivables (A)	**2,556.58**	**490.69**	**476.65**	**451.35**	**2,544.86**	**6,520.13**
(i) Undisputed Trade receivables – considered good	(19.81)	(0.07)	(0.22)	(0.02)	-	(20.12)
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	(26.76)	(21.50)	(3.75)	(0.18)	-	(52.19)
(iii) Undisputed Trade Receivables – credit impaired	(40.05)	(53.41)	(90.72)	(87.51)	(1,481.77)	(1,753.46)
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	(2.65)	-	(2.65)
Total ECL Provision on receivables (B)	**(86.62)**	**(74.98)**	**(94.69)**	**(90.36)**	**(1,481.77)**	**(1,828.42)**
Total receivables net of provision = (A)-(B)	**2,469.96**	**415.71**	**381.96**	**360.99**	**1,063.09**	**4,691.71**

There are no unbilled or not due trade receivables as at 31 March 2023 and 31 March 2022.

Trade receivables are generally on terms of 0 to 90 days.

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

12.2 Reconciliation of impairment allowance on trade receivables:

Particulars	**Amount**
Impairment allowance measured as per simplified approach	
Impairment allowance as on 31-Mar-2021	**2,166.40**
Add/ (less): asset originated or acquired or recovered (net)	(337.98)
Impairment allowance as on 31-Mar-2022	**1,828.42**
Add/ (less): asset originated or acquired or recovered (net)	673.17
Impairment allowance as on 31-Mar-2023	**1,155.25**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

13. Loans

Particulars	31-Mar-2023			31-Mar-2022		
	at amortised cost	at FVTPL	Total	at amortised cost	at FVTPL	Total
Term Loans						
Corporate and Retail Credit	**203,783.10**	**2,645.09**	**206,428.19**	226,067.34	3,361.82	229,429.16
Distressed Credit	**17,966.05**	**-**	**17,966.05**	12,587.17	-	12,587.17
Other Credit	**373.84**	**-**	**373.84**	221.69	-	221.69
Total Gross (A)	**222,122.99**	**2,645.09**	**224,768.08**	**238,876.20**	**3,361.82**	**242,238.02**
Less: Impairment loss allowance[1]	**51,231.80**	**-**	**51,231.80**	41,261.86	-	41,261.86
Total (Net) (A)	**170,891.19**	**2,645.09**	**173,536.28**	**197,614.34**	**3,361.82**	**200,976.16**
Secured by tangible assets (Property including land, building and project receivables)	**198,929.98**	**2,645.09**	**201,575.07**	216,040.95	3,361.82	219,402.77
Secured by Inventories, fixed deposits and other marketable securities	**6,565.91**	**-**	**6,565.91**	6,839.83	-	6,839.83
Unsecured	**16,627.10**	**-**	**16,627.10**	15,995.42	-	15,995.42
Total Gross (B)	**222,122.99**	**2,645.09**	**224,768.08**	**238,876.20**	**3,361.82**	**242,238.02**
Less: Impairment loss allowance[1]	**51,231.80**	**-**	**51,231.80**	41,261.86	-	41,261.86
Total (Net) (B)	**170,891.19**	**2,645.09**	**173,536.28**	**197,614.34**	**3,361.82**	**200,976.16**
Loans in India						
Public sector	**-**	**-**	**-**	-	-	-
Others	**222,122.99**	**2,645.09**	**224,768.08**	238,876.12	3,361.82	242,237.94
Total Gross (C)	**222,122.99**	**2,645.09**	**224,768.08**	**238,876.12**	**3,361.82**	**242,237.94**
Less: Impairment loss allowance[1]	**51,231.80**	**-**	**51,231.80**	41,261.86	-	41,261.86
Total (Net) (C) (I)	**170,891.19**	**2,645.09**	**173,536.28**	**197,614.26**	**3,361.82**	**200,976.08**
Loans outside India	**-**	**-**	**-**	0.08	-	0.08
Less: Impairment loss allowance	**-**	**-**	**-**	-	-	-
Total (Net) (C) (II)	**-**	**-**	**-**	**0.08**	**-**	**0.08**
Total (C) (I) and (C) (II)	**170,891.19**	**2,645.09**	**173,536.28**	**197,614.34**	**3,361.82**	**200,976.16**

Note: Loans including Installment and Interest outstanding due from the directors amounts to ₹ Nil million (Previous year ₹ Nil million).

[1]Refer note 62

13. Loans (Continued)

13.1 Credit Quality

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal grading and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 57.7 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 57.7.

Loans at amortised cost

Particulars	31-Mar-2023					31-Mar-2022				
	Stage I	Stage II	Stage III[1,3]	POCI	Total	Stage I	Stage II	Stage III[1,3]	POCI	Total
Performing										
High grade	**47,843.81**	**-**	**-**	**-**	**47,843.81**	59,434.99	-	-	-	59,434.99
Standard grade	**-**	**24,765.98**	**-**	**-**	**24,765.98**	5.92	43,162.84	-	-	43,168.76
Non-performing										
Impaired	**-**	**-**	**131,547.15**	**17,966.05**	**149,513.20**	-	-	123,685.28	12,587.17	136,272.45
Total	**47,843.81**	**24,765.98**	**131,547.15**	**17,966.05**	**222,122.99**	**59,440.91**	**43,162.84**	**123,685.28**	**12,587.17**	**238,876.20**

Gross carrying amount and corresponding ECL reconciliation – Loans

Particulars	Non-credit impaired				Credit impaired		POCI	Total	
	Stage I		Stage II		Stage III		POCI		
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL[2]	Carrying amount (Net of Allowance for ECL)	Gross carrying amount	Allowance for ECL
Balance at 31 March 2021	**86,761.80**	**1,280.31**	**47,662.60**	**4,394.27**	**117,037.45**	**36,554.26**	**13,223.15**	**264,685.00**	**42,228.84**
Effect of acquisitions made during the year									
Transfers:									
Transfers to 12 Month ECL (Stage 1)	3,496.24	290.86	(2,936.03)	(210.39)	(560.21)	(80.47)	-	-	-
Transfers to lifetime ECL (Stage 2)	(5,232.67)	(271.72)	10,655.01	721.39	(5,422.34)	(449.67)	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(1,374.39)	(34.11)	(1,527.55)	(129.37)	2,901.94	163.48	-	-	-
Net re-measurement of ECL arising from transfer of stage	-	(204.64)	-	112.72	-	843.56	-	-	751.64
Net new and further lending/ (repayments) (including write-off) and sale to ARC / AIF [3]	(24,210.07)	(474.16)	(10,691.19)	(1,091.15)	9,728.44	(153.31)	(635.98)	(25,808.80)	(1,718.62)
Balance at 31 March 2022	**59,440.91**	**586.54**	**43,162.84**	**3,797.47**	**123,685.28**	**36,877.85**	**12,587.17**	**238,876.20**	**41,261.86**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

13. Loans (Continued)

13.1 Credit Quality (Continued)

Gross carrying amount and corresponding ECL reconciliation – Loans (Continued)

Particulars	Non-credit impaired				Credit impaired		POCI	Total	
	Stage I		Stage II		Stage III		POCI		
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL[2]	Carrying amount (Net of Allowance for ECL)	Gross carrying amount	Allowance for ECL
Balance at 31 March 2022	59,440.91	586.54	43,162.84	3,797.47	123,685.28	36,877.85	12,587.17	238,876.20	41,261.86
Effect of acquisitions made during the year									
Transfers:									
Transfers to 12 Month ECL (Stage 1)	1,272.03	107.74	(828.06)	(47.53)	(443.97)	(60.21)	-	-	-
Transfers to lifetime ECL (Stage 2)	(5,649.88)	(86.43)	6,142.63	157.87	(492.75)	(71.44)	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(638.02)	(7.78)	(3,272.95)	(1,092.35)	3,910.97	1,100.13	-	-	-
Net re-measurement of ECL arising from transfer of stage	-	(80.59)	-	990.52	-	1,580.24	-	-	2,490.17
Net new and further lending/ (repayments) (including write-off) and sale to ARC / AIF [3]	(6,581.23)	107.98	(20,438.48)	(1,615.55)	4,887.62	8,987.34	5,378.88	(16,753.21)	7,479.77
Balance at 31 March 2023	47,843.81	627.46	24,765.98	2,190.43	131,547.15	48,413.91	17,966.05	222,122.99	51,231.80

[1] This also includes stage III assets in EARC on distressed assets book, interest accrued on non-performing assets and stage III assets held by Group entities other than NBFCs on trade and general purpose advances.

[2] Allowance under this category also includes provision on assets as mentioned in note 1 above.

[3] Refer Note 77 & 62.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

14. Investments

31-Mar-2023	Amortised cost	FVOCI	FVTPL	Designated at FVTPL	At Cost (Associates & Others)	Total
Security Receipts	-	-	21,089.05	-	-	21,089.05
Government Securities	-	18,751.02	1,411.99	11,078.42	-	31,241.43
Equity Shares[1]	-	-	50,538.93	-	-	50,538.93
Debt securities	175.91	5,976.24	8,478.29	3,349.90	-	17,980.34
AIF Fund	-	-	16,437.39	-	-	16,437.39
Mutual Fund	-	-	2,581.48	-	-	2,581.48
Preference Shares	-	-	1,105.68	-	-	1,105.68
Others	1,995.78	-	1,570.76	710.98	-	4,277.52
Total	2,171.69	24,727.26	103,213.57	15,139.30	-	145,251.82
Investments in India	2,171.69	24,727.26	99,378.43	15,139.30	-	141,416.68
Investments outside India	-	-	3,835.14	-	-	3,835.14
Total	2,171.69	24,727.26	103,213.57	15,139.30	-	145,251.82
Less - Impairment Loss allowance	3.46	-	620.17	-	-	623.63
Total	2,168.23	24,727.26	102,593.40	15,139.30	-	144,628.19

[1]Refer note 62

31-Mar-2022	Amortised cost	FVOCI	FVTPL	Designated at FVTPL	At Cost (Associates & Others)	Total
Security Receipts	-	-	33,412.56	-	-	33,412.56
Government Securities	-	15,472.21	2,127.50	9,839.45	-	27,439.16
Equity Shares	-	-	16,296.63	-	20,215.69	36,512.32
Debt securities	1,195.63	5,091.71	5,023.67	2,731.65	-	14,042.66
AIF Fund	-	-	9,142.67	-	-	9,142.67
Mutual Fund	-	-	2,539.08	-	-	2,539.08
Preference Shares	-	-	1,142.22	-	-	1,142.22
Others	668.03	-	1,259.80	923.07	-	2,850.90
Total	1,863.66	20,563.92	70,944.13	13,494.17	20,215.69	127,081.57
Investments in India	1,863.66	20,563.92	70,647.88	13,494.17	20,215.69	126,785.32
Investments outside India	-	-	296.25	-	-	296.25
Total	1,863.66	20,563.92	70,944.13	13,494.17	20,215.69	127,081.57
Less - Impairment Loss allowance	-	-	806.68	-	-	806.68
Total	1,863.66	20,563.92	70,137.45	13,494.17	20,215.69	126,274.89

Note: Investments pledged with bank, exchange, brokers and against debts securities issued is amounting to ₹ 30,898.41 million (previous year ₹ 48,717.19 million)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

14. Investments (Continued)

14.1 Investments measured at FVOCI

Credit quality of assets

The table below shows the gross carrying amount of the Group's investments measured at FVOCI by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 57.7

31-Mar-2023

Particulars	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 2)	Gross carrying amount (Stage 3)	Gross carrying amount Total
High grade	20,794.09	-	-	20,794.09
Standard grade	3,933.17	-	-	3,933.17
Individually impaired	-	-	-	-
Total	24,727.26	-	-	24,727.26

31-Mar-2022

Particulars	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 2)	Gross carrying amount (Stage 3)	Gross carrying amount Total
High grade	19,018.93	-	-	19,018.93
Standard grade	1,544.99	-	-	1,544.99
Individually impaired	-	-	-	-
Total	20,563.92	-	-	20,563.92

Reconciliation of gross carrying amount and corresponding ECL for investments measured at FVOCI

Particulars	31-Mar-2023			
	Gross Carrying Amount (Stage 1)	12 months ECL allowance (Stage 1)	Gross Carrying Amount (Stage 3)	12 months ECL allowance (Stage 3)
Gross carrying amount - opening balance	20,563.92	-	-	-
New assets originated or purchased	15,775.49	-	-	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon) net	(13,985.57)	-	-	-
Interest income during the year	2,373.42	-	-	-
Foreign Exchange	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Impact of year end ECL of exposures transferred between stages during the year	-	-	-	-
Gross carrying amount - closing balance	24,727.26	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

14. Investments (Continued)

14.1 Investments measured at FVOCI (Continued)

Reconciliation of gross carrying amount and corresponding ECL for investments measured at FVOCI (Continued)

Particulars	31-Mar-2022			
	Gross Carrying Amount (Stage 1)	12 months ECL allowance (Stage 1)	Gross Carrying Amount (Stage 3)	12 months ECL allowance (Stage 3)
Gross carrying amount - opening balance	**16,183.92**	**-**	**674.27**	**-**
New assets originated or purchased	9,777.99	-	0.13	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon) net	(6,684.00)	-	(674.40)	-
Interest income during the year	1,286.01	-	-	-
Foreign Exchange	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Impact of year end ECL of exposures transferred between stages during the year	-	-	-	-
Gross carrying amount - closing balance	**20,563.92**	**-**	**-**	**-**

14.2 Investments measured at amortised cost

The table below shows the gross carrying amount of the Group's investments measured at amortised cost by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 57.7

31-Mar-2023

Particulars	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 2)	Gross carrying amount (Stage 3)	Gross carrying amount Total
High grade	**2,148.75**	**-**	**-**	**2,148.75**
Standard grade	**-**	**-**	**-**	**-**
Individually impaired	**-**	**-**	**22.94**	**22.94**
Total	**2,148.75**	**-**	**22.94**	**2,171.69**

31-Mar-2022

Particulars	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 2)	Gross carrying amount (Stage 3)	Gross carrying amount Total
High grade	1,863.66	-	-	1,863.66
Standard grade	-	-	-	-
Individually impaired	-	-	-	-
Total	**1,863.66**	**-**	**-**	**1,863.66**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

14. Investments (Continued)

14.2 Investments measured at amortised cost (Continued)

Reconciliation of gross carrying amount for investments measured at amortised cost

Particulars	31-Mar-2023			
	Gross Carrying Amount (Stage 1)	12 months ECL allowance (Stage 1)	Gross Carrying Amount (Stage 3)	12 months ECL allowance (Stage 3)
Gross carrying amount - opening balance	**1,863.66**	**-**	**-**	**-**
New assets originated or purchased	**399,240.29**	**-**	**-**	**-**
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	**(399,023.86)**	**-**	**-**	**-**
Changes to contractual cash flows due to modifications not resulting in derecognition	**91.60**	**-**	**-**	**-**
Amounts written off	**-**	**-**	**-**	**-**
Transfer to Stage 1	**-**	**-**	**-**	**-**
Transfer to Stage 2	**-**	**-**	**-**	**-**
Transfer to Stage 3	**(22.67)**	**-**	**22.67**	**3.46**
Gross carrying amount - closing balance	**2,149.02**	**-**	**22.67**	**3.46**

Particulars	31-Mar-2022			
	Gross Carrying Amount (Stage 1)	12 months ECL allowance (Stage 1)	Gross Carrying Amount (Stage 3)	12 months ECL allowance (Stage 3)
Gross carrying amount - opening balance	**1,305.81**	**-**	**-**	**-**
New assets originated or purchased	247,632.65	-	-	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	(247,076.31)	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	1.51	-	-	-
Amounts written off	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Gross carrying amount - closing balance	**1,863.66**	**-**	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

15. Other financial assets

Particulars	31-Mar-2023	31-Mar-2022
Receivable from Trust	**2,780.92**	32.58
Receivable from exchange / clearing house (net)	**285.33**	1,994.41
Deposits placed with/ for exchange/ depositories	**168.99**	111.86
Margin placed with broker	**2,601.13**	5,142.77
Rental deposits	**130.95**	134.99
Deposits- others	**439.52**	91.96
Reinsurance receivables	**1,061.37**	577.21
Unclaimed amount of policyholders	**62.80**	28.67
Receivable on account of sale of investments (Refer note 1 below)	**-**	590.66
Others	**1,656.08**	2,330.12
Total	**9,187.09**	**11,035.23**

Refer Note 1:-

During the F.Y. 2021-22 Company had sold its controlling stake in the insurance broking business (Edelweiss Gallagher Insurance Broking Limited) to its joint venture partner Arthur J Gallagher & Co. The Company has received appropriate approval including Insurance Regulatory and Development Authority (IRDA) for selling its investment in Edelweiss Insurance Broking business. Based on sale agreement, contingent consideration will be received over a period of time based on revenue achievement. Accordingly, an amount of ₹ 590.66 million recorded as receivables on account of such sale as per terms of the agreement, the said amount has been received in F.Y. 2022-23.

16. Deferred tax assets and liabilities

Deferred tax assets (net)	31-Mar-2023	31-Mar-2022
Provision for expected credit losses	**1,925.77**	2,310.64
Unused tax losses / credits	**10,407.66**	8,848.33
Employee benefits obligations	**67.72**	59.55
Fair valuation of Financial Assets	**1,019.16**	734.02
Fair valuation of Derivatives	**(31.91)**	(22.50)
Property, Plant and Equipment and Intangible assets	**(939.70)**	(1,000.22)
Adjustment of effective interest rate on Borrowings	**(333.05)**	(284.21)
Total	**12,115.65**	**10,645.61**

Deferred tax liabilities (net)	31-Mar-2023	31-Mar-2022
Provision for expected credit losses	**106.37**	95.14
Employee benefits obligations	**(19.44)**	(18.06)
ESOP Perquisite	**(4.01)**	(4.01)
Fair valuation of Financial Assets	**410.00**	683.62
Property, Plant and Equipment and Intangible assets	**1,227.57**	1,305.43
Adjustment of effective interest rate on Borrowings	**0.45**	3.27
Special Reserve u/s 36(1)(viii)	**106.66**	101.02
Total	**1,827.60**	**2,166.41**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

17. Investment property

Particulars	Gross Block				Depreciation and impairment				Net Block	
	As at 1-Apr-22	Additions during the year	Deductions/ adjustments during the year	As at 31-Mar-23	As at 1-Apr-22	Impairment charge / (reversals) for the year	Charge for the year	Deductions/ adjustments during the year	As at 31-Mar-23	As at 31-Mar-23
Investment Property										
Land	1,408.62	-	1,217.20	**191.42**	18.27	-	-	18.27	**-**	**191.42**
Real Estate	2,266.44	294.38	443.02	**2,117.80**	622.53	(136.50)	1.06	-	**487.09**	**1,630.71**
Total	**3,675.06**	**294.38**	**1,660.22**	**2,309.22**	**640.80**	**(136.50)**	**1.06**	**18.27**	**487.09**	**1,822.13**

Particulars	Gross Block				Depreciation and impairment				Net Block	
	As at 1-Apr-21	Additions during the year	Deductions/ adjustments during the year	As at 31-Mar-22	As at 1-Apr-21	Impairment charge / (reversals) for the year	Charge for the year	Deductions/ adjustments during the year	As at 31-Mar-22	As at 31-Mar-22
Investment Property										
Land	1,408.62	-	-	1,408.62	18.27	-	-	-	18.27	1,390.35
Real Estate	2,676.00	240.03	649.59	2,266.44	671.72	(50.08)	0.89	-	622.53	1,643.91
Total	**4,084.62**	**240.03**	**649.59**	**3,675.06**	**689.99**	**(50.08)**	**0.89**	**-**	**640.80**	**3,034.26**

Fair value of investment property

Property	31-Mar-2023	31-Mar-2022
Land	**1,213.88**	2,256.90
Real estate property	**2,610.88**	3,120.13
Total	**3,824.76**	**5,377.03**

These above fair valuation are based on valuations performed by an duly independent valuer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

18. Property, plant and equipment and intangibles

Particulars	Gross Block					Depreciation and amortisation				Net Block	
	As at 01-Apr-2022	Additions/ adjustments during the year	Revaluation adjustment, if any	Deductions/ adjustments during the year	As at 31-Mar-2023	As at 01-Apr-2022	Charge for the year	Impairment/ (reversal) of impairment	Deductions/ adjustments during the year	As at 31-Mar-2023	As at 31-Mar-2023
a) Property, Plant and Equipments											
Land*	236.79	-	-	-	**236.79**	-	-	-	-	**-**	**236.79**
Flat and Building*	11,312.42	6.39	-	-	**11,318.81**	1,305.27	764.18	-	-	**2,069.45**	**9,249.36**
Leasehold Premises	62.66	9.09	-	12.46	**59.29**	40.58	11.43	-	13.21	**38.80**	**20.49**
Plant and Equipment	303.27	28.31	-	26.59	**304.99**	180.71	86.05	-	24.12	**242.64**	**62.35**
Furniture and Fixtures	279.90	40.06	-	6.25	**313.71**	151.03	33.72	-	5.63	**179.12**	**134.59**
Vehicles	11.87	6.00	-	3.22	**14.65**	7.27	3.11	-	1.18	**9.20**	**5.45**
Office equipment	235.71	13.83	-	41.51	**208.03**	202.33	15.61	-	39.03	**178.91**	**29.12**
Vessel (Boat)	4.84	-	-	-	**4.84**	1.27	0.45	-	1.06	**0.66**	**4.18**
Computers	442.13	104.77	-	137.86	**409.04**	413.79	3.73	-	127.31	**290.21**	**118.83**
Solar Power Equipment	62.03	-	-	-	**62.03**	39.18	4.14	-	-	**43.32**	**18.71**
Total (A)	**12,951.62**	**208.45**	**-**	**227.89**	**12,932.18**	**2,341.43**	**922.42**	**-**	**211.54**	**3,052.31**	**9,879.87**
b) Intangibles											
Software	2,048.73	478.17	-	10.53	**2,516.37**	1,503.61	383.32	-	6.57	**1,880.36**	**636.01**
Trademark/ Design and Copyright/ Asset Management Rights	709.05	-	-	-	**709.05**	50.00	10.00	-	-	**60.00**	**649.05**
Total (B)	**2,757.78**	**478.17**	**-**	**10.53**	**3,225.42**	**1,553.61**	**393.32**	**-**	**6.57**	**1,940.36**	**1,285.06**
c) Right to use (ROU) assets	**1,349.56**	**218.06**	**-**	**33.49**	**1,534.13**	**887.98**	**201.30**	**-**	**3.28**	**1,086.00**	**448.13**
Total (A+B+C)	**17,058.96**	**904.68**	**-**	**271.91**	**17,691.73**	**4,783.02**	**1,517.04**	**-**	**221.39**	**6,078.67**	**11,613.06**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

18. Property, plant and equipment and intangibles (Continued)

Particulars	Gross Block					Depreciation and amortisation					Net Block
	As at 01-Apr-2021	Additions/ adjustments during the year	Revaluation adjustment, if any	Deductions/ adjustments during the year	As at 31-Mar-2022	As at 01-Apr-2021	Charge for the year	Impairment/ (reversal) of impairment	Deductions/ adjustments during the year	As at 31-Mar-2022	As at 31-Mar-2022
a) Property, Plant and Equipments											
Land*	236.79	-	-	-	236.79	-	-	-	-	-	236.79
Flat and Building*	11,575.19	424.61	(504.22)	183.16	11,312.42	609.57	716.03	(4.20)	16.13	1,305.27	10,007.15
Leasehold Premises	60.31	14.70	-	12.35	62.66	38.24	10.36	-	8.02	40.58	22.08
Plant and Equipment	343.71	20.53	-	60.97	303.27	198.95	38.01	-	56.25	180.71	122.56
Furniture and Fixtures	259.39	53.92	-	33.41	279.90	150.19	26.38	-	25.54	151.03	128.87
Vehicles	42.84	2.73	-	33.70	11.87	30.89	3.22	-	26.84	7.27	4.60
Office equipment	303.04	8.71	-	76.04	235.71	244.34	24.42	-	66.43	202.33	33.38
Vessel (Boat)	4.85	-	-	0.01	4.84	0.98	0.29	-	-	1.27	3.57
Computers	491.86	52.95	-	102.68	442.13	449.19	55.47	-	90.87	413.79	28.34
Solar Power Equipment	62.07	-	-	0.04	62.03	33.87	5.33	-	0.02	39.18	22.85
Total (A)	**13,380.05**	**578.15**	**(504.22)**	**502.36**	**12,951.62**	**1,756.22**	**879.51**	**(4.20)**	**290.10**	**2,341.43**	**10,610.19**
b) Intangibles											
Software	1,965.01	283.46	-	199.74	2,048.73	1,240.64	412.94	-	149.97	1,503.61	545.12
Trademark/ Design and Copyright/ Asset Management Rights	790.87	-	-	81.82	709.05	47.50	50.00	-	47.50	50.00	659.05
Total (B)	**2,755.88**	**283.46**	**-**	**281.56**	**2,757.78**	**1,288.14**	**462.94**	**-**	**197.47**	**1,553.61**	**1,204.17**
c) Right to use (ROU) assets	**1,360.66**	**178.50**	**-**	**189.60**	**1,349.56**	**703.22**	**217.97**	**-**	**33.21**	**887.98**	**461.58**
Total (A+B+C)	**17,496.59**	**1,040.11**	**(504.22)**	**973.52**	**17,058.96**	**3,747.58**	**1,560.42**	**(4.20)**	**520.78**	**4,783.02**	**12,275.94**

*pledged against debt securities and borrowings.

Notes

1 The Group management approved revaluation of owned flats and buildings classified under property, plant and equipment after assessing the valuation made by duly appointed independent valuer. These valuations are determined basis open market values of similar property and its intrinsic value. Accordingly, the Group has recognised the revaluation loss of ₹ Nil million (net of tax) (Previous Year ₹ 385.14 million(net of tax)) in other comprehensive income.

2 The Group has provided one time accelerated depreciation of ₹ 220 million on land and building during the year ended 31 March 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

19. Capital Work in Progress (CWIP)

Description of Assets	CWIP			
	As at 01-Apr-2022	Additions	Capitalisation	As at 31-Mar-2023
CWIP	0.57	7.09	0.57	**7.09**
Total	**0.57**	**7.09**	**0.57**	**7.09**

Description of Assets	CWIP			
	As at 01-Apr-2021	Additions	Capitalisation	As at 31-Mar-2022
CWIP	7.93	-	7.36	0.57
Total	**7.93**	**-**	**7.36**	**0.57**

(a) CWIP ageing schedule

As at 31 March 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	**7.09**	**-**	**-**	**-**	**7.09**
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**
Total	**7.09**	**-**	**-**	**-**	**7.09**

As at 31 March 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.57	-	-	-	0.57
Projects temporarily suspended	-	-	-	-	-
Total	**0.57**	**-**	**-**	**-**	**0.57**

(b) There are no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

20. Intangible assets under development

Description of Assets	Intangible assets under development			
	As at 01-Apr-2022	Additions	Capitalisation	As at 31-Mar-2023
Intangible assets under development	195.70	143.74	98.84	**240.60**
Total	**195.70**	**143.74**	**98.84**	**240.60**

Description of Assets	Intangible assets under development			
	As at 01-Apr-2021	Additions	Capitalisation	As at 31-Mar-2022
Intangible assets under development	124.17	82.44	10.91	195.70
Total	**124.17**	**82.44**	**10.91**	**195.70**

(a) Intangible assets under development ageing schedule

As at 31 March 2023

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	**229.30**	**11.30**	**-**	**-**	**240.60**
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**
Total	**229.30**	**11.30**	**-**	**-**	**240.60**

As at 31 March 2022

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	138.34	57.36	-	-	195.70
Projects temporarily suspended	-	-	-	-	-
Total	**138.34**	**57.36**	**-**	**-**	**195.70**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

20. Intangible assets under development (Continued)

(b) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan:

As at 31 March 2023

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Total	-	-	-	-	-

As at 31 March 2022

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Digital Lending Platform (DLP)*	125.00	-	-	-	125.00
Total	**125.00**	**-**	**-**	**-**	**125.00**

FY 2021-22

*The subsidiary of the Company is developing a Digital Lending Platform (DLP) for automation of retail loan origination process. The original projected cost of the software was estimated at ₹ 95.00 million with a variation of 10% . During the development phase, Co - Lending Model (CLM) module was identified as an additional module for development, accordingly the project cost is revised and estimated to be ₹ 125.00 million. Further, timeline for completion of the project has been revised from November 2021 to end of financial year 2023. This is capitalised during the financial year 2022-23.

21. Goodwill on consolidation

Particulars	31-Mar-2023	31-Mar-2022
Balance at the beginning of the year	**663.35**	663.35
Add:- Goodwill arising on acquisitions	**-**	-
Less:- Goodwill derecognised / impaired*	**(426.75)**	-
Balance at the end of year	**236.60**	**663.35**

*Goodwill derecognised on account of loss of significant influence of associate - Refer note 62.

The recoverable amount of subsidiaries/associates is based on its value in use. The value in use is estimated using discounted cash flows. Cash flows is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using pre-tax discount rate. Operating margins and growth rates for the five year cash flow projections have been estimated based on past experience and after considering the financial budgets/ forecasts provided by the management. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry and have been based on historical data from both external and internal sources.

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

22. Other non-financial assets

Particulars	31-Mar-2023	31-Mar-2022
Input tax credit	**2,568.88**	1,972.00
Prepaid expenses	**4,049.25**	1,911.60
Vendor Advances	**288.75**	211.12
Advances to employees	**11.34**	9.38
Deposits	**18.86**	18.86
Other assets	**181.34**	343.55
Total	**7,118.42**	**4,466.51**

23. Trade Payables

Particulars	31-Mar-2023	31-Mar-2022
Total outstanding dues of micro enterprises and small enterprises (MSME)	**25.96**	17.51
Total outstanding dues of creditors other than micro enterprises and small enterprises	**14,096.20**	12,883.76
Total	**14,122.16**	**12,901.27**

23.1 Trade payables ageing schedule

As at 31 March 2023	Outstanding for following periods from due date of payment						
Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	**0.72**	**-**	**25.24**	**-**	**-**	**-**	**25.96**
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	**3,275.17**	**-**	**10,769.41**	**15.61**	**2.34**	**33.67**	**14,096.20**
(iii) Disputed dues of micro enterprises and small enterprises	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**3,275.89**	**-**	**10,794.65**	**15.61**	**2.34**	**33.67**	**14,122.16**

As at 31 March 2022	Outstanding for following periods from due date of payment						
Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	17.50	0.01	-	-	17.51
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,966.64	-	10,776.53	31.74	81.00	27.85	12,883.76
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**1,966.64**	**-**	**10,794.03**	**31.75**	**81.00**	**27.85**	**12,901.27**

23.2 Trade Payables includes ₹ 25.96 million (Previous Year ₹ 17.51 million) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. Interest paid by the Group during the year to "Suppliers" registered under this Act is ₹ 0.15 million (Previous year: ₹ Nil million). The aforementioned is based on the responses received by the Group to its inquiries with suppliers with regard to applicability under the said Act.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

24. Debt securities

Particulars	31-Mar-2023	31-Mar-2022
Non-Convertible Debentures (at amortised cost)	**130,046.73**	130,203.34
Compulsory Convertible Debentures (at amortised cost) (refer Note 1 below)	**7,350.18**	9,450.18
Non-Convertible Debentures (designated at fair value through profit or loss)	**6,282.80**	7,887.95
Commercial paper (at amortised cost)	**10,350.63**	7,515.57
Total (refer Note 2 below)	**154,030.34**	**155,057.04**
(i) Debt securities in India	**154,030.34**	155,057.04
(ii) Debt securities outside India	**-**	-
Total	**154,030.34**	**155,057.04**

Note:

1. The conversion option in the Compulsorily convertible debentures (CCD) issued to Caisse de depot et placement du Quebec (CDPQ) has been determined as an embedded derivative based on Ind AS 109 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013. ECL Finance Limited (ECLF), a subsidiary of the company had performed a fair valuation of the embedded derivative based on the conversion formula agreed in the CCD agreement and had accordingly recorded a fair value gain of ₹ 1,740 million during the year ended 31 March 2021. Management has further reviewed fair valuation of such embedded derivative during the year ended 31 March 2023 and has determined that there is further fair value gain on CCD of ₹ 2,100 million.

2. Out of the above, ₹ 19,832.92 million as at 31 March 2023 (Previous Year ₹ 19,088.20 million) are unsecured. For secured debt, the Group has provided collateral in the nature of Pari Passu charge of immovable property, receivable from financing business, securities held for trading, investments, property (excluding intangible assets) and other assets.

Debt Securities - as at 31 March 2023

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
8.00 - 8.99%	**1,607.97**	**771.12**	**1,649.14**	**4,028.23**
9.00 - 9.99%	**26,382.99**	**12,744.90**	**23,861.82**	**62,989.71**
10.00 - 10.99%	**1,784.34**	**4,264.66**	**10,305.79**	**16,354.79**
11.00 - 11.99%	**11,250.00**	**-**	**-**	**11,250.00**
19.00 - 19.99%	**210.00**	**2,370.00**	**-**	**2,580.00**
Zero Coupon Debentures	**112.26**	**243.52**	**-**	**355.78**
Various (benchmark linked)	**11,462.39**	**14,646.00**	**14,403.64**	**40,512.03**
Accrued Interest and EIR	**-**	**-**	**-**	**8,609.62**
Total*	**52,809.95**	**35,040.20**	**50,220.39**	**146,680.16**

* Compulsory Convertible Debentures amounting to ₹ 7,350.18 million not considered for maturity pattern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

24. Debt securities (Continued)

Debt Securities - as at 31 March 2022

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
8.00 - 8.99%	7,549.16	22.10	7,657.86	15,229.12
9.00 - 9.99%	2,371.99	18,942.67	17,496.14	38,810.80
10.00 - 10.99%	4,393.97	2,817.98	9,331.34	16,543.29
11.00 - 11.99%	-	11,250.00	-	11,250.00
14.00 - 14.99%	-	6,500.00	-	6,500.00
19.00 - 19.99%	210.00	402.50	2,177.50	2,790.00
Zero Coupon Debentures	1,036.06	695.34	59.84	1,791.24
Various (benchmark linked)	19,831.69	13,105.66	9,528.06	42,465.41
Accrued Interest and EIR	-	-	-	10,227.00
Total*	**35,392.87**	**53,736.25**	**46,250.74**	**145,606.86**

* Compulsory Convertible Debentures amounting to ₹ 9,450.18 million not considered for maturity pattern.

25. Borrowings (other than debt securities) at amortised cost

Particulars	31-Mar-2023	31-Mar-2022
Secured		
Term loans		
(Secured against investments, stock-in-trade (securities held for trading), charge on receivables of financing business, cash and cash equivalents and other assets.		
from banks	**20,196.92**	39,893.68
from other parties	**2,209.00**	1,623.24
Bank overdraft/Cash credit lines	**1,799.38**	2,492.22
(Secured by pledge of fixed deposits, property, trade receivables and charge on receivables of financing business)		
Tri party REPO - TREPS facilitates borrowing and lending of funds, in Tri party REPO arrangement (Secured by pledge of Government Securities)	**18,958.39**	4,511.54
Working capital demand loan (secured by charge on receivables from financing business, cash and cash equivalents and property, plant and equipments)	**6,700.00**	8,030.00
Unsecured		
Loans repayable on demand - from other parties	**83.33**	-
	49,947.02	**56,550.66**
Borrowings in India	**49,947.02**	56,550.66
Borrowings outside India	**-**	-
Total	**49,947.02**	**56,550.66**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

25. Borrowings (other than debt securities) at amortised cost (Continued)

Following is the repayment terms of term loans:

Term loans from Banks - Secured as at 31 March 2023

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
7.00 - 7.99%	**451.01**	**-**	**-**	**451.01**
8.00 - 8.99%	**554.10**	**547.25**	**187.50**	**1,288.85**
9.00 - 9.99%	**4,433.94**	**4,089.48**	**1,383.03**	**9,906.45**
10.00 - 10.99%	**5,267.54**	**1,252.80**	**75.00**	**6,595.34**
11.00 - 11.99%	**803.16**	**557.02**	**-**	**1,360.18**
12.00 - 12.99%	**-**	**699.99**	**-**	**699.99**
Accrued Interest and EIR	**-**	**-**	**-**	**(104.90)**
Total	**11,509.75**	**7,146.54**	**1,645.53**	**20,196.92**

Term loans from Banks - Secured as at 31 March 2022

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
7.00 - 7.99%	461.74	538.85	-	1,000.59
8.00 - 8.99%	5,906.53	5,875.12	219.88	12,001.53
9.00 - 9.99%	12,978.28	5,561.99	100.00	18,640.27
10.00 - 10.99%	5,432.46	2,156.72	56.25	7,645.43
11.00 - 11.99%	193.75	-	-	193.75
12.00 - 12.99%	-	515.00	-	515.00
Accrued Interest and EIR	-	-	-	(102.89)
Total	**24,972.76**	**14,647.68**	**376.13**	**39,893.68**

Term loans from Others - Secured as at 31 March 2023

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
4.00 - 4.99%	**159.04**	**157.32**	**-**	**316.36**
6.00 - 6.99%	**5.80**	**3.85**	**-**	**9.65**
8.00 - 8.99%	**132.78**	**255.35**	**202.91**	**591.04**
9.00 - 9.99%	**-**	**125.00**	**-**	**125.00**
10.00 - 10.99%	**250.00**	**100.00**	**-**	**350.00**
11.00 - 11.99%	**750.00**	**75.00**	**-**	**825.00**
Accrued Interest and EIR	**-**	**-**	**-**	**(8.05)**
Total	**1,297.62**	**716.52**	**202.91**	**2,209.00**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

25. Borrowings (other than debt securities) at amortised cost (Continued)

Following is the repayment terms of term loans: (Continued)

Term loans from Others - Secured as at 31 March 2022

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
4.00 - 4.99%	119.28	298.32	57.80	475.40
6.00 - 6.99%	5.33	11.10	-	16.43
7.00 - 7.99%	60.61	185.94	291.30	537.85
8.00 - 8.99%	59.31	118.81	115.22	293.34
10.00 - 10.99%	299.00	-	-	299.00
Accrued Interest and EIR	-	-	-	1.22
Total	**543.53**	**614.17**	**464.32**	**1,623.24**

26. Deposits (at amortised cost)

Particulars	31-Mar-2023	31-Mar-2022
Inter Corporate Deposits	**16.25**	15.60
Total	**16.25**	**15.60**
Inter Corporate Deposits in India	**16.25**	15.60
Inter Corporate Deposits outside India	**-**	-
Total	**16.25**	**15.60**

27. Subordinated liabilities (at amortised cost)

Unsecured	31-Mar-2023	31-Mar-2022
Non-convertible subordinated debt	**12,303.56**	14,316.31
Perpetual debt	**1,042.89**	1,150.58
Preference share capital	**20.42**	19.64
Total	**13,366.87**	**15,486.53**
Subordinated liabilities in India	**13,366.87**	15,486.53
Subordinated liabilities outside India	**-**	-
Total	**13,366.87**	**15,486.53**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

27. Subordinated liabilities (at amortised cost) (Continued)

Terms and condition related to subordinate liabilities:

Subordinated Liabilities – 31 March 2023

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
9.00 - 9.99%	-	-	2,760.00	2,760.00
10.00 - 10.99%	-	200.00	3,279.00	3,479.00
11.00 - 11.99%	-	3,646.63	-	3,646.63
14.00 - 14.99%	-	-	20.42	20.42
Various (benchmark linked)	1,430.40	50.00	550.00	2,030.40
Accrued Interest and EIR	-	-	-	1,430.42
Total	1,430.40	3,896.63	6,609.42	13,366.87

Subordinated Liabilities – 31 March 2022

Maturities	<1 years	1-3 years	> 3 years	TOTAL
Rate of Interest				
9.00 - 9.99%	-	-	2,699.74	2,699.74
10.00 - 10.99%	-	200.00	3,230.51	3,430.51
11.00 - 11.99%	500.00	3,498.00	125.54	4,123.54
14.00 - 14.99%	-	19.64	-	19.64
Various (benchmark linked)	-	2,735.80	550.00	3,285.80
Accrued Interest and EIR	-	-	-	1,927.30
Total	500.00	6,453.44	6,605.79	15,486.53

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

Particulars	31-Mar-2023	31-Mar-2022
Payable to exchange / clearing house (net)	22.34	269.71
Book overdraft	4.64	85.29
Accrued salaries and benefits	3,133.98	3,405.77
Provision for short sale at fair value	-	889.70
Reinsurance payable	1,779.68	692.42
Rental deposits	305.59	156.44
Retention money payable	12.37	12.60
Unclaimed dividends	9.81	8.60
Security receipts held by outsiders	6,977.38	1,825.64
Derivative liability	2,585.26	2,290.53
Payable on account of securitisation and assignment	10,648.92	10,056.89
Financial liability associated to financial assets that are not derecognised	23,042.00	23,682.88
Other liabilities	4,994.40	7,550.74
Total	53,516.37	50,927.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

29. Provisions

Particulars	31-Mar-2023	31-Mar-2022
Provision for employee benefits and related costs		
Gratuity	**202.40**	222.47
Compensated absences	**105.77**	110.33
Others	**315.79**	162.60
Total	**623.96**	**495.40**

30. Other non-financial liabilities

Particulars	31-Mar-2023	31-Mar-2022
Income received in advance	**3,584.60**	2,997.86
Statutory dues	**947.24**	822.17
Advances from customers	**0.92**	11.32
Proposal deposit from insurance business	**240.06**	226.19
Others	**1,733.09**	583.48
Total	**6,505.91**	**4,641.02**

31. Equity share capital

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	No. of shares	Amount	No. of shares	Amount
Authorised :				
Equity Shares of ₹ 1 each	**1,230,000,000**	**1,230.00**	1,230,000,000	1,230.00
Preference shares of ₹ 5 each	**4,000,000**	**20.00**	4,000,000	20.00
	1,234,000,000	**1,250.00**	**1,234,000,000**	**1,250.00**
Issued, Subscribed and Paid up:				
Equity Shares of ₹ 1 each	**943,275,276**	**943.28**	943,097,965	943.10
Less: Shares held by Edelweiss Employees Incentives and Welfare Trust (Refer note 1)	**(7,301,510)**	**(7.30)**	(7,301,510)	(7.30)
Less: Shares held by Edelweiss Employees Welfare Trust (Refer note 1)	**(37,595,270)**	**(37.60)**	(37,595,270)	(37.60)
	898,378,496	**898.38**	**898,201,185**	**898.20**

A. Reconciliation of number of shares

(Before deducting treasury shares)

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	**943,097,965**	**943.10**	935,798,077	935.80
Shares issued during the year:				
-Under Employee Stock Options Plans (ESOPs)	**177,311**	**0.18**	7,299,888	7.30
Outstanding at the end of the year	**943,275,276**	**943.28**	943,097,965	943.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

31. Equity share capital (Continued)

Note :

1. Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Edelweiss Financial Services Limited standalone financial statements and have been accordingly carried forward in consolidated financial statements. These trusts are holding 44,896,780 number of equity shares amounting to ₹ 44.90 million (Previous year ₹ 44.90 million). These are deducted from total outstanding equity shares.

2. The above two Employee Welfare Trust(s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.

B. Terms/rights attached to equity shares :

The Holding Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

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

C. Details of shares held by promoters in the Company

As at 31-Mar-2023

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Rashesh Chandrakant Shah	145,601,730	-	145,601,730	15.44%	0.00%
Venkatchalam A Ramaswamy	58,126,560	-	58,126,560	6.16%	0.00%
Vidya Rashesh Shah	31,031,200	-	31,031,200	3.29%	0.00%
Aparna T Chandrashekar	12,210,000	-	12,210,000	1.29%	0.00%
Kaavya Venkat Arakoni	11,790,000	-	11,790,000	1.25%	0.00%
Neel Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Sneha Sripad Desai	1,025,000	-	1,025,000	0.11%	0.00%
Shilpa Urvish Mody	950,000	-	950,000	0.10%	0.00%
Arakoni Venkatachalam Ramaswamy	50,000	-	50,000	0.01%	0.00%
Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust)	38,750,000	-	38,750,000	4.11%	0.00%
Spire Investment Advisors LLP	3,200,000	-	3,200,000	0.34%	0.00%
Sejal Premal Parekh	950,000	-	950,000	0.10%	0.00%
Avanti Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Total	307,684,490	-	307,684,490	32.62%	0.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

31. Equity share capital (Continued)

C. Details of shares held by promoters in the Company (Continued)

As at 31-Mar-2022

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Rashesh Chandrakant Shah	145,601,730	-	145,601,730	15.44%	0.00%
Venkatchalam A Ramaswamy	58,126,560	-	58,126,560	6.16%	0.00%
Vidya Rashesh Shah	31,031,200	-	31,031,200	3.29%	0.00%
Aparna T Chandrashekar	12,210,000	-	12,210,000	1.29%	0.00%
Kaavya Venkat Arakoni	11,790,000	-	11,790,000	1.25%	0.00%
Neel Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Sneha Sripad Desai	1,025,000	-	1,025,000	0.11%	0.00%
Shilpa Urvish Mody	950,000	-	950,000	0.10%	0.00%
Arakoni Venkatachalam Ramaswamy	50,000	-	50,000	0.01%	0.00%
Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust)	38,750,000	-	38,750,000	4.11%	0.00%
Spire Investment Advisors LLP	3,200,000	-	3,200,000	0.34%	0.00%
Sejal Premal Parekh	950,000	-	950,000	0.10%	0.00%
Avanti Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Total	**307,684,490**	**-**	**307,684,490**	**32.62%**	**0.00%**

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

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	No. of shares	% holding	No. of shares	% holding
Rashesh Shah	**145,601,730**	**15.44%**	145,601,730	15.44%
Venkatchalam Ramaswamy	**58,126,560**	**6.16%**	58,126,560	6.16%
Bih Sa	**45,634,784**	**4.84%**	48,257,748	5.12%
	249,363,074	**26.44%**	**251,986,038**	**26.72%**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

32. Other equity

Particulars	31-Mar-2023	31-Mar-2022
Capital reserve	**8,026.45**	8,026.45
Capital redemption reserve	**287.87**	187.87
Securities premium reserve	**29,582.57**	29,557.82
ESOP/SAR reserve	**698.72**	761.58
Special reserve under section 45-IC of the Reserve Bank of India Act, 1934	**7,463.98**	7,048.56
Reserve under section 29C of the National Housing Bank Act, 1987	**607.55**	575.42
General reserve	**717.15**	717.15
Debenture redemption reserve	**3,074.01**	3,543.64
Impairment reserve	**2,342.26**	2,079.49
Retained earnings	**11,628.26**	9,955.45
Foreign exchange translation reserve	**120.52**	(37.82)
Revaluation reserve through other comprehensive income	**3,625.19**	3,721.28
Equity instruments through other comprehensive income	**(1,700.00)**	(1,700.00)
Debt instruments through other comprehensive income	**68.21**	39.07
	66,542.74	**64,475.96**

Nature and Purpose

32.1 Capital reserve

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

32.2 Capital redemption reserve

The Group has recognised capital redemption reserve on buy back of equity share capital.

32.3 Securities premium reserve

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

32.4 ESOP/SAR reserve

ESOP and SAR options outstanding represents the amount transferred to reserves pursuant to the "ESOP 2011" and "SAR 2019" schemes.

32.5 Statutory reserve u/s 45-IC of The Reserve Bank of India Act, 1934

Every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

32. Other equity (Continued)

Nature and Purpose (Continued)

32.6 Statutory reserve u/s 29C of The National Housing Bank Act, 1987

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

32.7 General reserve

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Holding Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

32.8 Debenture redemption reserve

The Companies Act, 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The Group, except for entities exempted from the requirement, is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings.

32.9 Impairment reserve

RBI notification on Implementation of Indian Accounting Standards, dated 13 March 2020 requires NBFC/ARC subsidiaries within Group are to recognised impairment reserves where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning)

32.10 Retained earnings

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

32.11 Foreign exchange translation reserve

The exchange differences arising out of year end translation of Group entities having functional currency other than Indian Rupees is debited or credited to this reserve.

32.12 Revaluation Reserve through other comprehensive income

For a class of Fixed asset (i.e. flats and building) Group has adopted revaluation model of accounting over cost model. The Revaluation Reserve represents the cumulative gains and losses arising from the revaluation of these assets as at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

32. Other equity (Continued)

Nature and Purpose (Continued)

32.13 FVOCI equity investments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments within equity. The Group reclassified this reserve to retained earnings on derecognition of concerned equity securities.

32.14 FVOCI debt investments

The Group recognises changes in the fair value of debt instruments held with business objective of collection and/or sell, in other comprehensive income. These changes are accumulated within the FVOCI debt investments within equity. The Group reclassifies amounts from this reserve to the statement of profit and loss when the debt instrument is sold/ repaid.

33. Interest income

For the year ended 31 March 2023

Particulars	Amortised cost	FVTPL	FVOCI	Total
Interest on loans	**23,727.38**	**221.32**	**-**	**23,948.70**
Interest income from investments	**282.82**	**2,081.26**	**1,875.10**	**4,239.18**
Interest on deposits with banks	**853.08**	**-**	**-**	**853.08**
Other interest income	**417.68**	**-**	**-**	**417.68**
Total	**25,280.96**	**2,302.58**	**1,875.10**	**29,458.64**

For the year ended 31 March 2022

Particulars	Amortised cost	FVTPL	FVOCI	Total
Interest on loans	22,133.27	519.28	-	22,652.55
Interest income from investments	1,592.88	3,648.01	1,256.52	6,497.41
Interest on deposits with banks	825.09	-	-	825.09
Other interest income	479.74	-	-	479.74
Total	**25,030.98**	**4,167.29**	**1,256.52**	**30,454.79**

34. Fee and commission income

Particulars	2022-23	2021-22
Income from broking	**16.04**	14.24
Advisory and other fees	**12,427.39**	14,424.02
Total	**12,443.43**	**14,438.26**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

34. Fee and commission income (Continued)

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

Particulars	2022-23	2021-22
Service transferred at a point in time	**2,034.18**	2,014.15
Service transferred over time	**10,409.25**	12,424.11
Total revenue from contract with customers	**12,443.43**	**14,438.26**

Geographical Markets	2022-23	2021-22
India	**11,648.42**	13,679.91
Outside India	**795.01**	758.35
Total revenue from contract with customers	**12,443.43**	**14,438.26**

35. Net gain on fair value changes

Particulars	2022-23	2021-22
Net gain /(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Investment at FVTPL[1]	**12,326.66**	1,661.29
Derivatives at FVTPL	**4,954.99**	4,389.83
Others		
Other financial instruments	**5,756.87**	273.31
Total Net gain/(loss) on fair value changes	**23,038.52**	**6,324.43**
Fair Value changes:		
Realised gain/(loss)	**7,744.04**	6,705.22
Unrealised gain/(loss)	**15,294.48**	(380.79)
Total	**23,038.52**	**6,324.43**

[1]Refer note 62

36. Other operating revenue

Particulars	2022-23	2021-22
Warehousing income	**-**	54.68
Income from training centre	**61.56**	23.32
Rental income	**211.22**	197.56
Total	**272.78**	**275.56**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

37. Other income

Particulars	2022-23	2021-22
Donation income	**393.97**	222.20
Interest on income tax refund	**191.49**	242.80
Profit on sale of subsidiaries (net)	**-**	3,072.37
Miscellaneous income[1]	**930.09**	394.50
Total	**1,515.55**	**3,931.87**

[1]Includes profit of ₹ 760 million on account of sale of investment property during the year ended 31 March 2023.

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

Particulars	2022-23	2021-22
Interest on deposits	**89.12**	11.46
Interest on borrowings (other than debt securities)	**5,377.94**	7,745.72
Interest on debt securities	**16,835.84**	18,358.31
Interest on debt securities (at fair value through profit or loss)	**1,089.69**	1,026.37
Interest on subordinated liabilities	**1,328.47**	1,072.23
Other interest expense	**1,024.57**	1,627.00
Total	**25,745.63**	**29,841.09**

39. Employee benefits expense

Particulars	2022-23	2021-22
Salaries and wages (Refer note 1 below)	**9,892.36**	9,982.70
Contribution to provident and other funds	**506.58**	437.16
Expense on employee stock option scheme/stock appreciation rights	**87.28**	120.73
Staff welfare expenses	**165.52**	102.10
Total	**10,651.74**	**10,642.69**

Note 1:- The Group has provided ₹ 1,090 million towards incremental performance bonus cost for employees for the year ended 31 March 2023.

40. Impairment on financial instruments

Particulars	2022-23	2021-22
On loans[1]	**3,327.59**	844.44
On investments	**333.97**	(327.26)
On trade receivables	**(42.74)**	(94.46)
Total	**3,618.82**	**422.72**

[1]Refer note 62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

41. Other expenses

Particulars	2022-23	2021-22
Advertisement and business promotion	**2,086.06**	1,952.85
Auditors' remuneration (Refer note 41(a))	**109.98**	115.92
Commission and brokerage	**2,844.94**	2,073.67
Communication	**192.39**	170.65
Computer software and other expenses	**1,103.84**	751.52
Commission to non-executive directors	**15.50**	14.00
Contribution towards donations and corporate social responsibility	**610.88**	265.03
Dematerialisation charges and stock exchange expenses	**293.83**	77.22
Directors' sitting fees	**26.65**	13.46
Insurance	**28.24**	37.10
Legal and professional fees	**5,128.79**	3,114.70
Membership and subscription	**267.58**	106.26
Mutual fund expenses	**95.18**	117.73
Office expenses	**372.12**	300.43
Printing and stationery	**52.90**	29.60
Rates and taxes	**924.91**	788.01
Rent and electricity charges	**207.68**	193.18
Repairs and maintenance - others	**142.01**	72.45
Security transaction tax	**191.35**	381.69
Seminar and conference expenses	**192.00**	44.76
Stamp duty	**133.99**	122.08
Travelling and conveyance	**375.53**	239.70
Warehousing charges	**4.64**	55.00
Selling and distribution expenses	**421.98**	648.89
Miscellaneous expenses	**390.16**	739.98
Loss on sale/ write-off of property, plant and equipments (net)	**3.30**	25.25
Total	**16,216.43**	**12,451.13**

41. (a) Auditors' remuneration

Particulars	2022-23	2021-22
As Auditors	**107.97**	114.69
Towards reimbursement of expenses	**2.01**	1.23
Total	**109.98**	**115.92**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

42. Income tax

The components of income tax expense recognised in profit or loss for the years ended 31 March 2023 and 31 March 2022 are:

Particulars	2022-23	2021-22
Current tax	**1,617.24**	1,084.60
Adjustment in respect of current income tax of prior years	**23.24**	(6.89)
Deferred tax relating to origination and reversal of temporary differences	**(1,848.80)**	(924.65)
Total tax expense	**(208.32)**	**153.06**
Total current tax	**1,640.48**	**1,077.71**
Total deferred tax	**(1,848.80)**	**(924.65)**

42.1. Reconciliation of the total tax expense

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

Particulars	2022-23	2021-22
Profit / (Loss) before tax	**2,529.31**	1,307.26
Tax rate	**25.17%**	25.17%
Income tax expense calculated based on above tax rate	**636.58**	329.04
Adjustment in respect of income tax of prior years	**23.24**	(6.89)
Effect of income not subject to tax	**(1,819.33)**	(81.69)
Effect of non-deductible expenses	**(300.98)**	116.06
Impact of certain items being taxed at different rates	**(87.45)**	(1,412.28)
Impact of tax rate changes	**4.05**	271.31
Write-down / reversal of write down of deferred tax assets on unused tax credits and unused tax losses (net)	**215.58**	(1,709.19)
Effect of non-recognition of deferred tax asset on current-year losses	**1,786.37**	2,635.76
Different tax rates of subsidiaries	**(362.78)**	23.99
Others	**(303.60)**	(13.05)
Tax expense recognised in profit and loss	**(208.32)**	**153.06**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

43. Components of deferred tax

31-Mar-23	Opening deferred tax asset/ (liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total Movement	Closing deferred tax asset/ (liability)
Provision for expected credit losses	2,215.50	(396.10)	-	-	-	(396.10)	1,819.40
Unused tax losses / credits	8,848.33	1,559.33	-	-	-	1,559.33	10,407.66
Employee benefits obligations	77.61	6.15	3.40	-	-	9.55	87.16
ESOP Perquisite	4.01	-	-	-	-	-	4.01
Fair valuation of Financial Assets	50.40	602.11	-	-	(43.35)	558.76	609.16
Fair valuation of Derivatives	(22.50)	(9.41)	-	-	-	(9.41)	(31.91)
Property, Plant and Equipment and Intangible assets	(2,305.65)	138.38	-	-	-	138.38	(2,167.27)
Adjustment of effective interest rate on Borrowings	(287.48)	(46.02)	-	-	-	(46.02)	(333.50)
Special Reserve u/s 36(1)(viii)	(101.02)	(5.64)	-	-	-	(5.64)	(106.66)
Total	8,479.20	1,848.80	3.40	-	(43.35)	1,808.85	10,288.05

31-Mar-22	Opening deferred tax asset/ (liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total Movement	Closing deferred tax asset/ (liability)
Provision for expected credit losses	2,620.99	(386.21)	0.12	-	(19.40)	(405.49)	2,215.50
Unused tax losses / credits	7,854.43	993.90	-	-	-	993.90	8,848.33
Employee benefits obligations	77.88	(13.27)	20.38	-	(7.38)	(0.27)	77.61
ESOP Perquisite	4.01	-	-	-	-	-	4.01
Fair valuation of Financial Assets	(19.37)	68.50	1.27	-	-	69.77	50.40
Fair valuation of Derivatives	5.34	(27.84)	-	-	-	(27.84)	(22.50)
Property, Plant and Equipment and Intangible assets	(2,565.26)	127.42	133.78	-	(1.59)	259.61	(2,305.65)
Adjustment of effective interest rate on Borrowings	(451.95)	164.47	-	-	-	164.47	(287.48)
Special Reserve u/s 36(1)(viii)	(98.70)	(2.32)	-	-	-	(2.32)	(101.02)
Total	7,427.37	924.65	155.55	-	(28.37)	1,051.83	8,479.20

Recognition of deferred taxes are evaluated by Board in respective board meetings of Group companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

43. Components of deferred tax (Continued)

43.1. Deductible temporary differences, unused tax losses and unused tax credits on which deferred tax asset is not recognised in balance sheet

As at 31-Mar-2023

Financial Year to which the loss related to	Deductible temporary differences		Unused tax losses							Unused tax credits	
	Amount	Expiry year-financial year	Unabsorbed depreciation		Unabsorbed long term capital losses		Unabsorbed business losses		Total	MAT Credit	
			Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Amount	Expiry year-financial year
FY 2022-23	1,083.73	Not applicable	111.48	No expiry	1,599.95	FY 2030-31	6,138.43	FY 2030-31	7,849.86	136.31	No expiry
FY 2022-23	-	-	-	-	-	-	15.52	FY 2027-28	15.52	-	-
FY 2021-22	416.26	Not applicable	276.62	No expiry	-	-	4,952.63	FY 2029-30	5,229.25	57.49	No expiry
FY 2021-22	-	-	-	-	-	-	34.41	FY 2026-27	34.41	-	-
FY 2020-21	9,914.55	Not applicable	161.93	No expiry	4,203.57	FY 2028-29	5,860.68	FY 2028-29	10,226.18	23.59	No expiry
FY 2020-21	-	-	-	-	-	-	22.45	FY 2025-26	22.45	-	-
FY 2019-20	1,773.80	Not applicable	214.54	No expiry	-	-	5,098.41	FY 2027-28	5,312.95	18.90	No expiry
FY 2019-20	-	-	-	-	-	-	13.76	FY 2024-25	13.76	-	-
FY 2018-19	55.32	Not applicable	164.97	No expiry	47.24	FY 2026-27	3,508.91	FY 2026-27	3,721.12	-	-
FY 2018-19	-	-	-	-	-	-	10.37	FY 2023-24	10.37	-	-
FY 2018-19	-	-	-	-	-	-	428.92	No expiry	428.92	-	-
FY 2017-18	84.56	Not applicable	16.07	No expiry	-	-	2,707.20	FY 2025-26	2,723.27	-	-
FY 2017-18	-	-	-	-	-	-	656.58	No expiry	656.58	-	-
FY 2016-17	-	-	9.90	No expiry	-	-	2,574.26	FY 2024-25	2,584.16	-	-
FY 2016-17	-	-	-	-	-	-	449.71	FY 2021-22	449.71	-	-
FY 2015-16	-	-	0.12	No expiry	-	-	1,686.27	FY 2023-24	1,686.39	-	-
FY 2014-15	-	-	6.74	No expiry	-	-	-	FY 2022-23	6.74	-	-
Total	13,328.22		962.37		5,850.76		34,158.51		40,971.64	236.29	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

43. Components of deferred tax (Continued)

43.1 Deductible temporary differences, unused tax losses and unused tax credits on which deferred tax asset is not recognised in balance sheet (Continued)

As at 31-Mar-2022

Financial Year to which the loss related to	Deductible temporary differences		Unused tax losses							Unused tax credits	
			Unabsorbed depreciation		Unabsorbed long term capital losses		Unabsorbed business losses		Total Amount	MAT Credit	
	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year		Amount	Expiry year-financial year
FY 2021-22	416.26	Not applicable	53.64	No expiry	-	-	5,650.13	FY 2029-30	5,703.77	57.49	No expiry
FY 2021-22	-	-	-	-	-	-	25.32	FY 2026-27	25.32	-	-
FY 2020-21	9,914.55	Not applicable	47.65	No expiry	4,203.57	FY 2028-29	5,884.09	FY 2028-29	10,135.31	23.59	No expiry
FY 2020-21	-	-	-	-	-	-	22.45	FY 2025-26	22.45	-	-
FY 2019-20	1,773.80	Not applicable	37.45	No expiry	-	-	5,102.15	FY 2027-28	5,139.60	18.90	No expiry
FY 2019-20	-	-	-	-	-	-	13.76	FY 2024-25	13.76	-	-
FY 2018-19	55.32	Not applicable	45.81	No expiry	-	-	3,401.02	FY 2026-27	3,446.83	-	-
FY 2018-19	-	-	-	-	-	-	10.37	FY 2023-24	10.37	-	-
FY 2018-19	-	-	-	-	-	-	398.65	No expiry	398.65	-	-
FY 2017-18	84.56	Not applicable	16.07	No expiry	-	-	2,708.44	FY 2025-26	2,724.51	-	-
FY 2017-18	-	-	-	-	-	-	167.53	No expiry	167.53	-	-
FY 2016-17	-	-	0.82	No expiry	-	-	2,162.11	FY 2024-25	2,162.93	-	-
FY 2016-17	-	-	-	-	-	-	-	FY 2021-22	-	-	-
FY 2015-16	-	-	0.87	No expiry	-	-	1,686.29	FY 2023-24	1,687.16	-	-
FY 2014-15	-	-	-	-	-	-	604.13	FY 2022-23	604.13	-	-
FY 2013-14	-	-	-	-	-	-	-	FY 2021-22	-	-	-
Total	**12,244.49**		**202.31**		**4,203.57**		**27,836.44**		**32,242.32**	**99.98**	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

44. Earnings per share (EPS)

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

Particulars	2022-23	2021-22
Profit /(loss) for the year attributable to owners of the parent	**3,441.63**	1,887.84
Number of equity shares for calculating basic EPS	**898,378,496**	898,201,185
Weighted average number of shares outstanding at the end of the year	**898,207,466**	893,981,653
Number of dilutive potential equity shares	**115,119**	792,995
Weighted average number of equity shares for calculating diluted EPS	**898,322,585**	894,774,648
Earnings per share (EPS) (Face value ₹ 1 each)		
Basic earnings share (in ₹)	**3.83**	2.11
Dilutive earning per share (in ₹)	**3.83**	2.11

45. Segment information

The Group has made its consolidated segment reporting to meaningfully represent its business lines Agency business, Capital business, Asset reconstruction business, Insurance & Treasury business. Agency business includes advisory and other fee based businesses; Capital business represents lending business and investment activities; Asset reconstruction business represents purchase and resolution of distress assets; Insurance business represents life insurance business and general insurance business. Treasury business represents income from trading activities.

The management is the Chief Operating Decision Maker (CODM).

The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the CODM.

Since the business operations of the Group are primarily concentrated in India, the Group is considered to operate only in the domestic segment.

31-Mar-2023

Particulars	Agency	Capital based	Insurance business	Asset reconstruction business	Treasury	Unallocated	Total
Segment Revenue[1]	**10,030.14**	**31,833.63**	**23,876.59**	**14,631.06**	**6,414.74**	**857.69**	**87,643.85**
Inter Segment Revenue	**(314.10)**	**1,171.26**	**-**	**-**	**(658.90)**	**(198.26)**	**-**
Revenue from External Customers	**9,716.04**	**33,004.89**	**23,876.59**	**14,631.06**	**5,755.84**	**659.43**	**87,643.85**
Segment Expenditure	**6,308.61**	**35,292.67**	**27,122.38**	**9,726.64**	**4,388.18**	**958.12**	**83,796.60**
Segment results (Profit/(loss) before tax)	**3,407.43**	**(2,287.78)**	**(3,245.79)**	**4,904.42**	**1,367.66**	**(298.69)**	**3,847.25**
Tax expense							**(208.32)**
Net profit / (loss) for the year							**4,055.57**
Segment assets	**14,512.18**	**223,247.75**	**85,062.28**	**66,878.71**	**28,324.76**	**22,616.99**	**440,642.67**
Segment liabilities	**6,953.14**	**215,738.00**	**76,545.17**	**39,224.53**	**21,347.02**	**2,372.50**	**362,180.36**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

45. Segment information (Continued)

31-Mar-2022

Particulars	Agency	Capital based	Insurance business	Asset reconstruction business	Treasury	Unallocated	Total
Segment Revenue[1]	5,789.21	27,177.78	21,943.30	10,232.70	7,371.24	578.22	73,092.45
Inter Segment Revenue	(231.41)	(108.18)	-	-	464.66	(125.07)	-
Revenue from External Customers	5,557.80	27,069.60	21,943.30	10,232.70	7,835.90	453.15	73,092.45
Segment Expenditure	4,701.60	29,082.10	25,051.80	6,575.50	4,877.50	530.15	70,818.65
Segment results (Profit/(loss) before tax)	856.20	(2,012.50)	(3,108.50)	3,657.20	2,958.40	(77.00)	2,273.80
Tax expense							153.06
Net profit / (loss) for the year							2,120.74
Segment assets	7,202.50	240,190.70	70,850.60	60,955.90	32,688.80	20,909.30	432,797.80
Segment liabilities	3,912.10	226,211.80	63,307.50	37,100.70	23,604.90	2,737.60	356,874.60

1. Segment revenue includes share in profit/(loss) in associates.
2. Non-cash expenditure aggregated to ₹ 10,338.41 million for the year ended 31 March 2023 (Previous Year ₹ 13,245.36 million)

46. Transfer of Financials Asset

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

Particulars	2022-23	2021-22
Securitisations		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	**15,278.21**	9,691.07
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	**14,194.38**	9,376.04
Fair value of assets	**14,790.02**	10,256.62
Fair value of associated liabilities	**13,308.22**	9,529.05
Net position at fair value	**1,481.80**	727.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

47. Unconsolidated structured entities

The Group has exposure to certain unconsolidated structured entities being securitisation trusts, alternative investment funds and similar funds. The Group is involved in setting up of these structured entities and generally, acts as the investment manager. However, the Group can be removed by certain specified majority of the investors. Further, the Group does not have significant exposure to variability of returns and its remuneration is commensurate to the services provided. Therefore, these structured entities are not consolidated by the Group.

The following tables show the carrying amount of the Group's recorded interest in its consolidated balance sheet as well as the maximum exposure to risk (as defined in below) due to these exposures in the unconsolidated structured entities:

Particulars	31-Mar-2023			
	Securitisation trusts	Alternative Investment Funds	Total	Maximum exposure[1]
Loans	**459.75**	**-**	**459.75**	**459.75**
Trade Receivables	**2,272.57**	**403.36**	**2,675.93**	**2,675.93**
Investments	**23,805.88**	**3,619.76**	**27,425.64**	**27,425.64**
Total Assets	**26,538.20**	**4,023.12**	**30,561.32**	**30,561.32**
Off-balance sheet exposure	**-**	**10,133.37**	**10,133.37**	**10,133.37**
Size of the structured entity[1]	**316,671.81**	**333,047.32**	**649,719.13**	**-**
Income from the structured entity	**3,425.71**	**2,594.00**	**6,019.71**	**-**

Particulars	31-Mar-2022			
	Securitisation trusts	Alternative Investment Funds	Total	Maximum exposure[1]
Loans	918.28	-	918.28	918.28
Trade Receivables	3,996.28	609.81	4,606.09	4,606.09
Investments	36,776.04	2,991.06	39,767.10	39,767.10
Total Assets	**41,690.60**	**3,600.87**	**45,291.47**	**45,291.47**
Off-balance sheet exposure	-	662.00	662.00	662.00
Size of the structured entity[1]	392,910.96	317,696.58	710,607.54	-
Income from the structured entity	3,267.58	3,098.32	6,365.90	-

[1] In the above table, the size of the structured entity refers to the corpus in case of securitisation trusts and to the assets under management in case of alternative investment funds. For loans, trade receivables and investments in structured entities, the carrying value reflects the Group's maximum exposure to loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

48. Disclosure of interest in other entities:

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

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests held by non-controlling interests	Profit/(loss) allocated to non-controlling interests	
			31-Mar-2023	31-Mar-2022
Edelweiss Asset Reconstruction Company Limited	India	40.18%	**1,279.30**	1,014.73
Edelweiss Tokio Life Insurance Company Limited	India	24.92%	**(589.32)**	(948.07)

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

Edelweiss Asset Reconstruction Company Limited	As at 31-Mar-2023	As at 31-Mar-2022
Financial assets	**58,716.35**	60,210.54
Non-financial assets	**752.68**	577.91
Financial liabilities	**29,674.63**	33,653.68
Non-financial liabilities	**1,853.12**	2,378.22
Equity attributable to owners of the company	**16,714.49**	17,099.89
Non-controlling interest	**11,226.79**	7,656.66

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations	**10,006.99**	8,992.70
Total income	**10,006.99**	8,992.70
Total expenses	**5,716.46**	5,563.07
Profit / (loss) before tax	**4,290.53**	3,429.63
Tax expense	**1,106.60**	902.91
Profit / (loss) for the year	**3,183.93**	2,526.72
Total comprehensive income / (loss)	**3,181.73**	2,523.20
Profit / (loss) for the year attributable to owners of the parent	**1,904.63**	1,511.99
Profit / (loss) for the year attributable non-controlling interests	**1,279.30**	1,014.73
Cash flows (used) / generated from operating activities	**5,273.32**	9,905.03
Cash flows (used) / generated from investing activities	**5,152.25**	(877.07)
Cash flows (used) / generated from financial activities	**(8,231.74)**	(7,256.37)
Net cash inflow/(outflow)	**2,193.83**	1,771.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

48. Disclosure of interest in other entities: (Continued)

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

Edelweiss Tokio Life Insurance Company Limited	As at 31-Mar-2023	As at 31-Mar-2022
Financial assets	**71,956.42**	60,448.75
Non-financial assets	**4,187.66**	4,707.40
Financial liabilities	**4,229.74**	4,371.77
Non-financial liabilities	**65,133.48**	54,590.19
Equity attributable to owners of the company	**5,091.07**	4,088.17
Non-controlling interest	**1,689.79**	2,106.02

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations	**19,992.04**	19,008.52
Total income	**19,999.93**	19,027.24
Total expenses	**21,990.82**	21,086.81
Profit / (loss) before tax	**(1,990.89)**	(2,059.57)
Tax expense	**-**	-
Profit / (loss) for the year	**(1,990.89)**	(2,059.57)
Total comprehensive income / (loss)	**(1,922.79)**	(3,010.04)
Profit / (loss) for the year attributable to owners of the parent	**(1,401.57)**	(1,111.50)
Profit / (loss) for the year attributable non-controlling interests	**(589.32)**	(948.07)
Cash flows (used) / generated from operating activities	**5,673.17**	5,452.67
Cash flows (used) / generated from investing activities	**(7,850.16)**	(9,059.31)
Cash flows (used) / generated from financial activities	**2,402.19**	3,683.05
Net cash inflow/(outflow)	**225.20**	76.41

2. Details of associate*

Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited - (Consolidated upto 30 March 2023))	As at 30-Mar-2023	As at 31-Mar-2022
Financial assets	**124,257.73**	101,999.97
Non-financial assets	**5,310.19**	3,982.55
Financial liabilities	**105,781.16**	85,832.60
Non-financial liabilities	**1,229.04**	1,021.44
Total equity	**22,557.72**	19,128.48
Share of commitments and contingent liabilities	**5,891.51**	1,311.62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

48. Disclosure of interest in other entities: (Continued)

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

2. Details of associate* (Continued)

Particulars	For the period ended 30 March 2023	For the year ended 31 March 2022
Revenue from operations	**22,023.89**	17,731.84
Total income	**22,154.00**	17,833.08
Total expenses	**18,141.12**	14,808.34
Profit / (loss) before tax	**4,012.88**	3,024.74
Other exceptional items	**9.40**	6,326.35
Profit / (loss) before tax and after exceptional items	**4,022.28**	9,351.09
Tax expense	**1,000.96**	779.76
Profit / (loss) for the year	**3,021.32**	8,571.33
Total comprehensive income / (loss)	**3,053.44**	8,571.53
Share in profit / (loss) of associates	**1,317.94**	966.54
Share in profit / (loss) of associates in other comprehensive income	**14.06**	(1.94)
Cash flows (used) / generated from operating activities	**(17,483.30)**	(14,252.50)
Cash flows (used) / generated from investing activities	**(1,792.46)**	(821.79)
Cash flows (used) / generated from financial activities	**18,844.73**	21,385.21
Change in foreign exchange translation reserve	**47.81**	16.67
Net cash inflow/(outflow)	**(383.22)**	6,327.59

*Refer Note 58 & 62

49. Retirement benefit plan

A) Defined contribution plan (Provident fund and National Pension Scheme):

Amount of ₹ 389.00 million (Previous year: ₹ 341.89 million) is recognised as expenses and included in "Employee benefits expense" in the statement of profit and loss.

B) Defined benefit plan (Gratuity):

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

Statement of profit and loss

Expenses recognised in the Statement of Profit and Loss:

Particulars	2022-23	2021-22
Current service cost	**87.89**	81.38
Interest on defined benefit obligation	**7.63**	5.43
Past service cost	**(1.69)**	-
Exchange rate adjustment	**0.18**	0.11
Total included in 'Employee benefits expense'	**94.01**	**86.92**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

49. Retirement benefit plan (Continued)

B) Defined benefit plan (Gratuity): (Continued)

Movement in Other Comprehensive Income:

Particulars	2022-23	2021-22
Balance at start of year (Loss)/ Gain		
Re-measurements on define benefit obligation (DBO)	**(87.22)**	(31.48)
a. Actuarial (Loss)/ Gain from changes in financial assumptions	**33.79**	(1.53)
b. Actuarial (Loss)/ Gain from experience over the past year	**(25.68)**	(35.86)
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	**(4.41)**	12.49
Effect of acquisition/ (divestiture)	**-**	1.56
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	**(14.94)**	(32.40)
Balance at end of year (Loss)/ Gain	**(98.46)**	**(87.22)**

Balance sheet

Reconciliation of defined benefit obligation (DBO) :

Particulars	2022-23	2021-22
Present value of DBO at the beginning of the year	**538.84**	488.67
Acquisition/ (Divestiture)	**-**	(1.04)
Interest cost	**28.85**	23.91
Current service cost	**87.89**	81.38
Benefits paid	**(88.83)**	(92.21)
Past service cost	**(1.69)**	-
Actuarial (gain)/loss	**(37.20)**	37.39
Transfer (out)/in	**0.42**	0.63
Exchange Rate Adjustment	**0.18**	0.11
Present value of DBO at the end of the year	**528.46**	**538.84**

Reconciliation of fair value of plan assets:

Particulars	2022-23	2021-22
Fair value of plan assets at the beginning of the year	**453.11**	434.78
Contributions by Employer	**128.66**	76.00
Benefits paid	**(88.83)**	(91.06)
Interest income	**26.13**	20.90
Acquisition/ (Divestiture)/Curtailment	**-**	-
Return on plan asset excluding amount included in net interest on the net defined benefit liability/ (asset)	**(9.78)**	12.49
Fair value of plan assets at the end of the year	**509.29**	**453.11**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

49. Retirement benefit plan (Continued)

B) Defined benefit plan (Gratuity): (Continued)

Net asset / (liability) recognised in the balance sheet:

Particulars	2022-23	2021-22
Present value of DBO	**(528.46)**	(538.84)
Fair value of plan assets at the end of the year	**509.29**	453.11
Net Liability	**(19.17)**	**(85.73)**
Less: Effect of limiting net assets to asset ceiling	**(102.98)**	(83.01)
Liability recognised in the balance sheet	**(122.15)**	**(168.74)**

Experience adjustments:

Particulars	2023	2022	2021	2020	2019
On plan liabilities: loss / (gain)	**25.68**	35.86	6.74	(34.66)	18.12

Principal actuarial assumptions at the balance sheet date:

Particulars	2022-23	2021-22
Discount rate	**7.1%**	5.9%
Salary escalation	**7.0%**	7.0%
Employees attrition rate	**16.0%**	16.0%
Mortality Rate	**IALM 2012-14 (Ultimate)**	IALM 2012-14 (Ultimate)

Percentage Break-down of Total Plan Assets	2022-23	2021-22
Investment Funds with Insurance Company and Cash	**99%**	98%
Cash and cash equivalents	**1%**	2%
Total	**100%**	**100%**

Sensitivity Analysis for 2023:

Assumptions	Discount rate		Future salary increases	
Sensitivity Level	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
Impact on defined benefit obligation	**(21.18)**	**22.71**	**22.46**	**(21.36)**

Sensitivity Analysis for 2022:

Assumptions	Discount rate		Future salary increases	
Sensitivity Level	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
Impact on defined benefit obligation	(23.84)	26.07	25.49	(23.77)

Maturity profile

The weighted average duration of the obligation is 4 years (March 31, 2022 : 4 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

50. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the effective interest rate. Issued debt reflect the contractual coupon amortisations.

Particulars	As at 31-Mar-2023			As at 31-Mar-2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
(a) Cash and cash equivalents	**27,458.60**	**-**	**27,458.60**	19,885.63	-	19,885.63
(b) Bank balances other than cash and cash equivalents	**6,165.20**	**3,366.93**	**9,532.13**	7,427.14	3,076.20	10,503.34
(c) Derivative financial instruments	**779.00**	**-**	**779.00**	685.22	-	685.22
(d) Stock in trade (securities held for trading)	**26,971.88**	**22.17**	**26,994.05**	15,100.07	18.04	15,118.11
(e) Trade Receivables	**3,637.40**	**495.68**	**4,133.08**	2,885.67	1,806.04	4,691.71
(f) Loans	**54,795.57**	**118,740.71**	**173,536.28**	59,488.45	141,487.71	200,976.16
(g) Investments	**38,564.80**	**106,063.39**	**144,628.19**	38,155.80	88,119.09	126,274.89
(h) Other financial assets	**7,840.83**	**1,346.26**	**9,187.09**	6,912.51	4,122.72	11,035.23
Total financial assets (A)	**166,213.28**	**230,035.14**	**396,248.42**	**150,540.49**	**238,629.80**	**389,170.29**
Non-financial assets						
(a) Reinsurance assets	**-**	**3,013.36**	**3,013.36**	-	3,432.77	3,432.77
(b) Current tax assets (net)	**188.32**	**8,039.02**	**8,227.34**	520.88	8,391.92	8,912.80
(c) Deferred tax assets (net)	**-**	**12,115.65**	**12,115.65**	0.20	10,645.41	10,645.61
(d) Investment property	**-**	**1,822.13**	**1,822.13**	-	3,034.26	3,034.26
(e) Property, Plant and Equipment	**2.81**	**10,325.19**	**10,328.00**	8.96	11,062.81	11,071.77
(f) Capital work in progress	**1.63**	**5.46**	**7.09**	0.57	-	0.57
(g) Intangible assets under development	**43.20**	**197.40**	**240.60**	36.33	159.37	195.70
(h) Goodwill	**-**	**236.60**	**236.60**	-	663.35	663.35
(i) Other Intangible assets	**10.46**	**1,274.60**	**1,285.06**	124.48	1,079.69	1,204.17
(j) Other non- financial assets	**1,913.29**	**5,205.13**	**7,118.42**	1,574.44	2,892.07	4,466.51
Total non-financial assets (B)	**2,159.71**	**42,234.54**	**44,394.25**	**2,265.86**	**41,361.65**	**43,627.51**
TOTAL ASSETS (C = A+B)	**168,372.99**	**272,269.68**	**440,642.67**	**152,806.35**	**279,991.45**	**432,797.80**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

50. Maturity analysis of assets and liabilities (Continued)

Particulars	As at 31-Mar-2023			As at 31-Mar-2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES						
Financial liabilities						
(a) Derivative financial instruments	**775.72**	**-**	**775.72**	2,044.07	215.82	2,259.89
(b) Trade Payables	**13,820.78**	**301.38**	**14,122.16**	12,760.67	140.60	12,901.27
(c) Insurance claims payable	**509.76**	**-**	**509.76**	345.28	-	345.28
(d) Debt securities	**55,559.95**	**98,470.39**	**154,030.34**	35,392.87	119,664.17	155,057.04
(e) Borrowings (other than debt securities)	**40,265.14**	**9,681.88**	**49,947.02**	40,550.03	16,000.63	56,550.66
(f) Deposits	**16.25**	**-**	**16.25**	15.60	-	15.60
(g) Subordinated Liabilities	**1,430.40**	**11,936.47**	**13,366.87**	500.00	14,986.53	15,486.53
(h) Other financial liabilities	**9,475.44**	**44,595.01**	**54,070.45**	13,327.54	38,165.68	51,493.22
Total financial liabilities (D)	**121,853.44**	**164,985.13**	**286,838.57**	**104,936.06**	**189,173.43**	**294,109.49**
Non-financial liabilities						
(a) Current tax liabilities (net)	**223.18**	**26.03**	**249.21**	147.85	26.09	173.94
(b) Provisions	**279.56**	**344.40**	**623.96**	178.93	316.47	495.40
(c) Provision for policyholders' liabilities	**-**	**66,135.11**	**66,135.11**	-	55,288.34	55,288.34
(d) Deferred tax liabilities (net)	**-**	**1,827.60**	**1,827.60**	-	2,166.41	2,166.41
(e) Other non-financial liabilities	**6,350.23**	**155.68**	**6,505.91**	4,403.27	237.75	4,641.02
Total non-financial liabilities (E)	**6,852.97**	**68,488.82**	**75,341.79**	**4,730.05**	**58,035.06**	**62,765.11**
TOTAL LIABILITIES (F = D+E)	**128,706.41**	**233,473.95**	**362,180.36**	**109,666.11**	**247,208.49**	**356,874.60**
NET TOTAL ASSETS / (LIABILITIES) (C-F)	**39,666.58**	**38,795.73**	**78,462.31**	**43,140.24**	**32,782.96**	**75,923.20**

51. Changes in liabilities arising from financing activities

Particulars	1-Apr-2022	Cash flows	Changes in fair values	Exchange difference	Others**	31-Mar-2023
Borrowings*	**227,675.84**	**(15,790.51)**	**-**	**-**	**6,029.23**	**217,914.56**
Total liabilities from financing activities	**227,675.84**	**(15,790.51)**	**-**	**-**	**6,029.23**	**217,914.56**

Particulars	1-Apr-2021	Cash flows	Changes in fair values	Exchange difference	Others**	31-Mar-2022
Borrowings*	285,160.71	(60,889.19)	-	-	3,404.32	227,675.84
Total liabilities from financing activities	285,160.71	(60,889.19)	-	-	3,404.32	227,675.84

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

52. Contingent liabilities, commitments and leasing arrangements:

52.1 Contingent liabilities and commitments

a) Contingent liabilities

- Taxation matters in respect of which appeal is pending ₹ 1,108.10 million (Previous year: ₹ 1,079.99 million).
- Litigation pending against Group amounts to ₹ 347.63 million (Previous year: ₹ 326.67 million).
- Claims not acknowledged as debt ₹ Nil million (Previous year: ₹ 2.54 million).

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

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

Corporate/other guarantee not acknowledged as debt:

Corporate/other guarantee given by the Company on behalf of its associate companies and to third party which is outstanding as at 31 March 2023 and 31 March 2022 is given below:

Particulars	As at 31 March 2023	As at 31 March 2022
Guarantee to trustees and others for non convertible debentures and other borrowings	**138.27**	139.80
Guarantee for meeting margin requirements	**4,000.00**	8,950.00
Total	**4,138.27**	**9,089.80**

b) Commitments

- Undrawn committed credit lines subject to meeting of conditions, ₹ 2,611.20 million as at balance sheet date (Previous year: ₹ 1,303.43 million).
- Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 96.25 million (Previous year: ₹ 261.37 million).
- Uncalled liabilities on investments ₹ 11,196.11 million (Previous year: ₹ 3,860.55 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

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

52.2. Leases

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

Set out below are the carrying amounts of lease liabilities and the movements	As at 31 March 2023	As at 31 March 2022
Opening balance as at	**566.01**	800.22
Addition / disposal during year	**174.63**	60.78
Accretion of interest	**70.40**	69.27
Lease payment for the year	**(256.96)**	(364.26)
Closing balance as at	**554.08**	**566.01**

2) The statement of profit or loss shows the following amounts relating to leases

Particulars	Mar-23	Mar-22
Depreciation on ROU of assets	**201.30**	217.97
Reversal of lease pre-closure	**(7.79)**	(131.23)
Interest cost	**70.39**	69.64
Expenses related to short term lease	**125.42**	76.32

The maturity analysis of lease liability is disclosed in other financial liabilities in note 50.

53. Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure":

(A) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise

Mr. Rashesh Shah
Mr. Venkatchalam Ramaswamy
Ms. Vidya Shah
Ms. Aparna T.C.

(B) Key Management Personnel

Mr. Rashesh Shah - Chairman
Mr. Venkatchalam Ramaswamy - Vice Chairman & Executive Director
Mr. Himanshu Kaji - Executive Director
Mr. Rujan Panjwani - Executive Director (upto 2 September 2022)
Ms. Ananya Suneja - Chief Financial Officer (from 01 March 2022)
Mr. Tarun Khurana - Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

53. Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

(C) Relatives of individuals exercising significant influence and relatives of KMP, with whom transactions have taken place

Ms. Kaavya Venkat
Ms. Shilpa Mody
Ms. Sejal Premal Parekh
Mr. A V Ramaswamy
Ms. Sneha Sripad Desai
Mr. Neel Shah
Ms. Avanti Shah
Ms. Shabnam Panjwani

(D) Enterprises over which Promoter / KMPs / Relatives exercise significant influence, with whom transactions have taken place

Spire Investment Advisors LLP
Mabella Investment Adviser LLP
Shah Family Discretionary Trust
Kenai Advisors LLP

(E) Associates with whom transactions have taken place (upto 30th March 2023) (Refer note 62):

Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)

Subsidiaries of Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)

Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)
Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)
Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)
Nuvama Investment Advisors (Hongkong) Private Limited (formerly known as Edelweiss Securities (Hong Kong) Private Limited)
Nuvama Investment Advisors Private Limited (formerly known as Edelweiss Investment Advisors Private Limited)
Nuvama Financial Services Inc. (Edelweiss Financial Services Inc.)
Nuvama Financial Services (UK) Limited (formerly known as Edelweiss Financial Services (UK) Limited)
Nuvama Capital Services (IFSC) Limited (formerly known as Edelweiss Securities (IFSC) Limited)
Nuvama Asset Management Limited (formerly known as ESL Securities Limited)
Pickright Technologies Private Limited (w.e.f 13 March, 2023)

(F) Independent Directors

Mr. Biswamohan Mahapatra
Mr. Kunnasagaran Chinniah (till September 2, 2022)
Mr. Navtej S. Nandra (till September 2, 2022)
Mr. P N Venkatachalam (till September 2, 2022)
Mr. Ashok Kini
Dr. Ashima Goyal
Mr. Shiva Kumar (w.e.f August 04, 2022)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

53. Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

Transactions and balances with Related Parties:

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-2023	31-Mar-2022
1	**Short term loans given to**	Ms. Aparna T. C.	**21.40**	178.01
		Mabella Investment Advisor LLP	**12.81**	291.29
		Kenai Advisors LLP	**314.16**	44.51
2	**Short term loans given repaid by**	Ms. Aparna T. C.	**244.47**	197.81
		Mabella Investment Advisor LLP	**238.09**	562.28
		Kenai Advisors LLP	**358.66**	0.01
3	**Dividend paid on Equity Shares**	Mr. Rashesh Shah	**211.12**	211.12
		Mr. Venkatchalam Ramaswamy	**84.28**	84.28
		Ms. Vidya Shah	**45.00**	45.00
		Shah Family Discretionary Trust	**56.19**	56.19
		Spire Investment Advisors LLP	**4.64**	4.64
		Ms. Aparna T. C.	**17.70**	17.70
		Ms. Kaavya Venkat	**17.10**	17.10
		Mr. Rujan Panjwani	**14.34**	16.97
		Mr. Himanshu Kaji	**4.31**	4.28
		Ms. Sneha Sripad Desai	**1.49**	1.49
		Ms. Shilpa Mody	**1.38**	1.38
		Ms. Sejal Premal Parekh	**1.38**	1.38
		Ms. Shabnam Panjwani	**0.19**	0.93
		Mr. A V Ramaswamy	**0.07**	0.07
		Mr. Navtej S. Nandra	**1.99**	11.56
		Ms. Avanti Shah	**2.90**	2.90
		Mr. P. N. Venkatachalam	**0.07**	0.39
		Mr. Neel Shah	**2.90**	2.90
		Mr. Tarun Khurana	**0.09**	0.09
		Mr. Kunnasagaran Chinniah	**0.05**	0.29
		Mr. B. Renganathan	**-**	0.08
4	**Interest income on loan from**	Ms. Aparna T. C.	**12.31**	24.21
		Mabella Investment Advisor LLP	**5.80**	31.59
		Kenai Advisors LLP	**5.93**	0.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

53. Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-2023	31-Mar-2022
5	**Remuneration to**	Mr. Rashesh Shah	**80.01**	86.77
		Mr. Rujan Panjwani	**38.24**	62.06
		Mr. Himanshu Kaji	**32.50**	41.59
		Mr. Venkatchalam Ramaswamy	**64.42**	65.58
		Ms. Shabnam Panjwani	**-**	2.83
		Ms. Vidya Shah	**-**	31.21
		Mr. Sarju Simaria	**-**	18.42
		Mr. Tarun Khurana	**11.11**	7.50
		Ms. Ananya Suneja	**25.11**	21.99
		Mr. B. Renganathan	**-**	2.64
6	**Sitting fees paid to**	Mr. Berjis Desai	**-**	0.28
		Mr. Biswamohan Mahapatra	**1.95**	0.98
		Mr. Kunnasagaran Chinniah	**0.60**	2.74
		Mr. Navtej S. Nandra	**0.44**	1.08
		Mr. P N Venkatachalam	**1.04**	2.14
		Mr. Dr. Ashima Goyal	**0.48**	0.12
		Mr. Ashok Kini	**1.21**	0.12
		Mr. Shiva Kumar	**2.06**	-
7	**Commission paid to**	Mr. Berjis Desai	**-**	2.00
		Mr. Biswamohan Mahapatra	**2.00**	2.00
		Mr. Kunnasagaran Chinniah	**2.00**	4.50
		Mr. Navtej S. Nandra	**2.00**	4.50
		Mr. P N Venkatachalam	**3.00**	3.00
		Dr. Ashima Goyal	**2.00**	2.00
		Mr. Ashok Kini	**2.00**	2.00
		Ms. Vidya Shah	**2.00**	2.00
8	**Branding fees received from**	Nuvama Wealth Management Limited	**40.11**	40.48
9	**Commission and brokerage paid to**	Nuvama Wealth Management Limited	**13.07**	384.59
		Nuvama Wealth and Investment Limited	**767.52**	132.34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

53. Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-2023	31-Mar-2022
10	**Other service charges paid to**	Nuvama Clearing Services Limited	**130.45**	308.85
		Nuvama Wealth Management Limited	**0.00**	0.05
		Nuvama Wealth and Investment Limited	**99.90**	-
11	**Shared Premises Cost paid to**	Nuvama Wealth and Investment Limited	**0.11**	2.10
		Nuvama Clearing Services Limited	**-**	13.19
12	**Commission and brokerage received from**	Nuvama Wealth Finance Limited	**16.04**	14.24
13	**Insurance Premium Income**	Nuvama Wealth and Investment Limited	**74.49**	65.99
		Nuvama Clearing Services Limited	**4.68**	5.56
		Nuvama Wealth Finance Limited	**13.18**	11.76
		Nuvama Capital Services (IFSC) Limited	**0.23**	0.23
		Nuvama Wealth Management Limited	**17.19**	17.06
		Nuvama Asset Management Limited	**3.42**	2.94
		Nuvama Financial Services Inc.	**0.03**	-
14	**Business support service charges from**	Nuvama Wealth and Investment Limited	**3.52**	2.97
		Nuvama Clearing Services Limited	**0.14**	0.26
		Nuvama Wealth Finance Limited	**0.71**	0.87
		Nuvama Wealth Management Limited	**244.73**	268.18
		Nuvama Asset Management Limited	**0.03**	0.04
15	**Investments in Debt securities**	Nuvama Wealth and Investment Limited	**-**	504.19
		Nuvama Asset Management Limited	**475.52**	64.63
		Nuvama Wealth Finance Limited	**-**	0.29
16	**Purchase of Securities**	Nuvama Wealth Finance Limited	**456.47**	860.08
		Nuvama Wealth Management Limited	**-**	1,958.44
17	**Redemption of investment**	Nuvama Wealth Finance Limited	**338.90**	219.97
		Nuvama Wealth and Investment Limited	**1,713.63**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

53. Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-2023	31-Mar-2022
18	**Corporate Guarantee support fee income**	Nuvama Wealth Finance Limited	**1.41**	1.44
		Nuvama Wealth and Investment Limited	**0.85**	-
19	**Rating Support Fees Income**	Nuvama Wealth and Investment Limited	**-**	0.02
		Nuvama Clearing Services Limited	**-**	0.03
		Nuvama Wealth Finance Limited	**-**	0.13
		Nuvama Wealth Management Limited	**-**	0.03
20	**Rental income from**	Nuvama Wealth and Investment Limited	**1.44**	2.61
		Nuvama Clearing Services Limited	**173.78**	166.89
		Nuvama Wealth Finance Limited	**0.17**	0.23
		Nuvama Wealth Management Limited	**12.57**	12.93
		Nuvama Asset Management Limited	**0.01**	-
21	**Cost reimbursement received from**	Nuvama Wealth and Investment Limited	**8.45**	5.44
		Nuvama Clearing Services Limited	**14.14**	9.68
		Nuvama Wealth Finance Limited	**0.37**	1.75
		Nuvama Wealth Management Limited	**4.84**	22.08
		Nuvama Asset Management Limited	**0.04**	0.10
		Nuvama Investment Advisors Private Limited	**8.93**	17.35
22	**Cost reimbursement paid to**	Nuvama Wealth and Investment Limited	**412.87**	405.46
		Nuvama Clearing Services Limited	**173.27**	26.86
		Nuvama Wealth Management Limited	**209.93**	396.46
		Nuvama Wealth Finance Limited	**0.09**	0.96
		Nuvama Asset Management Limited	**13.12**	-
23	**Equity segment payin**	Nuvama Wealth Management Limited	**138.26**	49,791.67
		Nuvama Wealth Finance Limited	**31,100.54**	17,178.40
24	**Equity segment payout**	Nuvama Wealth Management Limited	**-**	47,856.85

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

53. Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-2023	31-Mar-2022
		Nuvama Wealth Finance Limited	**32,515.43**	15,522.07
25	**ESOP/SAR charges received from**	Nuvama Wealth Finance Limited	**-**	1.00
		Nuvama Investment Advisors Private Limited	**1.65**	0.65
26	**ESOP/SAR charges paid to**	Nuvama Clearing Services Limited	**1.24**	1.02
		Nuvama Wealth Management Limited	**5.81**	114.30
		Nuvama Asset Management Limited	**1.50**	0.24
		Nuvama Wealth and Investment Limited	**17.87**	6.96
		Nuvama Wealth Finance Limited	**1.57**	-
		Nuvama Financial Services Inc.	**0.08**	-
27	**Fee & commission expenses paid to**	Nuvama Wealth and Investment Limited	**241.79**	189.33
		Nuvama Financial Services Inc.	**90.54**	163.78
		Nuvama Wealth Management Limited	**34.50**	25.20
		Nuvama Clearing Services Limited	**26.51**	-
		Nuvama Investment Advisors (Hongkong) Private Limited	**25.36**	-
		Nuvama Financial Services (UK) Limited	**18.67**	-
		Nuvama Investment Advisors Private Limited	**71.35**	-
28	**Financial charges paid to**	Nuvama Wealth and Investment Limited	**897.05**	1,164.32
		Nuvama Asset Management Limited	**53.52**	-
		Nuvama Wealth Management Limited	**47.35**	-
29	**Purchase of property, plant and equipments**	Nuvama Wealth and Investment Limited	**0.00**	0.12
		Nuvama Clearing Services Limited	**0.01**	0.15
		Nuvama Wealth Finance Limited	**0.00**	1.93
		Nuvama Wealth Management Limited	**1.04**	1.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

53. Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-2023	31-Mar-2022
30	**Sale of property, plant and equipments**	Nuvama Wealth and Investment Limited	**0.04**	0.59
		Nuvama Wealth Management Limited	**0.00**	7.69
		Nuvama Wealth Finance Limited	**0.00**	1.25
		Nuvama Investment Advisors Private Limited	**-**	0.12
		Nuvama Asset Management Limited	**-**	0.14
31	**Donation received from**	Nuvama Clearing Services Limited	**27.88**	30.10
		Nuvama Wealth Finance Limited	**6.72**	3.23
		Nuvama Wealth Management Limited	**2.50**	3.35
		Nuvama Wealth and Investment Limited	**6.91**	-
32	**Interest income on loan from**	Nuvama Wealth and Investment Limited	**11.36**	43.86
		Nuvama Wealth Finance Limited	**-**	162.73
33	**Interest income on margin placed with**	Nuvama Clearing Services Limited	**10.72**	18.12
34	**Interest income on debt & securities**	Nuvama Wealth Finance Limited	**-**	20.83
35	**Interest expense on debt & securities**	Nuvama Wealth Finance Limited	**0.53**	4.18
		Nuvama Wealth Management Limited	**2.71**	-
36	**Loans and advances given that are repaid**	Nuvama Wealth and Investment Limited	**1,000.00**	2,200.00
		Nuvama Wealth Finance Limited	**-**	3,355.00
37	**Loans and advances given during the year**	Nuvama Wealth and Investment Limited	**1,000.00**	2,200.00
38	**Margin placed with**	Nuvama Clearing Services Limited	**69,910.64**	73,319.06
		Nuvama Wealth and Investment Limited	**-**	480.54
		Nuvama Wealth Management Limited	**-**	100.50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

53. Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-2023	31-Mar-2022
39	**Margin repaid by**	Nuvama Clearing Services Limited	**70,136.58**	73,509.70
		Nuvama Wealth and Investment Limited	-	479.48
		Nuvama Wealth Management Limited	-	86.00
40	**Margin repaid to**	Nuvama Wealth Finance Limited	**257.93**	106.64
		Nuvama Clearing Services Limited	**0.15**	0.47
41	**Sale of securities to**	Nuvama Wealth Finance Limited	**483.91**	3,971.87
		Nuvama Wealth and Investment Limited	-	630.38
42	**Security deposit received from**	Nuvama Clearing Services Limited	-	148.87
		Nuvama Wealth Management Limited	-	7.33
43	**Security deposit repaid to**	Nuvama Clearing Services Limited	-	64.43
	Balances with Related Parties			
1	**Short Term Loan Given to**	Ms. Aparna T. C.	-	223.06
		Mabella Investment Advisor LLP	-	225.16
		Kenai Advisors LLP	-	44.50
2	**Non convertible debentures held by**	Nuvama Wealth and Investment Limited	-	550.00
		Nuvama Wealth Finance Limited	-	176.39
3	**Investment in Equity Shares of**	Nuvama Wealth Management Limited	-	2,428.59
4	**Investments in Debt securities**	Nuvama Wealth Finance Limited	-	1.77
5	**Accrued interest income on margin placed with**	Nuvama Clearing Services Limited	-	6.59
6	**Accrued interest expenses on debentures issued to**	Nuvama Wealth Finance Limited	-	0.04
7	**Contract liability**	Nuvama Wealth and Investment Limited	-	92.77

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

53. Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-2023	31-Mar-2022
8	**Contract Asset**	Nuvama Financial Services Inc.	-	515.92
9	**Corporate guarantee given to**	Nuvama Clearing Services Limited	-	8,950.00
		Nuvama Wealth Finance Limited	-	139.77
10	**Margins receivable from clients**	Nuvama Clearing Services Limited	-	1,277.96
		Nuvama Wealth Management Limited	-	0.10
11	**Trade & other payable to**	Nuvama Wealth and Investment Limited	-	362.26
		Nuvama Clearing Services Limited	-	279.67
		Nuvama Wealth Finance Limited	-	1,841.51
		Nuvama Financial Services Inc.	-	0.45
		Nuvama Capital Services (IFSC) Limited	-	0.03
		Nuvama Wealth Management Limited	-	129.49
		Nuvama Asset Management Limited	-	1.00
12	**Trade and other receivable from**	Nuvama Wealth and Investment Limited	-	27.25
		Nuvama Clearing Services Limited	-	23.31
		Nuvama Wealth Finance Limited	-	1.91
		Nuvama Financial Services (UK) Limited	-	0.02
		Nuvama Investment Advisors Private Limited	-	0.70
		Nuvama Wealth Management Limited	-	64.63
		Nuvama Asset Management Limited	-	2.74

0.00 million indicates amount less than ₹ 0.01 million

Notes:

Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and provision made for bonus which are provided for group of employees on an overall basis. These are included on cash basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

54. Capital management

The Group manages the capital structure by a balanced mix of debt and equity. The Group's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The Group maintains sound capitalisation both from an economic and regulatory perspective. The Group continuously monitors and adjusts overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives. These perspectives include specific capital requirements from rating agencies.

Capital structure includes infusion in the form of equity and structured debt from strategic business partners in certain of Group's subsidiaries to fund expansion and assist in achieving expected growth in the competitive market.

No changes were made in the objectives, policies or processes during the financial years ended 31 March 2023 and 31 March 2022.

This framework is adjusted based on underlying the macro-economic factors affecting business environment, financial market conditions and interest rates environment. Group monitors capital using debt-equity ratio, which is total debt divided by total equity.

Particulars	31-Mar-2023	31-Mar-2022
Total Debt	**217,360.48**	227,109.83
Equity	**78,462.31**	75,923.20
Debt to Equity	**2.77**	**2.99**

Total debt = Debt securities + Borrowings (other than debt securities) + Deposits + Subordinated Liabilities

55. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans

Edelweiss Financial Services Limited ("EFSL" hereafter), has recognised share based payment expenses for the years ended 31 March 2023 and 31 March 2022 based on fair value as on the grant date calculated as per option pricing model. The grants represent equity-settled options under the Employee Stock Option Plans and Stock Appreciation Rights Plans (hereafter referred to as, "ESOP 2011" and "SAR 2019" or "ESOPs" "SARs").

The EFSL has granted ESOPs under the two plans viz., ESOP 2011 & SAR 2019 to its employees on an equity-settled basis as tabulated below. The ESOPs/SARs provide a right to its holders (i.e., Edelweiss group employees) to purchase one EFSL share for each option at a pre-determined strike price on the expiry of the vesting period. The ESOP/SAR hence represents an European call option that provides a right but not an obligation to the employees of the Edelweiss group to exercise the option by paying the strike price at any time on completion of the vesting period, subject to an outer boundary on the exercise period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

55. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (Continued)

EFSL has granted stock options to employees of the Edelweiss group on an equity-settled basis as tabulated below.

Particulars	SAR 2019	ESOP 2011
Dates of grant	Varying	Varying
Option Type	Equity settled	Equity settled
No. of outstanding options at 31 March 2023	8,057,420	4,592,500
No. of outstanding options at 31 March 2022	10,914,200	7,182,488
No. of Equity shares represented by an option	1 share for 1 option	1 share for 1 option
Fair Value per option	Varies as per the grant date	Varies as per the grant date
Exercise Price	Varies as per the grant date	Varies as per the grant date
Vesting Period	2-6 years	1-4 years
Vesting Conditions	Service	Service

The vesting of options is subject to the employee's continued employment with the Edelweiss group. The ESOPs shall vest as follows:

Particulars	SAR 2019	ESOP 2011
Duration from grant date	% options vesting	% options vesting
12 months from the grant date	-	25.00%
24 months from the grant date	33.33%	25.00%
36 months from the grant date	-	25.00%
48 months from the grant date	33.33%	25.00%
72 months from the grant date	33.34%	-
Total	**100.00%**	**100.00%**

Plan description

Plan Name	Grant Date	Vesting Conditions	Term of Options	Payout
ESOP Plan 2011	Various	As specified in tables above	1-4 years	Equity settled
SAR Plan 2019	Various	As specified in tables above	2-6 years	Equity settled

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

55. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (Continued)

Movement of number of Options for FY 2022-23 and 2021-22

Number of options	31-Mar-2023			31-Mar-2022		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Outstanding at the start of the year	**10,914,200**	**7,182,488**	**18,096,688**	16,780,500	18,260,651	35,041,151
Granted during the year*	**-**	**-**	**-**	-	-	-
Exercised during the year	**(1,034,220)**	**(25,000)**	**(1,059,220)**	-	(6,627,263)	(6,627,263)
Lapsed/ cancelled during the year	**(1,822,560)**	**(2,564,988)**	**(4,387,548)**	(5,866,300)	(4,450,900)	(10,317,200)
Outstanding at the end of the year*	**8,057,420**	**4,592,500**	**12,649,920**	10,914,200	7,182,488	18,096,688
Exercisable at the end of the year	**-**	**3,263,050**	**3,263,050**	-	4,030,525	4,030,525

*Includes, SAR 2019 345,050, ESOP 2011 Nil approved but not granted.

Weighted Average Exercise Price for FY 2022-23 and 2021-22

Weighted Average Exercise Price (₹)	31-Mar-2023		31-Mar-2022	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Outstanding at the start of the year	**123.38**	**172.77**	132.90	132.00
Granted during the year	**-**	**-**	-	-
Exercised during the year	**61.00**	**60.75**	-	44.70
Lapsed/ cancelled during the year	**104.55**	**184.47**	150.57	196.21
Outstanding at the end of the year	**136.20**	**166.84**	123.38	172.77
Exercisable at the end of the year	**NA**	**187.44**	NA	191.57
Weighted Average Share price at the exercise date	**58.85**	**58.98**	NA	44.81

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

55. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (Continued)

Outstanding Options as at 31 March 2023 and 31 March 2022

Particulars	31-Mar-2023		31-Mar-2022	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options outstanding	**8,057,420**	**4,592,500**	10,914,200	7,182,488
Weighted average strike price (₹)	**136.20**	**166.84**	123.38	172.77
Weighted average remaining lifetime of options (in years)	**1.65**	**0.16**	2.33	0.39
Number of employees covered under the scheme	**122**	**166**	152	210

Options granted during FY 2022-23 and 2021-22

Particulars	31-Mar-2023		31-Mar-2022	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options granted	**-**	**-**	-	-
Weighted average strike price (in ₹)	**NA**	**NA**	NA	NA
Weighted average remaining lifetime of options (in years)	**NA**	**NA**	NA	NA
Number of employees covered under the scheme	**NA**	**NA**	NA	NA
Weighted Average Fair value per option (in ₹)	**NA**	**NA**	NA	NA
Weighted Average Intrinsic value per option (in ₹)	**NA**	**NA**	NA	NA

Assumptions for Fair Value for FY 2022-23 and 2021-22

Particulars	31-Mar-2023		31-Mar-2022	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Weighted average share price (in ₹)	**136.33**	**169.52**	123.12	175.10
Weighted average strike price (in ₹)	**136.20**	**166.84**	123.38	172.77
Weighted average remaining lifetime of options (in years)	**1.65**	**0.16**	2.33	0.39
Expected volatility (% p.a.)	**56% p.a. - 72% p.a.**	**41% p.a. - 72% p.a.**	56% p.a. - 72% p.a.	35% p.a. - 72% p.a.
Risk-free discount rate (% p.a.)	**5.1% p.a. - 6.9% p.a.**	**4.3% p.a. - 7.8% p.a.**	4.3% p.a. - 6.9% p.a.	4.3% p.a. - 7.8% p.a.
Expected dividend yield (% p.a.)	**0.7% p.a. - 2.4% p.a.**	**0.4% p.a. - 2.4% p.a.**	0.7% p.a. - 2.4% p.a.	0.4% p.a. - 2.4% p.a.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

55. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (Continued)

Other Disclosure

Particulars	31-Mar-2023			31-Mar-2022		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Charges during the year due to share based payments *	**71.17**	**16.11**	**87.28**	81.64	39.09	120.73
Liability due for share based payments	**343.65**	**355.07**	**698.72**	264.88	496.70	761.58
Intrinsic value of the liability above	**4.83**	**20.36**	**25.19**	2.50	16.06	18.56

* includes all group companies including associates

56. Fair Value Measurement

56.1. Valuation Principles :

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques explained in Note 56.4

56.2. Valuation governance :

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued)

56.3. Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy. Exchange traded and OTC derivatives are at gross amount i.e. before offsetting margin money. The impact of offsetting is explained in note 10.1.

Particulars	31-Mar-2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets)				
Exchange-traded derivatives	176.42	38.18	-	214.60
OTC derivatives	-	217.93	-	217.93
Embedded derivatives in market-linked debentures issued	-	-	475.14	475.14
Total derivative financial instruments (assets)	176.42	256.11	475.14	907.67
Stock-in-trade				
Government Securities	25,757.12	-	-	25,757.12
Debt Securities	128.32	7.46	0.59	136.37
Mutual Fund	1,061.96	-	-	1,061.96
Equity Instruments	37.42	-	1.18	38.60
Stock-in-trade	26,984.82	7.46	1.77	26,994.05
Investments				
Government securities	-	31,241.43	-	31,241.43
Debt securities	-	13,161.94	4,642.49	17,804.43
Mutual fund units	2,581.48	-	-	2,581.48
Security receipts	-	-	21,089.05	21,089.05
Units of AIF	-	743.52	15,520.25	16,263.77
Equity instruments	14,169.71	1,196.73	35,082.63	50,449.07
Preference Shares	-	-	1,105.68	1,105.68
Others	1,043.84	881.21	-	1,925.05
Total investments measured at fair value	17,795.03	47,224.83	77,440.10	142,459.96
Loans and other financial assets measured at fair value	-	-	2,645.09	2,645.09
Property, Plant and equipment			11,780.83	11,780.83
Total financial assets measured at fair value on a recurring basis	44,956.27	47,488.40	92,342.93	184,787.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued)

56.3. Assets and liabilities by fair value hierarchy (Continued)

Particulars	31-Mar-2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets)				
Exchange-traded derivatives	466.91	100.70	-	567.61
OTC derivatives	-	249.37	-	249.37
Embedded derivatives in market-linked debentures issued	-	-	20.80	20.80
Total derivative financial instruments (assets)	**466.91**	**350.07**	**20.80**	**837.78**
Stock-in-trade				
Government Securities	10,085.12	-	-	10,085.12
Debt Securities	124.07	7.81	1.77	133.65
Mutual Fund	1,377.90	-	-	1,377.90
Equity Instruments	1,063.39	-	2,458.05	3,521.44
Stock-in-trade	**12,650.48**	**7.81**	**2,459.82**	**15,118.11**
Investments				
Government securities	9.28	27,429.88	-	27,439.16
Debt securities	-	9,824.99	3,022.04	12,847.03
Mutual fund units	2,539.08	-	-	2,539.08
Security receipts	-	-	33,406.65	33,406.65
Units of AIF	-	340.06	8,629.24	8,969.30
Equity instruments	13,287.93	1,763.96	617.34	15,669.23
Preference Shares	-	-	1,142.22	1,142.22
Others	1,190.22	928.78	63.87	2,182.87
Total investments measured at fair value	**17,026.51**	**40,287.67**	**46,881.36**	**104,195.54**
Loans and other financial assets measured at fair value	**-**	**-**	**3,361.82**	**3,361.82**
Property Plant and equipment			**10,871.00**	**10,871.00**
Total financial assets measured at fair value on a recurring basis	**30,143.90**	**40,645.55**	**63,594.80**	**134,384.25**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued)

56.3. Assets and liabilities by fair value hierarchy (Continued)

Particulars	31-Mar-2023			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	**315.11**	**67.45**	**-**	**382.56**
OTC derivatives	**-**	**557.43**	**-**	**557.43**
Embedded derivative liabilities in market-linked debentures	**-**	**-**	**443.79**	**443.79**
Non convertible debentures issued	**-**	**-**	**6,282.80**	**6,282.80**
Short sales	**-**	**-**	**-**	**-**
Total financial liabilities measured at fair value on a recurring basis	**315.11**	**624.88**	**6,726.59**	**7,666.58**

Particulars	31-Mar-2022			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	548.18	46.82	-	595.00
OTC derivatives	-	424.32	-	424.32
Embedded derivative liabilities in market-linked debentures	-	-	1,556.41	1,556.41
Non convertible debentures issued	-	-	7,887.95	7,887.95
Short sales	889.70	-	-	889.70
Total financial liabilities measured at fair value on a recurring basis	**1,437.88**	**471.14**	**9,444.36**	**11,353.38**

56.4. Fair valuation techniques :

Government debt securities

Government debt securities are generally highly liquid and traded in active markets; fair value of these securities is determined under Level 1 classification. For insurance business, security level prices published by CRISIL are considered for valuation and is determined under Level 2 classification.

Debt securities

Fair value of these debt securities is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. Wherever debt securities are traded actively, Group has used price quoted at Stock Exchanges; in other cases Group has used CRISIL Corporate Bond Valuation model for measuring fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued)

56.4. Fair valuation techniques : (Continued)

Security receipts

There is no active market for Security Receipts; Group determines fair value of these securities using discounted cash flow models. Under this method expected cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Since valuation of Securities receipts involves significant unobservable valuation inputs, fair value is classified at Level 3.

Equity instruments

Fair valuation of equity instruments, which are listed and actively traded on recognised stock exchanges with readily available active prices on a regular basis, are classified at Level 1. Equity instruments in non-listed entities are initially measured at transaction price and re-measured at each reporting date at valuation determined by external valuer at instrument level. Fair value of unlisted equity securities are classified at Level 3.

Units of Alternative Investment Funds (AIFs) and Mutual Fund

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

Open-ended funds that are redeemable at any time, and reports daily Net Asset Value (NAV) and for which sufficient subscriptions and redemptions occur at NAV, are measured at NAV and classified as level 1.

Loans measured at fair value through profit or loss

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

Derivatives

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

OTC derivatives

Under Interest rate swap contract, the Company agrees to exchange the difference between fixed and floating rate of interest amount calculated on agreed notional principal. Such contracts enable the Company to mitigate the risk of changing interest rate. The fair value of interest rate swap is determined by discounting the future cash flows using the curves at the end of year and the credit risk inherent in the contract. Company classify the Interest rate swaps at level 2 valuation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued)

56.4. Fair valuation techniques : (Continued)

Exchange traded derivatives

Exchange traded derivatives includes index/stock options, index/stock futures, company uses exchange traded prices to value these derivative and classify valuation of these instrument at level 1

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Group determines valuation using valuation models taking Inputs from observable market (Indices) data wherever possible, including prices available from exchanges, dealers, brokers. Group classify valuation of these embedded derivative at level 3.

56.5. Transfer between Level 1 and level 2

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

56.6. Financial instruments measured at amortised cost

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

Particulars	31-Mar-2023				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	**170,891.19**	**174,548.09**	**-**	**-**	**174,548.09**
Financial liabilities					
Debt securities	**147,747.54**	**150,265.12**	**38,893.11**	**94,937.69**	**16,434.32**
Borrowing (other than debt securities)	**49,947.02**	**49,774.63**	**1,822.63**	**10,595.35**	**37,356.65**
Subordinated liabilities	**13,366.87**	**13,106.63**	**-**	**13,086.21**	**20.42**
Off-balance sheet items					
Loan commitments	**6,233.79**	**4,903.32**	**-**	**-**	**4,903.32**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued)

56.6. Financial instruments measured at amortised cost (Continued)

Particulars	31-Mar-2022				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	197,614.34	202,353.75	-	-	202,353.75
Financial liabilities					
Debt securities	147,169.09	147,297.65	43,931.97	92,514.16	10,851.52
Borrowing (other than debt securities)	56,550.66	56,547.01	2,348.81	16,253.96	37,944.24
Subordinated liabilities	15,486.53	14,771.71	-	14,771.71	-
Off-balance sheet items					
Loan commitments	3,317.84	2,562.86	-	-	2,562.86

56.7. Valuation methodologies of financial instruments measured at Amortised Cost:

The Group has used below methodologies and assumptions to estimate fair values of the financial instruments, measured at Amortised cost, only for the purpose of disclosure. These methodologies and assumptions may differ from the methodology and assumptions explained in Notes 56.4

Financial assets at amortised cost

The fair values of these financial assets is determined by discounting contractual cash flows at actual/estimated yields, by current yields incorporating the counterparties' credit risk.

Issued Debt

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued)

56.8. Movement in level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value.

	Financial assets							Financial liabilities	
Particulars	**Security Receipts**	**Equity & Preference**	**Debt Securities**	**AIFs**	**Loans classified as FVTPL**	**Derivative financial assets**	**Others**	**Derivative financial liabilities**	**Non-convertible debentures issued**
As at 31-Mar-2022	**33,406.65**	**4,217.61**	**3,023.81**	**8,629.24**	**3,361.82**	**20.80**	**63.87**	**1,556.41**	**7,887.95**
Purchases	**50,197.90**	**8,125.43**	**2,258.09**	**12,309.87**	**426.27**	**-**	**-**	**-**	**-**
Sales*	**(51,623.42)**	**(2,617.90)**	**(632.77)**	**(6,955.74)**	**(1,564.60)**	**-**	**-**	**-**	**-**
Issuance	**-**	**-**	**-**	**-**	**-**	**434.03**	**-**	**168.79**	**-**
Settlements	**(10,151.30)**	**-**	**-**	**(335.48)**	**-**	**(0.03)**	**(63.87)**	**(897.22)**	**(1,253.63)**
Gain / Loss	**(740.78)**	**26,464.35**	**(6.05)**	**1,872.36**	**421.60**	**20.34**	**-**	**(384.19)**	**(351.52)**
As at 31-Mar-2023	**21,089.05**	**36,189.49**	**4,643.08**	**15,520.25**	**2,645.09**	**475.14**	**-**	**443.79**	**6,282.80**
Unrealised Gain / Loss	**(2,921.08)**	**26,433.68**	**1,054.37**	**2,994.22**	**24.57**	**20.34**	**-**	**(129.47)**	**2,143.38**
As at 31-Mar-2021	37,472.98	2,406.87	1,614.91	8,075.93	2,089.30	23.79	226.48	1,373.35	8,750.76
Purchases	22,710.86	2,290.84	2,378.78	3,796.52	1,590.71	-	63.88	-	-
Sales*	(26,504.20)	(976.39)	(798.00)	(4,000.51)	(971.51)	-	(226.49)	-	-
Issuance	-	-	-	-	-	20.78	-	104.41	-
Settlements	(3,526.56)	-	-	-	-	(15.78)	-	(543.73)	(927.86)
Gain / Loss	3,253.57	496.29	(171.88)	757.30	653.32	(7.99)	-	622.38	65.05
As at 31-Mar-2022	**33,406.65**	**4,217.61**	**3,023.81**	**8,629.24**	**3,361.82**	**20.80**	**63.87**	**1,556.41**	**7,887.95**
Unrealised Gain / Loss	(1,135.68)	526.63	(171.88)	1,220.86	427.69	(7.99)	-	343.50	1,614.23

*includes financial assets derecognised

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued)

56.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data.

As at 31 March 2023

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Investments in security receipts	Net asset value method	NAV per security receipt	₹ 696 to ₹ 1500 per security receipt	5%	808.44	5%	(808.44)
	Discounted projected cash flow	Cash Flow	₹ 349,615.97 million	5%	638.02	5%	(1,487.80)
		Discount rates	12% to 39.74%	50 basis point	(695.70)	50 basis point	(741.51)
Investments in units of AIF	Net Asset approach	Fair value of underlying investments	₹ 11028.46 million	5%	551.42	5%	(551.42)
			NAV per unit ₹ 10.4 - ₹ 195704.00	5%	11.15	5%	(11.15)
			NAV per unit ₹ 508.52 - ₹ 107,284.00	5%	68.60	5%	(68.60)
			₹ 26 to ₹ 28 per Unit	5%	6.56	5%	(6.56)
					451.13		(454.04)
Investments in unquoted equity shares and preference shares categorised at Level 3	Comparable transaction and P/E	Fair value per share	₹ 157,330 per share	5%	0.79	5%	(0.79)
			₹ 42.85 per share	5%	9.03	5%	(9.03)
			₹ 188 to ₹ 157,330 per share	5%	25.76	5%	(25.76)
			₹ 1 to ₹ 161 per share	5%	0.00	5%	(0.00)
			₹ 1 to ₹ 157,330 per share	5%	29.52	5%	(29.52)
			₹ 100 to ₹ 215,000 per share	5%	20.39	5%	(20.39)
			₹ 1817 to ₹ 2,239 per share	5%	324.45	5%	(324.45)
			₹ 3,121 per unit	5%	9.61	5%	(9.61)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued)

56.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data. (Continued)

As at 31 March 2023 (Continued)

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
			₹ 2,238 per unit	5%	1,381.75	5%	(1,381.75)
			₹ 1,080 per share	5%	0.05	5%	(0.05)
Loans classified as FVTPL	Comparable transaction and P/E	Discounting rate	15% - 20%	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets docs not have a significant impact in its value	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets docs not have a significant impact in its value
Debt investments classified at FVTPL	Discounted cash flow	Expected future cash flows	₹ 376,333 to ₹ 10,000,000 per NCD	5%	224.82	5%	(224.82)
	Comparable transaction and P/E	Fair value per instrument	₹ 6,667 to ₹ 10,000 per NCD	5%	2.75	5%	(2.75)
	Fair value of index	Price per debenture	₹ 100 to ₹ 215,000 per debenture	5%	4.56	5%	(4.56)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued)

56.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data. (Continued)

As at 31 March 2023 (Continued)

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Embedded derivatives in market-linked debentures issued (Assets/ liability) (net)	Fair value of index	Index levels	-	5%	8.66	5%	(8.66)
	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Nifty level	₹ 7,9212.00 million	5%	-	5%	-
Debt Securities (Liability)	Discounted projected cash flow	Cash Flow	₹ 96,571 million	-	-	-	-
		Discount rates	12%	0.50%	-	0.50%	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued)

56.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data. (Continued)

As at 31 March 2022

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Investments in security receipts	Net asset value method	NAV per security receipt	₹ 842 to ₹ 945 per security receipt	5%	89.59	5%	(89.59)
	Discounted projected cash flow	Cash Flow	₹ 437,984 million	5%	2,181.06	5%	(4,436.55)
		Discount rates	12% to 22%	50 basis point	(1,354.66)	50 basis point	3,072.79
Investments in units of AIF	Net Asset approach	Fair value of underlying investments	₹ 9,074.67 million	5%	453.73	5%	(453.73)
			NAV per unit ₹ 685.69 - ₹ 10,773	5%	7.63	5%	(7.63)
			NAV per unit ₹ 1,142.04 - ₹ 12,292.40	5%	11.47	5%	(11.47)
			₹ 177 to ₹ 1,441,892 per Unit	5%	158.18	5%	(158.18)
			₹ 29 to ₹ 36 per Unit	5%	10.39	5%	(10.39)
					212.95		(212.95)
Investments in unquoted equity shares and preference shares categorised at Level 3	Comparable transaction and P/E	Fair value per share	₹ 216,133 per share	5%	1.08	5%	(1.08)
			₹ 42.85 per share	5%	5.37	5%	(5.37)
			₹ 69 to ₹ 216,133 per share	5%	28.66	5%	(28.66)
			₹ 8 to ₹ 120 per share	5%	0.00	5%	(0.00)
			₹ 8 to ₹ 216,132 per share	5%	20.95	5%	(20.95)
			₹ 4,802 per unit	5%	14.79	5%	(14.79)
			₹ 3,168 per shares	5%	122.90	5%	(122.90)
			₹ 2 to ₹ 12,240 per share	5%	14.47	5%	(14.47)
					0.05		(0.05)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued)

56.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data. (Continued)

As at 31 March 2022 (Continued)

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Loans classified as FVTPL	Comparable transaction and P/E	Discounting rate	15% - 20%	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets docs not have a significant impact in its value	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets docs not have a significant impact in its value
Warrants	Comparable transaction and P/E	Fair value of underlying investments		5%	-	5%	-
Debt investments classified at FVTPL	Discounted cash flow	Expected future cash flows	₹ 376,333 to ₹ 10,004,509 per NCD	5%	143.82	5%	(143.82)
	Comparable transaction and P/E	Fair value per instrument	₹ 10,000 per NCD	5%	3.00	5%	(3.00)
	Fair value of index	Price per debenture	₹ 120,834 to ₹ 164,682 per debenture	5%	0.09	5%	(0.09)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

56. Fair Value Measurement (Continued)

56.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data. (Continued)

As at 31 March 2022 (Continued)

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Embedded derivatives in market-linked debentures issued (Assets/ liability) (net)	Fair value of index	Index levels	-	5%	(52.38)	5%	52.38
	Fair value using Black Scholes model or Monte Carlo approach based on the embedded derivative	Nifty level	₹ 17,464.75 million	5%	121.50	5%	(111.40)
		Risk-adjusted discount rate	4.50% to 6%	1%	11.90	1%	(11.90)
Debt Securities (Liability)	Discounted projected cash flow	Cash Flow	₹ 118,118.32 million	5,905.92	20.06	(5,905.92)	(20.06)
		Discount rates	12%	0.50%	(4.31)	0.50%	4.31
Land, Flats and Buildings	Discounted projected cash flow	Cash Flow	-	5%	-	5%	-
		Discount rates	12%	50 basis point	-	50 basis point	-

0.00 indicates amount less than ₹ 0.01 million

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management

57.1. Introduction and risk profile

The Edelweiss Group ("The Group") provides a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. The Group's products and services span multiple asset classes and consumer segments across domestic and global geographies. The Group's key lines of business can broadly be classified as below:

- Capital
- Agency
- Insurance (Life and General)
- Asset reconstruction
- Treasury

The Group's diversified businesses profile acts as an inherent risk management mechanism at an overall level. However, the prevailing market environment and ongoing operations expose the Group to various risks like credit risk, market risk, liquidity risk, compliance risk, and technology risk amongst others. As the Group operates various regulated businesses, it is exposed to regulatory and reputation risks also.

57.2. Risk management strategy:

The strategy at an execution level is supported by -

1. Three-tiered risk management structure to manage and oversee risks
2. Board and Executive Level Committees to review and approve risk exposures
3. Risk Management framework to ensure each risk the Group is exposed to is given due importance and managed through a well-defined framework and guidelines
4. Standard Operating Procedures and Product approval framework to ensure risks are mitigated at operational level
5. Adequate segregation of duties to ensure multi-layered checks and balances
6. Exception reporting framework to ensure process and policy deviations are adequately addressed

57.3. Risk management structure

To support the risk strategy and ensure effective risk management, the Group has a "Three-tiered risk management structure" to ensure that there are enough defences are available to control all types of risk issues. The risk structure is enumerated below:

1. **Three lines of defense -** for accountability, oversight, and assurance
    - **Respective Businesses -** the first line of defence; they own and manage risks and are responsible for implementation of the risk management framework

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.3. Risk management structure (Continued)

- **Business Risk teams -** the second line of defence; they are responsible for overseeing risk events and defining the risk management framework
- **Internal audit -** the third line of defence; they provide independent assurance of risk management framework implementation

2. **Board and Executive level Committees -** for overseeing the risk management. The current Risk Management Committees are
   - Board Risk Committee
   - Investment and Credit Committees

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

The Investment and Credit Committee serve as the nodal bodies for all credit related decisions. Respective businesses have formulated its own Investment and Credit Committees depending upon the scale of the exposure.

Risk management framework

The businesses in the Group have a Risk Framework, which describes the risk management approach and provides clear accountability for managing risk considered appropriate for the Business. The framework is subject to continuous evaluation based on existing internal as well external environment.

The current risk framework covers :

- Business Risk
- Credit Risk
- Market Risk
- Liquidity Risk
- Regulatory Risk
- Reputation Risk
- Technology Risk
- Operational and Process Risk
- Fraud Risk
- People Risk
- Physical Infrastructure Risk

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.3. Risk management structure (Continued)

The Businesses in the Group use different types of tools and techniques for mitigating risk, depending upon the type of risk and quantum. For example:

- Financial risks are mitigated through counterparty and client assessment before any exposure is taken, and defined product/program level risk limits to ensure exposure does not exceed risk appetite. The Committee based approval mechanism is adopted to ensure that high exposures are approved with adequate representation and that there is no bias in approvals.

- Non-financial risks viz technology, operational, fraud, etc are mitigated through process documentation defining clear ownership for each activity, having adequate system/process level controls like maker-checker, reconciliation, testing and reviews.

- Enterprise level risks viz. reputation, compliance, regulatory, etc are controlled through policies and framework, educating employees through training and risk socialisation sessions.

57.4. Risk management framework of General Insurance (Zuno General Insurance Limited "ZGIL")

Governance framework

The core of the ZGIL risk philosophy lies in the identification, measurement, monitoring and management of risk. ZGIL believe risk management is a continuous, vital process that is an inalienable part of ZGIL DNA. The Governance structure can thus be seen from three focal points:

1. The Business Users would form the First Line of defence. First Line of defence would ensure that risk and control environment is established into their day to day activities.

   This line of defence would also:

   A. Implement proactive and reactive risk management tools in their processes

   B. Review their processes for adequacy of effectiveness of controls

   C. Report on the level of the risks and effectiveness of controls to the second line of defence on periodic basis

   D. Respond to Regulatory/ Operational/ Business changes quickly and keep the second line of defence informed on the developments.

2. Risk Management, and Compliance team forms part of the Second Line of Defence. The second line of defence is oversight function and would provide direction and guidance to the first line of defence for implementation of ZGIL's Board driven policies. Second line of defence would also monitor implementation efficiency of these policies and provide overall oversight to the business processes and risks.

3. Independent consultants/assurance providers like internal auditors, external auditors, statutory auditors, regulatory auditors etc. forms third line of defence and provides independent assurance. consultants/assurance providers will have direct access to the Board of ZGIL. The Statutory and Regulatory auditors would have independence as per Statutory and Regulatory assurance framework of the country.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.4. Risk management framework of General Insurance (Zuno General Insurance Limited "ZGIL") (Continued)

Governance framework (Continued)

The Insurance Regulatory and Development Authority (IRDAI) vide its circular number IRDA/F&A/GDL/CG/100/05/2016 dated 18 May 2016 has issued Guidelines on Corporate Governance for the Insurance Sector. Basis the circular, the following committees form part of the overall risk governance framework:

- Risk Management Committee
- Audit Committee
- Investment Committee
- Policyholder protection Committee

The Risk Management Committee is responsible for periodic review of the risk management process to ensure that the process initiatives are aligned to the desired objectives. ZGIL has Chief Risk Officer who is responsible for the implementation and monitoring of the framework. Further, the key policies adopted under the Risk Framework are as under:

- Underwriting Policy
- Investment Policy
- Asset Liability Management Policy
- Reinsurance Program
- Information Security Policy
- Outsourcing Policy
- Anti Fraud Policy
- Financial authority Matrix

Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the ZGIL is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that ZGIL maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of ZGIL are subject to regulatory requirement within the jurisdiction it operates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.4. Risk management framework of General Insurance (Zuno General Insurance Limited "ZGIL") (Continued)

Asset liability management (ALM) framework

The ALM policy adopted by ZGIL helps in:

- Understanding all risks requiring the coordination of assets and liabilities
- Quantify interest rate risks and equity risks
- Quantify the extent of mismatch between the assets and liabilities and thereby prescribe appropriate measures to bridge the gap

Asset Valuation

The analysis is carried out at an LOB level as per the IRDAI guidelines. If reserves held under any line of business fall below 5% of the total reserves as at the given valuation date the corresponding line of business is excluded for the ALM exercise.

Liability profiling

The technical reserves consist of:

1. Unearned Premium Reserves (UPR)
2. Premium Deficiency Reserve (PDR)
3. Incurred But Not Reported (IBNR) reserves
4. Outstanding claims reserves

UPR and PDR can be apportioned basis the policy term outstanding. Outstanding claims reserves and IBNR will be apportioned basis the expected reserve utilisation. Where data is available the reserving techniques like Chain Ladder method can provide significant inputs on the development profile for the claims. Where data is not available, industry benchmarks or assumptions related to the claims profile will be made to arrive at the suitable run off pattern for the liabilities. The emerging claims experience will be periodically reviewed by the actuarial department to take into account any changes in the same.

Insurance risk

The principal risk, ZGIL faces under insurance contracts, is that the actual claims payments or the timing thereof differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of ZGIL is to ensure that sufficient reserves are available to cover these liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.4. Risk management framework of General Insurance (Zuno General Insurance Limited "ZGIL") (Continued)

Insurance risk (Continued)

ZGIL has developed a risk strategy to manage the risks appropriately. ZGIL's risk management strategy is to establish measures and controls which will assist in prevention, detection and management of risks for strong risk management system. Such risk management system will identify risk at macro as well as micro level on ongoing basis.

The risk identification, assessment and evaluation activity is followed by defining appropriate action items for ensuring effective management of the risks. ZGIL mitigates the risks by careful section of the underwriting strategy, reinsure a part of the risk with various reinsurers, diversification of all insurance contracts and acquiring business from all parts of the Country.

The main Insurance Risks that ZGIL is exposed to are as follows:

I. Product Pricing Risk: The loss ratios are assumed at the time of pricing the product. There is a risk of not pricing the products adequately due to model error/ data selection or biases / lack of relevant data or inadequate underwriting assumptions leading to losses greater than anticipated.

II. Fraud Risk - Excessive, invalid, duplicate or fraudulent claims

III. Reinsurance Risk - ZGIL enters into reinsurance agreements in order to mitigate insurance Risk. However, this leads to default Risk from the reinsurer at the time of claim payment or also concentration risk if all the Risk is insured to one reinsurer.

IV. Investment Risk - Risk of loss arising from actual returns being different than expected. Credit risk due to investee enterprise defaulting on its debt payments.

V. Expense Risk - Risk of loss arising from expense experience being different than expected

VI. Concentration Risk - ZGIL faces concentration Risk by selling business to specific geography or by writing only single line business etc.

Control Measures:

ZGIL has set up Risk Management framework to continuously monitor ZGIL's experience with regard to parameters like loss ratios and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal.

EGICL has entered into a separate agreement with reinsurers to cover the catastrophic risks to hedge against catastrophic events leading to higher than expected claim payouts.

ZGIL has been taking efforts so as to mitigate concentration risk through diversification. However, ZGIL may still be exposed to channel concentration risk. The ZGIL business is spread across various key states in India to minimise any geographical concentration, accordingly, it also insulates ZGIL from impact of catastrophic risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.5. Risk management framework of Life Insurance business ("ETLIFE")

a. Governance framework

The primary objective of the ETLIFE's risk and financial management framework is to protect the ETLIFE's shareholders as well as policyholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

ETLIFE has an effective Risk Management Framework in place which provides for risk identification, risk assessment and evaluation, monitoring, tracking and feedback mechanism framework to identify, evaluate business risks and opportunities and uniform method of risk monitoring and control through the Risk and Control Self- Assessment (RCSA) Framework.

ETLIFE continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors has overall responsibility for the establishment and oversight of ETLIFE's risk management framework. This is supplemented with the clear organizational structure and documented delegated authorities and responsibilities from the board of directors to various executive management committees."

b. Capital management objectives, policies and approach

The primary source of capital used by ETLIFE is Equity. ETLIFE's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analysis. The process is ultimately subject to approval by the Board.

ETLIFE has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To comply with the insurance capital requirements that the IRDAI require. In this respect, the IRDAI has prescribed minimum solvency ratio of 150% (refer note on Capital Management for solvency ratio);
- To maintain the required level of stability of ETLIFE, thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders.
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities, taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.5. Risk management framework of Life Insurance business ("ETLIFE") (Continued)

b. Capital management objectives, policies and approach (Continued)

In reporting, financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. ETLIFE's Capital Management Policy for its business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives and maintain a health solvency ratio.

c. Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the ETLIFE is satisfactorily managing affairs for the benefits of policyholders. At the same time, regulators are also interested in ensuring that ETLIFE maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of ETLIFE are subject to regulatory requirement within the jurisdiction it operates.

d. Asset liability management (ALM) framework

Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The main risk that ETLIFE faces, due to the nature of its investments and liabilities, is interest rate risk. ETLIFE manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance and investment contracts. The principal technique of ETLIFE's ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct category of liabilities, a separate portfolio of assets is maintained.

ETLIFE's ALM is:

- Integrated with the management of the financial risks associated with ETLIFE's other financial assets and liabilities not directly associated with insurance and investment liabilities.
- As an integral part of the insurance risk management policy, to ensure in each period sufficient cash flow is available to meet liabilities arising from insurance and investment contracts.

ETLIFE undertakes Asset Liability Management to reduce interest rate risk. The Company uses expected future cashflows from already written policies and investments to assess the interest rate risk.

The ETLIFE enters into interest rate derivative contracts, solely to hedge the residual interest rate risk.

The Derivatives are financial instruments which attempt to mimic the economic performance of an underlying asset, security or portfolio. Interest rate derivatives include forward rate agreement, interest rate futures and Interest rate swaps.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.5. Risk management framework of Life Insurance business ("ETLIFE") (Continued)

d. Asset liability management (ALM) framework (Continued)

ETLIFE uses Interest Rate Derivatives (Forward Rate agreements and Interest rate futures) to minimise the exposure to fluctuations in interest rates on plan assets and liabilities. ETLIFE has a Board approved Derivative policy covering strategic objectives, limits, regulatory and operational framework. It underscores risks inherent in a derivative contract along with a system for measurement and accounting in order to have effective monitoring and control.

Hedge effectiveness is determined based on the principles laid down in the Guidance note on Derivatives issued by The Institute of Chartered Accountants of India and relevant applicable Ind-AS. ETLIFE uses regression analysis to determine Hedge effectiveness. If the hedge is ineffective, then the movement in the Fair Value is charged to the Profit and Loss Account. However, if the hedge is effective, further the effective and ineffective portion of the movement in the Fair Value of the Underlying and the derivative instrument is determined by the currency Offset method. The effective portion is transferred to 'Fair Value change' account in Balance Sheet and Ineffective portion is transferred to Profit and Loss account.

Insurance risk

ETLIFE's lines of business are Participating Life (Individual), Non-Participating Life (Individual and Company) and Unit Linked Life (Individual and Company). ETLIFE has presence in Non-Participating Health (Individual), Non-participating Non-linked Variable Insurance (Company), Participating Pension (Individual), Unit Linked Pension (Individual) and Non-Participating Annuity (Individual) business as well. By nature of the business, ETLIFE underwrites risks and provides financial protection. In doing so, ETLIFE is exposed to various risks.

The principal risk, ETLIFE faces under insurance contracts, is that the actual claims and benefit payments or the timing thereof differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of ETLIFE is to ensure that sufficient reserves are available to cover these liabilities.

ETLIFE has developed a risk strategy to manage the risks appropriately. ETLIFE's risk management strategy is to establish measures and controls which will assist in prevention, detection and management of risks for strong risk management system. Such risk management system will identify risk at macro as well as micro level on ongoing basis.

The risk identification, assessment and evaluation activity is followed by defining appropriate action items for ensuring effective management of the risks. An action item for all the high risks is defined with clear owners and timelines. ETLIFE mitigates the risks by careful section of the underwriting strategy, reinsure a part of the risk with various reinsurers, diversification of all insurance contracts and acquiring business from all parts of the Country.

a. Life Insurance Contracts and Investment Contracts with and without Discretionary Participation Features:

Ind AS 104 'Insurance Contracts' requires ETLIFE to separate the Financial Instruments (investment contracts) from insurance contracts under specified conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.5. Risk management framework of Life Insurance business ("ETLIFE") (Continued)

a. Life Insurance Contracts and Investment Contracts with and without Discretionary Participation Features: (Continued)

Insurance contracts are those contracts where ETLIFE has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. Insurance and investment contracts are further classified as being either with or without DPF. DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are likely to be a significant portion of the total contractual benefits.

As a general guideline by IRDAI, ETLIFE classifies contract under insurance contract and investment contracts with DPF, if the benefit payable on death is higher by at least 5% of the premium at any time during the life of the contract for other than unit linked products.

All other contracts are classified under Investment Contracts.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Investment contracts, however, can be reclassified as insurance contracts after inception if insurance risk becomes significant.

b. The main Insurance Risks that ETLIFE is exposed to are as follows:

i. Persistency Risk - Risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

ii. Mortality Risk - Risk of loss arising due to policyholder mortality experience being different than expected

iii. Investment Risk - Risk of loss arising from actual returns being different than expected

iv. Expense Risk - Risk of loss arising from expense experience being different than expected

v. Reinsurance Risk – ETLIFE enters into reinsurance agreements in order to mitigate insurance Risk. However, this leads to default Risk from the reinsurer at the time of claim payment or also concentration risk if all the Risk is insured to one reinsurer.

vi. Concentration Risk - ETLIFE faces concentration Risk by selling business to specific geography or by writing only single line business etc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.5. Risk management framework of Life Insurance business ("ETLIFE") (Continued)

b. The main Insurance Risks that ETLIFE is exposed to are as follows: (Continued)

Control Measures:

ETLIFE has set up Risk Management framework to continuously monitor the ETLIFE's experience with regard to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal. Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into re-insurance agreements with multiple re-insurers. ETLIFE has entered into a separate agreement with reinsurers to cover the catastrophic risks under Individual and Group business to hedge against catastrophic events leading to higher than expected claim payouts.

ETLIFE has been taking efforts so as to mitigate concentration risk through diversification however ETLIFE may still be exposed to channel concentration risk as company is in 12th year of operation and all the channels are not yet fully developed. ETLIFE has been acquiring business from all the parts of India and thus has little geographical concentration. It also insulates ETLIFE from impact of catastrophic risk. ETLIFE has a Board approved Risk Management Policy covering underwriting, claims and reserving for policy liabilities. ETLIFE has a detailed claims processing manual in place.

The large claims are referred to ETLIFE's Claims Committee.

Operational risks:

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The ETLIFE, cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the ETLIFE is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the ETLIFE's strategic planning and budgeting process. Operational risk: A risk arising from this category is resultant of inadequate or failed internal processes and controls, poor corporate governance or from external events such as sudden disasters crippling the operations of the ETLIFE.

Operational risks within the Company are categorized into 6 (six) types namely:

- Fraud
- Execution, delivery and process management
- Business disruption and system failures
- Clients, products and business practices
- Damage to physical assets
- Employment practices and workplace safety

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.5. Risk management framework of Life Insurance business ("ETLIFE") (Continued)

Operational risks: (Continued)

Risk control and mitigation plan forms important part of the risk management processes within the ETLIFE . The ETLIFE's management ensures oversight on the risks by reviewing data, processes and by performing model checks at regular frequencies. The Operational risk impact within the ETLIFE is rated basis frequency and severity matrix. Frequency and severity matrix is further utilized for evaluation of the risk which in turn helps in prioritization. The ETLIFE, to ensures that complete data is being processed, reconciles number of policies, premium and sum assured. The same is done by comparing Data Conversion System (DCS) output and on-off movement data as obtained from policy administration system. The risk management team conducts an independent root cause analysis of operational risk incidents. Root cause analysis is followed by actual and potential risk exposure assessment. The root cause analysis helps to identify inadequacies in the control measures for known risks or identify new risks which need to be addressed. The resultant learning is then used to improve processes systematically.

57.6. Excessive risk concentration

The relevant businesses in the Group have diversified business model which acts as an inherent mechanism to avoid excessive concentrations of risk.

Single and Group level borrower limits for wholesale lending and program level limits for retail lending have been defined to avoid excess credit concentration. The relevant businesses in the Group monitor these limits as part of its regular monitoring activity. Additionally, the risk team of respective businesses in the Group keep track of Group, Industry, Collateral, Geography level exposure concentrations. These concentrations are periodically reviewed by the business entities in the Group and discussed in their Credit/Risk Committee, so as to avoid further exposures or reduce exposures to sector/industry/ group/geography.

57.7. Credit risk

Credit risk is the risk of financial loss the Group may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial /contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. Group carries out proper due diligence before underwriting creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Business in the Group.

The Business in the Group manages its credit risk through a multi-layered approach as given below:

1) Review by the respective Board Risk Committee;

2) The Investment Committees (IC) for approving all credit related decisions, beyond certain levels delegated to Credit Committees. Further, individual loan specific limits as well as concentration limits are also approved by the IC and reviewed on a periodic basis;

3) Respective Business risk team is responsible for industry and portfolio level monitoring and stress testing;

4) Business risk also does day to day client level monitoring; and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.7. Credit risk (Continued)

5) Independent verification of all client accounts, adherence to policies and frameworks are carried out by internal audit team.

The counterparty, client assessment is done before any exposure is taken. Assessment covers all the aspects of risk like Borrower profile, financials, and adequacy of collateral, promoter strength, repayment capability and cash flow generation. Discussions are held with independent risk and compliance teams both at Business in the Group before the credit proposals are put forward to the Committees for approval. The Business in the Group have committee-based approval process mechanism to ensure high exposures are approved with adequate representation from Compliance, Credit, Legal and other relevant teams and there is no biasness.

The relevant Business in the Group has separate credit origination and appraisal processes for wholesale, distressed and retail segments. For wholesale and distressed segment, the relevant Business in the Group adopt underwriting standards for different client segment based on risk parameter and availability of security. The relevant Business in the Group for Retail segment, adopt underwriting standards both at product and portfolio level.

The Credit monitoring is very important part of managing credit risk. Accordingly, the Business in the Group have independent monitoring of credit exposures and associated risks.

The asset quality review is also performed on regular basis by the Risk Committees of the relevant Business in the Group. The credit portfolio quality report is presented to the Board Risk Committee on a quarterly basis by the concerned Business in the Group.

The Business in the Group applies the expected credit loss model for recognising impairment loss. For the purpose of measuring lifetime expected credit loss ('ECL') the relevant Business in the Group has used practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Business in the Group have devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. Loans are classified into various stages for different type of business. For non-distress credit business they are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. Further, ECL also takes into account forward looking factors like GDP growth, interest rates etc. along with historical trends.

The relevant Business in the Group determine that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.7. Credit risk (Continued)

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

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

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

The relevant Business in the Group have internal grading that is based on days past due (dpd) as specified below:

Internal rating grade	Internal grading description	Stages
Performing		
High grade	0 dpd and 1 to 30 dpd	Stage I
Standard grade	31 to 90 dpd	Stage II
Non-performing		
Individually impaired	90+ dpd	Stage III

Significant increase in credit risk (SICR)

In all cases when the borrower becomes 90 days past due, Business in the Group considers a financial instrument as default category and classify such financial instrument as Stage 3 (credit-impaired) for ECL calculations.

Classification of assets form stage 1 to stage 2 is carried out based on SICR criterion. The Financial Instrument (Customer accounts) which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These Financial Instrument (Customer accounts) have been classified as Stage 2 assets. As a part of a qualitative assessment of whether a customer is in default, the Business in the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Business in the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.7. Credit risk (Continued)

Significant increase in credit risk (SICR) (Continued)

The respective Business in the Group management evaluates the credit situation continuously and the current credit assessment of borrowers is based on the following factors including many factors such as;

1. Whether there is actual or expected significant change in the credit situation which entails significant increase in credit risk.

2. Whether there is existing or forecasted adverse changes in borrower's business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.

3. Based on information available at present, whether in the longer term current adverse changes created by COVID-19 in economic and business conditions can reduce the ability of the borrower to fulfil its obligations.

4. Whether there are any significant changes in the expected performance and behaviour of the borrower.

5. Whether there are expected changes in the loan documentation, including an expected breach of contract that might lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the loan.

Reasonable and supportable information that is forward-looking and that is available without undue cost or effort is used by management to assess changes in credit risk. However, considering that the current economic situation is continuously evolving, the management shall apply on regular basis any favourable or detrimental change to the borrower profiles and accordingly factor in macro/micro variables that shall represent the evolved inherent credit risk.

Probability of Default

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

Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Workout LGD is widely considered to be the most flexible, transparent and logical approach to build an LGD model. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.7. Credit risk (Continued)

Loss Given Default (LGD) (Continued)

of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/ Restructuring. The assessment of workout LGD was then performed. Principal outstanding at NPA was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.

Exposure at Default (EAD)

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

EAD = Drawn Credit Line + Credit Conversion Factor * Undrawn Credit Line

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount Undrawn Credit Line = Difference between the total amount which the Business in the Group has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD.

Purchased or originated credit impaired (POCI)

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. This population includes the recognition of a new financial instrument following a renegotiation where concessions have been granted for economic or contractual reasons relating to the borrower's financial difficulty, that otherwise would not have been considered.

Forward looking adjustments

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.7. Credit risk (Continued)

Forward looking adjustments (Continued)

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

Data sourcing:

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

Probability weighted scenario creations:

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

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

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

57.7.1. Overview of modified and forborne loans

The table below includes Stage 2 and 3 assets that were modified and, therefore, treated as forborne during the year, with the related modification loss suffered by the Group.

Particulars	2022-23	2021-22
Amortised costs of financial assets modified during the year	-	5,133.90
Net modification gains	-	178.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.7. Credit risk (Continued)

57.7.2. Analysis of risk concentration

The following table shows the risk concentration by industry for the components of the balance sheet. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Group's internal grading system and year-end stage classification are further disclosed in Note 13.1.

Industry analysis - Risk concentration for 31-Mar-2023

Components	Financial services	Government	Manufacturing	Retail and wholesale	Oil & gas	Services	Others	Total
Cash and bank balances	36,990.73	-	-	-	-	-	-	36,990.73
Derivative financial instruments	779.00	-	-	-	-	-	-	779.00
Stock in trade	1,227.83	25,757.21	0.35	0.20	-	-	8.46	26,994.05
Trade receivables	922.51	-	812.11	2,051.44	-	25.97	321.05	4,133.08
Loans	2,974.65	-	8,198.42	137,675.91	-	10,600.88	14,086.42	173,536.28
Investments	60,026.47	34,090.81	22,409.70	19,944.02	81.41	888.99	7,186.79	144,628.19
Other financial assets	8,639.66	-	3.19	503.49	-	0.09	40.66	9,187.09
Total	111,560.85	59,848.02	31,423.77	160,175.06	81.41	11,515.93	21,643.38	396,248.42
Other Commitments	384.95	-	-	1,515.98	-	-	-	1,900.93

Industry analysis - Risk concentration for 31-Mar-2022

Components	Financial services	Government	Manufacturing	Retail and wholesale	Oil & gas	Services	Others	Total
Cash and bank balances	30,388.97	-	-	-	-	-	-	30,388.97
Derivative financial instruments	685.22	-	-	-	-	-	-	685.22
Stock in trade	4,779.90	10,085.12	40.02	39.25	-	171.34	2.48	15,118.11
Trade receivables	1,344.37	-	1,165.77	1,961.81	-	81.95	137.81	4,691.71
Loans	3,840.40	-	8,633.86	167,520.88	-	9,969.04	11,011.98	200,976.16
Investments	49,447.47	28,952.11	22,843.26	12,731.67	62.26	6,638.00	5,600.12	126,274.89
Other financial assets	10,677.54	-	2.93	337.97	-	-	16.79	11,035.23
Total	101,163.87	39,037.23	32,685.84	182,591.58	62.26	16,860.33	16,769.18	389,170.29
Other Commitments	-	-	-	55.59	-	-	-	55.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.7. Credit risk (Continued)

57.7.3.Collateral and other credit enhancements

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

Particulars	Maximum exposure to credit risk		Principal type of collateral
	31 March 2023	31 March 2022	
Financial assets			
Loans:			
Retail Loans and Wholesale loans	**152,551.30**	184,805.48	Equity shares and Mutual fund units, Bonds, Property; book receivables, Land, real estate property securities, and Tangible assets, Inventories, fixed deposits & other marketable securities, Surrender Value of the Policy
Distressed assets	**17,966.05**	12,587.17	Tangible assets
Other credits	**373.84**	221.69	
Trade receivables	**4,133.08**	4,691.71	Equity shares, fixed deposits and bank guarantees, Securities etc.
Debt instruments and other investments at amortised cost	**2,168.23**	1,863.66	Government security and Book debts (including Highly liquid Central/State Government securities & high rated Corporate Bonds)
Total financial assets at amortised cost	**177,192.50**	**204,169.71**	
Derivative financial instruments	**779.00**	685.22	Margin money
Financial assets at FVTPL	**105,238.49**	73,499.27	Tangible assets, Warrants
Financial instrument designated at fair value through profit or loss	**15,139.30**	13,494.17	Tangible assets and Highly liquid Central/State Government securities, high rated Corporate Bonds and liquid Mutual fund units
Total financial instruments at fair value through profit or loss	**121,156.79**	87,678.66	
Debt instruments at fair value through OCI	**24,727.26**	20,563.92	Government security and Book debts
Total debt instruments at fair value through OCI	**24,727.26**	20,563.92	
Other commitments (max exposure)	**2,294.57**	1,422.26	Property, book receivables, Tangible Assets, Equity Shares, Mutual Fund units, Land, Office Space, Flats, Bungalow, Penthouse, Row house and Commodities.
Total (net)	**325,371.12**	**313,834.55**	

Above also includes unsecured financial assets.

The Group has not entered into any credit derivative to mitigate above credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.7. Credit risk (Continued)

57.7.4. Fair value of collateral held for stage 3 assets

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the expected value of the collateral is greater than the LGD, even in if the future value of collateral is forecast using multiple economic scenarios.

As at 31-Mar-2023

Particular	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans	**131,547.15**	**48,413.91**	**83,133.24**	**93,923.64**
Debt instruments	**22.94**	**3.46**	**19.48**	**19.48**
Total financial assets at amortised cost	**131,570.09**	**48,417.37**	**83,152.72**	**93,943.12**
Loan commitments	**128.11**	**0.54**	**127.57**	**4.00**
Total	**131,698.20**	**48,417.91**	**83,280.29**	**93,947.12**

As at 31-Mar-2022

Particular	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans	123,685.28	37,797.85	85,887.43	97,161.93
Debt instruments	-	-	-	-
Total financial assets at amortised cost	123,685.28	37,797.85	85,887.43	97,161.93
Loan commitments	128.94	1.68	127.26	6.53
Total	**123,814.22**	**37,799.53**	**86,014.69**	**97,168.46**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.8 Liquidity risk and funding management

Liquidity risk emanates from the mismatches existing on the balance sheet due to differences in maturity and repayment profile of assets and liabilities. These mismatches could either be forced in nature due to market conditions or created with an interest rate view. Such risk can lead to a possibility of unavailability of funds to meet upcoming obligations arising from liability maturities. To mitigate liquidity risk

- Group maintains Liquidity Cushion equivalent to 12-15% of the borrowings in the form of Fixed Deposits, Mutual Funds, Cash, G-Sec, etc. These assets carry minimal credit risk and can be liquidated in a very short period of time.

- Secondly, group has undrawn lines of credit from banks which are drawable on notice which further augment the available sources of funds.

- To reduce concentration of funding risk, Group relies on diversified sources including Banks, Retail investors in capital markets, Mutual Funds, ECB, Sub Debt etc.

Group has a Liquidity Contingency Policy in place and various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls considering normal as well as Stress scenario. A detailed set of activities have been defined to be executed during stress scenario.

Group has a Liquidity Contingency Policy in place to ensure various liquidity parameters are defined and tracked regularly. Liquidity Management Team is provided with update on expected liquidity shortfalls in Normal as well as Stress scenario. A detailed set of activities have been defined to be executed during stress scenario.

57.8.1. Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial liabilities, financial assets, derivatives and financial commitments as at 31 March.

The tables have been drawn up based on the undiscounted cash flows i.e. the tables include both interest and principal cashflows. The contractual maturity with respect to financial liabilities is based on the earliest date on which the Group may be asked to pay. To the extent that interest flows are at floating rate, the undiscounted amount is derived using interest rates in force at the balance sheet date. Further, with regards to amounts payable in currencies other than Indian Rupees, the amounts are determined based on the spot exchange rates at the balance sheet date. The analysis with respect to financial assets is based on expected maturities. All derivatives which are entered into for trading purposes are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given based on undiscounted cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.8 Liquidity risk and funding management (Continued)

57.8.1. Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities (Continued)

As at 31-Mar-2023

Non-derivative financial liabilities	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	9,368.29	639.30	2,616.06	1,476.13	22.38	14,122.16
Borrowings (other than debt securities)	27,239.88	4,839.62	9,458.34	5,346.79	5,901.26	52,785.89
Debt securities	34,588.34	7,238.29	21,011.82	61,678.85	54,675.28	179,192.58
Subordinated financial liabilities	1,692.30	1,203.40	652.81	6,182.29	7,862.59	17,593.39
Deposits	16.25	-	-	-	-	16.25
Other financial liabilities	9,221.73	3,419.37	3,780.85	6,893.59	31,452.51	54,768.05
Total undiscounted non-derivative financial liabilities	82,126.79	17,339.98	37,519.88	81,577.65	99,914.02	318,478.32

Non-derivative financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	29,215.86	609.12	3,077.87	4,085.96	367.98	37,356.79
Stock-in-trade	26,502.47	474.80	-	16.23	0.55	26,994.05
Trade receivables	2,252.58	699.68	850.92	1,282.73	-	5,085.91
Loans	22,088.66	14,791.74	19,257.16	55,538.66	103,223.80	214,900.02
Investments at fair value through profit or loss	9,906.60	9,308.50	17,987.40	56,478.74	53,328.63	147,009.87
Investments at FVOCI	1,644.67	529.28	852.81	4,991.73	62,433.08	70,451.57
Investments at amortised cost	2,582.05	3.29	52.88	4,908.03	19.22	7,565.47
Other financial assets	7,407.55	211.21	106.92	406.04	1,055.37	9,187.09
Total undiscounted non-derivative financial assets	101,600.44	26,627.62	42,185.96	127,708.12	220,428.63	518,550.77

Derivatives	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Net settled derivatives entered into for trading purposes	(260.57)	-	-	-	-	(260.57)
Other net settled derivatives	32.49	0.59	(21.38)	63.58	188.57	263.85
Total	(228.08)	0.59	(21.38)	63.58	188.57	3.28

Commitments	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Undrawn loan and other commitments	5,577.02	8,208.66	541.03	1,779.66	0.38	16,106.75

The Group has undrawn lines of credit available aggregating ₹ 1,924.34 million as at 31 March 2023 to meet any possible liquidity shortfall.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.8 Liquidity risk and funding management (Continued)

57.8.1. Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities (Continued)

As at 31-Mar-2022

Non-derivative financial liabilities	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	9,048.39	2,771.13	1,053.84	27.91	-	12,901.27
Borrowings (other than debt securities)	18,486.76	4,546.33	19,461.08	7,806.22	10,265.31	60,565.70
Debt securities	14,169.96	6,906.39	18,722.33	82,636.98	61,983.53	184,419.19
Subordinated financial liabilities	1,454.78	61.92	297.69	6,344.60	13,290.60	21,449.59
Deposits	15.60	-	-	-	-	15.60
Other financial liabilities	7,750.74	3,875.40	1,528.17	11,635.22	28,769.30	53,558.83
Total undiscounted non-derivative financial liabilities	**50,926.23**	**18,161.17**	**41,063.11**	**108,450.93**	**114,308.74**	**332,910.18**

Non-derivative financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	22,623.02	836.38	2,070.68	5,922.44	18.16	31,470.68
Stock-in-trade	12,634.20	2,465.87	-	0.25	17.79	15,118.11
Trade receivables	2,508.80	828.74	1,514.46	1,596.52	-	6,448.52
Loans	27,568.74	8,989.44	34,594.79	77,095.05	136,484.66	284,732.68
Investments at fair value through profit or loss	13,365.86	4,245.47	14,463.47	21,062.51	54,267.80	107,405.11
Investments at FVOCI	546.58	274.59	1,076.70	4,433.23	49,259.79	55,590.89
Investments at amortised cost	898.44	-	961.30	2,304.08	124.52	4,288.34
Other financial assets	5,589.80	3,873.21	58.62	911.16	615.63	11,048.42
Total undiscounted non-derivative financial assets	**85,735.44**	**21,513.70**	**54,740.02**	**113,325.24**	**240,788.35**	**516,102.75**

Derivatives	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Net settled derivatives entered into for trading purposes	(503.95)	-	-	-	-	(503.95)
Other net settled derivatives	(546.98)	0.11	(258.94)	(190.56)	(51.19)	(1,047.56)
Total	**(1,050.93)**	**0.11**	**(258.94)**	**(190.56)**	**(51.19)**	**(1,551.51)**

Commitments	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Undrawn loan and other commitments	1,835.23	131.82	2,705.33	11,423.24	-	16,095.62

The Group has undrawn lines of credit available aggregating ₹ 5,300.71 million as at 31 March 2022 to meet any possible liquidity shortfall.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.9. Market Risk: (Continued)

Market risk is the risk which can affect the Group's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to interest rates, equity prices, foreign exchange rates and credit spreads. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters. The Group treats its exposure to market risks on trading and non-trading portfolios separately.

Exposure to market risk

Interest rate risk - Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

Asset-Liability Committee (ALCO) monitors interest rate gap statement and the mix of floating/fixed rate assets and liabilities and ensure these gaps are managed below defined limits. Balance Sheet Management Unit is in-charge for day to day management of interest rate risk.

Foreign exchange risk – Group's foreign exposure is limited to monetary assets/liabilities held by Group entities outside India and profits/loss generated by these entities. The Treasury Unit aggregates the foreign exchange exposure emerging out of these outflows/inflows and the same is hedged to mitigate foreign exchange risk. Positions are regularly monitored by the Treasury Unit and rebalanced based on the inflow and outflow of funds.

Equity price risk - The Treasury and Balance Sheet Management Units effectively evaluates various risks involved in underlying assets in trading and non-trading books respectively.

Interest rate risk

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

The following table demonstrates the sensitivity to possible change in interest rates (all other variables being constant) on the Group's statement of profit and loss and equity. The sensitivity to profit before tax is the effect of the assumed changes in interest rates on the profit before tax for the year, based on the floating rate financial assets and financial liabilities held at reporting date. Sensitivity analysis has been prepared assuming the amount of the floating-rate financial liability and financial assets outstanding at the end of the year was outstanding for the whole year. The sensitivity of equity is calculated by revaluing the fixed rate FVOCI, including the effect at reporting date for the effects of the assumed changes in interest rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.9. Market Risk: (Continued)

Interest rate risk (Continued)

Currency of item	2022-23					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
INR	**25.00**	**(518.49)**	**(629.26)**	**25.00**	**518.50**	**629.26**
INR	**5.00**	**(80.96)**	**-**	**5.00**	**80.96**	**-**

Currency of item	2021-22					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
INR	25.00	(281.18)	(580.83)	25.00	281.16	580.83
INR	5.00	(116.27)	-	5.00	116.27	-

Currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign currency risk arise primarily on account of foreign currency borrowings.

The table below indicates the currencies to which the Group had significant exposure at the end of the year.

Currency	2022-23					
	Increase in exchange rate (%)	Effect on profit before tax	Effect on Equity	Decrease in exchange rate (%)	Effect on profit before tax	Effect on Equity
US dollar	**5.00**	**3.38**	**-**	**5.00**	**(3.38)**	**-**
Others	**5.00**	**2.21**	**-**	**5.00**	**(2.21)**	**-**

Currency	2021-22					
	Increase in exchange rate (%)	Effect on profit before tax	Effect on Equity	Decrease in exchange rate (%)	Effect on profit before tax	Effect on Equity
US dollar	5.00	(61.34)	-	5.00	61.34	-
Others	5.00	(1.32)	-	5.00	1.32	-

* This is on account of items denominated in Indian Rupees held by certain foreign companies in the Group having functional currency other than INR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.9. Market Risk: (Continued)

Equity Price risk:

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

Impact on	2022-23					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	**5.00**	**204.20**	**-**	**5.00**	**(204.20)**	**-**
Others	**5.00**	**1,774.35**	**1.71**	**5.00**	**(1,774.35)**	**(1.71)**

Impact on	2021-22					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5.00	84.42	-	5.00	(84.42)	-
Others	5.00	711.83	1.70	5.00	(711.83)	(1.70)

Index price risk:

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

Impact on	2022-23					
	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	**5.00**	**88.39**	**-**	**5.00**	**(88.39)**	**-**
Others	**5.00**	**33.88**	**-**	**5.00**	**(33.88)**	**-**

Impact on	2021-22					
	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5.00	28.05	-	5.00	(28.05)	-
Others	5.00	(16.20)	-	5.00	16.20	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

57. Risk Management (Continued)

57.9. Market Risk: (Continued)

Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of market prices other than equity and index prices.

Impact on	2022-23					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Security receipts of ARC trusts	**5.00**	**30.01**	**-**	**5.00**	**(30.01)**	**-**
Units of AIFs and Trusts	**5.00**	**127.60**	**19.11**	**5.00**	**(127.60)**	**(19.11)**
Others	**5.00**	**805.03**	**50.17**	**5.00**	**(805.03)**	**(50.17)**

Impact on	2021-22					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Security receipts of ARC trusts	5.00	106.79	-	5.00	(106.79)	-
Units of AIFs and Trusts	5.00	40.45	17.00	5.00	(40.45)	(17.00)
Others	5.00	692.02	39.73	5.00	(692.02)	(39.73)

58. Composition of the Group

Sr. No	Name of the Entity	Note	Country of Incorporation	Proportion of ownership interest as at 31-Mar-2023	Proportion of ownership interest as at 31-Mar-2022
	Subsidiaries				
1	ECL Finance Limited		India	**100.00%**	100.00%
2	Edelcap Securities Limited		India	**100.00%**	100.00%
3	Edelweiss Asset Management Limited		India	**100.00%**	100.00%
4	ECap Securities and Investments Limited (formerly known as ECap Equities Limited)		India	**100.00%**	100.00%
5	Edelweiss Trusteeship Company Limited		India	**100.00%**	100.00%
6	Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)		India	**100.00%**	100.00%
7	Edelweiss Investment Adviser Limited		India	**100.00%**	100.00%
8	ECap Equities Limited (formerly known as Edel Land Limited)		India	**100.00%**	100.00%
9	Edel Investments Limited		India	**100.00%**	100.00%
10	Edelweiss Rural & Corporate Services Limited		India	**100.00%**	100.00%
11	Comtrade Commodities Services Limited (formerly known as Edelweiss Comtrade Limited)	a	India	**100.00%**	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

58. Composition of the Group (Continued)

Sr. No	Name of the Entity	Note	Country of Incorporation	Proportion of ownership interest as at 31-Mar-2023	Proportion of ownership interest as at 31-Mar-2022
12	Edel Finance Company Limited		India	**100.00%**	100.00%
13	Edelweiss Retail Finance Limited		India	**100.00%**	100.00%
14	Edelweiss Multi Strategy Fund Advisors LLP		India	**100.00%**	100.00%
15	Edelweiss Resolution Advisors LLP (upto 1st July 2022)	b	India	**-**	100.00%
16	Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited)		India	**100.00%**	100.00%
17	Edelweiss Securities and Investments Private Limited		India	**100.00%**	100.00%
18	EC International Limited		Mauritius	**100.00%**	100.00%
19	Nuvama Investment Advisors LLC (formerly known as EAAA LLC)		Mauritius	**100.00%**	100.00%
20	Edelweiss Alternative Asset Advisors Pte. Limited		Singapore	**100.00%**	100.00%
21	Edelweiss International (Singapore) Pte. Limited		Singapore	**100.00%**	100.00%
22	Edelgive Foundation		India	**100.00%**	100.00%
23	Edelweiss Alternative Asset Advisors Limited		India	**99.05%**	99.05%
24	Edelweiss Private Equity Tech Fund		India	**95.60%**	95.60%
25	Edelweiss Value and Growth Fund		India	**96.05%**	96.05%
26	Edelweiss Asset Reconstruction Company Limited		India	**59.82%**	59.82%
27	EW Special Opportunities Advisors LLC (upto 23rd June, 2022)	c	Mauritius	**-**	67.00%
28	Edelweiss Tokio Life Insurance Company Limited	d	India	**75.08%**	66.00%
29	Allium Finance Private Limited	e	India	**88.28%**	85.00%
30	Edelweiss Global Wealth Management Limited		India	**100.00%**	100.00%
31	Nuvama Custodial Services Limited (Formerly Known as Edelweiss Capital Services Limited)		India	**51.00%**	51.00%
32	India Credit Investment Fund - II		India	**100.00%**	100.00%
33	Edelweiss Real Assets Managers Limited		India	**100.00%**	100.00%
34	Sekura India Management Limited		India	**100.00%**	100.00%
35	India Credit Investment Fund - III	f	India	**100.00%**	0.00%
	Associate				
1	Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited - (Consolidated upto 30 March 2023))	g	India	**43.76%**	43.76%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

58. Composition of the Group (Continued)

Group stake in trusts

Sr. No	Trust Name	Country of Incorporation	Proportion of ownership interest as at 31-Mar-2023	Proportion of ownership interest as at 31-Mar-2022
1	EARC SAF - 1 Trust	India	**100.00%**	100.00%
2	EARC SAF - 2 Trust	India	**100.00%**	100.00%
3	EARC SAF - 3 Trust	India	**46.00%**	46.00%
4	EARC Trust - SC 6	India	**100.00%**	100.00%
5	EARC Trust - SC 7	India	**100.00%**	100.00%
6	EARC Trust - SC 9	India	**100.00%**	100.00%
7	EARC Trust - SC 102	India	**100.00%**	100.00%
8	EARC Trust - SC 109	India	**50.00%**	50.00%
9	EARC Trust - SC 112	India	**100.00%**	100.00%
10	EARC Trust - SC 130	India	**100.00%**	100.00%
11	EARC Trust - SC 223	India	**100.00%**	100.00%
12	EARC Trust - SC 229	India	**100.00%**	100.00%
13	EARC Trust - SC 238	India	**100.00%**	100.00%
14	EARC Trust - SC 245	India	**37.00%**	37.00%
15	EARC Trust - SC 251	India	**100.00%**	100.00%
16	EARC Trust - SC 262	India	**37.00%**	37.00%
17	EARC Trust - SC 263	India	**100.00%**	100.00%
18	EARC Trust - SC 266	India	**100.00%**	100.00%
19	EARC Trust - SC 293	India	**100.00%**	100.00%
20	EARC Trust - SC 297	India	**37.00%**	37.00%
21	EARC Trust - SC 298	India	**75.05%**	100.00%
22	EARC Trust - SC 306	India	**50.00%**	50.00%
23	EARC Trust - SC 308	India	**100.00%**	100.00%
24	EARC Trust - SC 314	India	**100.00%**	100.00%
25	EARC Trust - SC 318	India	**100.00%**	100.00%
26	EARC Trust - SC 321	India	**100.00%**	100.00%
27	EARC Trust - SC 325	India	**100.00%**	100.00%
28	EARC Trust - SC 329	India	**100.00%**	100.00%
29	EARC Trust - SC 331	India	**100.00%**	100.00%
30	EARC Trust - SC 332	India	**100.00%**	100.00%
31	EARC Trust - SC 334	India	**100.00%**	100.00%
32	EARC Trust - SC 342	India	**100.00%**	100.00%
33	EARC Trust - SC 344	India	**100.00%**	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

58. Composition of the Group (Continued)

Group stake in trusts (Continued)

Sr. No	Trust Name	Country of Incorporation	Proportion of ownership interest as at 31-Mar-2023	Proportion of ownership interest as at 31-Mar-2022
34	EARC Trust - SC 347	India	**100.00%**	100.00%
35	EARC Trust - SC 348	India	**100.00%**	100.00%
36	EARC Trust - SC 349	India	**100.00%**	100.00%
37	EARC Trust - SC 351	India	**100.00%**	100.00%
38	EARC Trust - SC 352	India	**100.00%**	100.00%
39	EARC Trust - SC 357	India	**100.00%**	100.00%
40	EARC Trust - SC 360	India	**100.00%**	100.00%
41	EARC Trust - SC 361	India	**100.00%**	100.00%
42	EARC Trust - SC 363	India	**100.00%**	100.00%
43	EARC Trust - SC 370	India	**100.00%**	100.00%
44	EARC Trust - SC 372	India	**100.00%**	100.00%
45	EARC Trust - SC 373	India	**100.00%**	100.00%
46	EARC Trust - SC 374	India	**100.00%**	100.00%
47	EARC Trust - SC 375	India	**100.00%**	100.00%
48	EARC Trust - SC 376	India	**100.00%**	100.00%
49	EARC Trust - SC 377	India	**100.00%**	100.00%
50	EARC Trust - SC 378	India	**100.00%**	100.00%
51	EARC Trust - SC 380	India	**100.00%**	100.00%
52	EARC Trust - SC 381	India	**100.00%**	100.00%
53	EARC Trust - SC 383	India	**100.00%**	100.00%
54	EARC Trust - SC 384	India	**62.50%**	100.00%
55	EARC Trust - SC 385	India	**100.00%**	100.00%
56	EARC Trust - SC 386	India	**100.00%**	100.00%
57	EARC Trust - SC 387	India	**100.00%**	100.00%
58	EARC Trust - SC 388	India	**100.00%**	100.00%
59	EARC Trust - SC 391	India	**100.00%**	100.00%
60	EARC Trust - SC 392	India	**100.00%**	100.00%
61	EARC Trust - SC 393	India	**100.00%**	100.00%
62	EARC Trust - SC 394	India	**100.00%**	100.00%
63	EARC Trust - SC 395	India	**100.00%**	100.00%
64	EARC Trust - SC 396	India	**100.00%**	100.00%
65	EARC Trust - SC 399	India	**100.00%**	100.00%
66	EARC Trust - SC 401	India	**100.00%**	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

58. Composition of the Group (Continued)

Group stake in trusts (Continued)

Sr. No	Trust Name	Country of Incorporation	Proportion of ownership interest as at 31-Mar-2023	Proportion of ownership interest as at 31-Mar-2022
67	EARC Trust - SC 402	India	**100.00%**	100.00%
68	EARC Trust - SC 405	India	**100.00%**	100.00%
69	EARC Trust - SC 406	India	**100.00%**	100.00%
70	EARC Trust - SC 410	India	**100.00%**	100.00%
71	EARC Trust - SC 412	India	**100.00%**	100.00%
72	EARC Trust - SC 415	India	**100.00%**	100.00%
73	EARC Trust - SC 427	India	**46.17%**	100.00%
74	EARC Trust - SC 428	India	**100.00%**	100.00%
75	EARC Trust - SC 429	India	**100.00%**	100.00%
76	EARC Trust - SC 430	India	**100.00%**	100.00%
77	EARC Trust - SC 227	India	**100.00%**	100.00%
78	EARC Trust - SC 228	India	**100.00%**	100.00%
79	EARC Trust - SC 397	India	**100.00%**	100.00%
80	EARC Trust - SC 413	India	**100.00%**	100.00%
81	EARC Trust - SC 416	India	**100.00%**	100.00%
82	EARC Trust - SC 417	India	**100.00%**	100.00%
83	EARC Trust - SC 418	India	**100.00%**	100.00%
84	EARC Trust - SC 421	India	**100.00%**	100.00%
85	EARC Trust - SC 422	India	**100.00%**	100.00%
86	EARC Trust - SC 423	India	**100.00%**	100.00%
87	EARC Trust - SC 424	India	**100.00%**	100.00%
88	EARC Trust - SC 425	India	**100.00%**	100.00%
89	EARC Trust - SC 431	India	**100.00%**	100.00%
90	EARC Trust - SC 434	India	**100.00%**	100.00%
91	EARC Trust - SC 436	India	**100.00%**	100.00%
92	EARC Trust - SC 440	India	**100.00%**	100.00%
93	EARC Trust - SC 441	India	**100.00%**	100.00%
94	EARC Trust - SC 444	India	**100.00%**	100.00%
95	EARC Trust - SC 447	India	**100.00%**	100.00%
96	EARC Trust - SC 448	India	**100.00%**	100.00%
97	EARC Trust - SC 449	India	**100.00%**	100.00%
98	EARC Trust - SC 451	India	**100.00%**	100.00%
99	EARC Trust - SC 459	India	**100.00%**	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

58. Composition of the Group (Continued)

Group stake in trusts (Continued)

Sr. No	Trust Name	Country of Incorporation	Proportion of ownership interest as at 31-Mar-2023	Proportion of ownership interest as at 31-Mar-2022
100	EARC Trust - SC 477	India	**100.00%**	-
101	EARC Trust - SC 481	India	**100.00%**	-
102	EARC Trust - SC 482	India	**100.00%**	-
103	EARC Trust - SC 442	India	**100.00%**	-
104	EARC Trust - SC 483	India	**100.00%**	-
105	EARC Trust - SC 484	India	**100.00%**	-
106	EARC Trust SC - 443	India	**100.00%**	-
107	EARC Trust SC - 452	India	**75.33%**	-
108	EARC Trust SC - 462	India	**100.00%**	-
109	EARC Trust SC - 461	India	**100.00%**	-

Notes:

a Comtrade Commodities Services Limited (Formerly known as Edelweiss Comtrade Limited), a subsidiary of the Group has ceased its operation and does not have any business activity planned for future. Accordingly the financial statements for the year have been prepared on a non-going concern basis.

b With effect from 1st July 2022, Edelweiss Resolution Advisors LLP, one of the subsidiary of the Group is dissolved and ceased to become the subsidiary of the Group and has been consolidated upto the said date.

c With effect from 23rd June 2022, EW Special Opportunities Advisors LLC, one of the subsidiary of the Group is dissolved and ceased to become the subsidiary of the Group and has been consolidated upto the said date.

d With effect from 27th September 2022, the Company has increased its controlling stake in Edelweiss Tokio Life Insurance Company Limited, one of its subsidiary from 66% to 75.08% and same has been consolidated accordingly.

e With effect from October 12, 2022, Edelweiss Rural and Corporate Services Limited, subsidiary of the Group has increased its controlling stake in Allium Finance Private Limited, one of its subsidiary from 85% to 88.28% and same has been consolidated accordingly.

f With effect from 22nd March 2023, India Credit Investments Fund - III has been incorporated as a new wholly owned subsidiary of the Group and has been consolidated from the said date.

g Refer Note 62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

59. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

Sr. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)	As % of consolidated other comprehensive Income	Amount (₹ in Millions)	As % of consolidated total comprehensive Income	Amount (₹ in Millions)
Parent									
	Edelweiss Financial Services Limited	92.47%	72,552.63	588.88%	23,882.47	0.18%	0.33	563.10%	23,882.80
Subsidiaries									
	Indian								
1	ECL Finance Limited	34.05%	26,715.97	27.33%	1,108.34	(4.50)%	(8.36)	25.93%	1,099.98
2	Edelcap Securities Limited	4.86%	3,816.81	(10.31)%	(418.23)	(0.31)%	(0.57)	(9.87)%	(418.80)
3	Edelweiss Asset Management Limited	2.55%	2,000.32	4.39%	177.88	(0.65)%	(1.21)	4.17%	176.67
4	ECap Securities and Investments Limited (formerly known as ECap Equities Limited)	(0.68)%	(530.49)	(11.05)%	(448.05)	(0.01)%	(0.01)	(10.56)%	(448.06)
5	Edelweiss Trusteeship Company Limited	0.01%	5.48	0.02%	0.66	-	-	0.02%	0.66
6	Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited)	10.13%	7,944.70	3.96%	160.63	1.27%	2.37	3.84%	163.00
7	Edelweiss Investment Adviser Limited	(5.35)%	(4,198.95)	(28.93)%	(1,173.21)	(0.09)%	(0.17)	(27.67)%	(1,173.38)
8	ECap Equities Limited (formerly known as Edel Land Limited)	6.34%	4,971.09	(0.24)%	(9.83)	0.52%	0.96	(0.21)%	(8.87)
9	Edel Investments Limited	4.47%	3,507.13	1.59%	64.34	(0.36)%	(0.66)	1.50%	63.68
10	Edelweiss Rural & Corporate Services Limited	5.51%	4,325.56	(48.54)%	(1,968.55)	(1.47)%	(2.73)	(46.48)%	(1,971.28)
11	Comtrade Commodities Services Limited (formerly known as Edelweiss Comtrade Limited)	0.01%	7.04	(0.11)%	(4.64)	(0.11)%	(0.20)	(0.11)%	(4.84)
12	Edel Finance Company Limited	19.42%	15,235.09	16.12%	653.95	0.07%	0.14	15.42%	654.09
13	Edelweiss Retail Finance Limited	6.84%	5,366.47	6.85%	277.83	0.48%	0.88	6.57%	278.72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

59. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary (Continued)

Sr. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)	As % of consolidated other comprehensive Income	Amount (₹ in Millions)	As % of consolidated total comprehensive Income	Amount (₹ in Millions)
14	Edelweiss Multi Strategy Fund Advisors LLP	0.01%	7.68	0.00%	(0.14)	-	-	0.00%	(0.14)
15	Edelweiss Resolution Advisors LLP (upto 1st July 2022)	-	-	0.00%	0.03	-	-	0.00%	0.03
16	Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited)	2.21%	1,736.32	(30.94)%	(1,254.87)	(5.60)%	(10.40)	(29.83)%	(1,265.26)
17	Edelweiss Securities and Investment Private Limited	4.17%	3,269.64	16.46%	667.49	(0.01)%	(0.01)	15.74%	667.48
18	Edelweiss Alternative Asset Advisors Limited	5.91%	4,636.73	19.29%	782.27	0.28%	0.51	18.46%	782.78
19	Edelgive Foundation	0.20%	153.53	(2.40)%	(97.51)	0.09%	0.17	(2.30)%	(97.34)
20	Edelweiss Private Equity Tech Fund	0.70%	549.17	(1.62)%	(65.76)	-	-	(1.55)%	(65.76)
21	Edelweiss Value and Growth Fund	1.08%	851.03	1.41%	57.28	-	-	1.35%	57.28
22	Edelweiss Asset Reconstruction Company Limited	35.61%	27,941.25	78.51%	3,183.89	(1.18)%	(2.20)	75.02%	3,181.70
23	Edelweiss Tokio Life Insurance Company Limited	8.64%	6,780.79	(49.09)%	(1,990.93)	36.65%	68.09	(45.34)%	(1,922.83)
24	Allium Finance Private Limited	1.67%	1,308.34	0.91%	36.71	-	-	0.87%	36.71
25	Nuvama Custodial Services Limited (Formerly Known as Edelweiss Capital Services Limited)	0.73%	573.85	0.48%	19.45	(0.33)%	(0.61)	0.44%	18.84
26	India Credit Investment Fund – II	10.85%	8,516.98	(0.78)%	(31.64)	-	-	(0.75)%	(31.64)
27	Edelweiss Real Assets Managers Limited	0.14%	111.93	0.00%	0.08	0.04%	0.08	0.00%	0.16
28	Sekura India Management Limited	0.05%	39.34	0.95%	38.70	-	-	0.91%	38.70
29	Edelweiss Global Wealth Management Limited	4.41%	3,456.98	(2.47)%	(100.26)	(0.01)%	(0.02)	(2.36)%	(100.28)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

59. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary (Continued)

Sr. No.	Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)	As % of consolidated other comprehensive Income	Amount (₹ in Millions)	As % of consolidated total comprehensive Income	Amount (₹ in Millions)
30	India Credit Investment Fund – III	15.82%	12,416.14	(0.03)%	(1.31)	-	-	(0.03)%	(1.31)
	Foreign								
31	EC International Limited	(0.19)%	(152.29)	(0.34)%	(13.60)	(5.94)%	(11.03)	(0.58)%	(24.63)
32	Nuvama Investment Advisors LLC (formerly known as EAAA LLC)	(0.01)%	(5.68)	(0.39)%	(15.65)	(0.13)%	(0.24)	(0.37)%	(15.89)
33	EW Special Opportunities Advisors LLC (upto 23rd June, 2022)	-	-	0.00%	0.03	-	-	0.00%	0.03
34	Edelweiss Alternative Asset Advisors Pte. Limited	3.81%	2,986.84	59.20%	2,400.87	39.70%	73.75	58.35%	2,474.63
35	Edelweiss International (Singapore) Pte. Limited	3.11%	2,439.48	11.41%	462.87	59.46%	110.47	13.52%	573.33
36	Controlled Trusts	0.05%	37.86	33.47%	1,357.43	-	-	32.00%	1,357.43
	Non-Controlling Interests	14.05%	11,021.19	15.14%	613.94	(6.44)%	(11.96)	14.19%	601.98
	Adjustments arising out of consolidation	(193.65)%	(151,933.64)	(575.11)%	(23,323.23)	(19.17)%	(35.66)	(550.75)%	(23,358.93)
	Associate (Investment as per the equity method) - Indian								
	Associate (Investment as per the equity method) - Indian (Refer note 62)	-	-	(24.02)%	(974.16)	7.57%	14.06	(22.64)%	(960.10)
	Total	**100.00%**	**78,462.31**	**100.00%**	**4,055.57**	**100.00%**	**185.77**	**100.00%**	**4,241.34**

0.00 indicates amount less than ₹ 0.01 million

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

60. Key disclosures related to life insurance business (Edelweiss Tokio Life Insurance Company Limited (ETLI))

a Life insurance and Investment Contract Liability

Particulars	31-Mar-2023				31-Mar-2022			
	With DPF	Linked Business	Others	Total gross liabilities	With DPF	Linked Business	Others	Total gross liabilities
Insurance Contract Liability								
Life	**13,594.11**	**16,384.15**	**32,349.80**	**62,328.06**	10,057.42	16,105.49	25,834.89	51,997.80
Health	**-**	**-**	**70.46**	**70.46**	-	-	61.22	61.22
Annuity	**-**	**-**	**693.80**	**693.80**	-	-	595.98	595.98
Pension	**1,182.54**	**282.09**	**-**	**1,464.63**	1,143.28	304.33	-	1,447.61
Total	**14,776.65**	**16,666.24**	**33,114.06**	**64,556.95**	**11,200.70**	**16,409.82**	**26,492.09**	**54,102.61**
Investment Contract Liability								
Life	**-**	**997.08**	**114.53**	**1,111.61**	-	884.09	458.63	1,342.72
Health	**-**	**-**	**-**	**-**	-	-	-	-
Annuity	**-**	**-**	**-**	**-**	-	-	-	-
Pension	**-**	**-**	**-**	**-**	-	-	-	-
Total	**-**	**997.08**	**114.53**	**1,111.61**	**-**	**884.09**	**458.63**	**1,342.72**

b Movement of life insurance contract liabilities

Particulars	31-Mar-2023				31-Mar-2022			
	With DPF	Linked Business	Others	Total gross liabilities	With DPF	Linked Business	Others	Total gross liabilities
Gross Liability at the beginning of the year	**11,200.70**	**16,409.82**	**26,492.09**	**54,102.61**	8,304.94	12,944.01	21,354.58	42,603.53
Add/(Less)								
Premium	**5,044.15**	**3,140.66**	**8,578.74**	**16,763.55**	4,431.80	3,293.54	6,847.76	14,573.10
Unwinding of the discount / Interest credited	**673.06**	**262.40**	**2,011.77**	**2,947.23**	371.22	2,258.65	1,397.45	4,027.32
Changes in valuation for expected future benefits	**(1,840.73)**	**(493.71)**	**(2,977.72)**	**(5,312.16)**	(1,641.00)	(506.57)	(1,968.66)	(4,116.23)
Insurance liabilities released	**(172.28)**	**(2,605.58)**	**(780.69)**	**(3,558.55)**	(343.69)	(1,562.04)	(1,020.01)	(2,925.74)
Undistributed Participating Policyholders surplus (UPPS)	**95.34**	**-**	**-**	**95.34**	33.45	-	-	33.45
Change in other Liabilities	**(223.59)**	**(47.35)**	**(210.13)**	**(481.07)**	43.98	(17.77)	(119.03)	(92.82)
Gross Liability at the end of the year	**14,776.65**	**16,666.24**	**33,114.06**	**64,556.95**	**11,200.70**	**16,409.82**	**26,492.09**	**54,102.61**

60. Key disclosures related to life insurance business (Edelweiss Tokio Life Insurance Company Limited (ETLI)) (Continued)

c. Investment contract liabilities without DPF are stated at fair value.

The investment contracts measured at fair value are mainly unit linked in structure and the fair value of the liability is equal to the unit reserve plus additional non-unit reserves, if required, on a fair value basis. These contracts are classified as Level 1 in the fair value hierarchy when the unit reserve is calculated by multiplying number of units in issue by publicly quoted unit price and any non-unit reserve is insignificant. Where the unit price is not publicly-available these contracts are classified as Level 2 in the fair value hierarchy provided the additional non-unit reserve is an insignificant input to the valuation. Where the non-unit reserve is a significant input in the valuation, the contracts are classified at Level 3 in the fair value hierarchy. The Group takes credit risk into account in assessing the fair value of the liabilities.

Investment contract liabilities without DPF are further analysed as follows:

Particulars	31-Mar-2023			31-Mar-2022		
	Linked Business	Others	Total	Linked Business	Others	Total
At the beginning of the year	**884.09**	**458.63**	**1,342.72**	786.35	440.58	1,226.93
Additions						
Premium	**138.33**	**2.83**	**141.16**	62.83	6.12	68.95
Interest and Bonus credited to policyholders	**46.94**	**17.68**	**64.62**	76.81	27.86	104.67
Others	**0.03**	**(0.52)**	**(0.49)**	0.08	(1.43)	(1.35)
Deductions						
Withdrawals / Claims	**(57.50)**	**(363.47)**	**(420.97)**	(28.62)	(13.32)	(41.94)
Fee Income and Other Expenses	**(14.81)**	**(0.62)**	**(15.43)**	(13.36)	(1.18)	(14.54)
At the end of the year	**997.08**	**114.53**	**1,111.61**	884.09	458.63	1,342.72

Change in insurance contract liabilities

Particulars	31-Mar-2023				31-Mar-2022			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
a) Policy Liabilities (Gross)	**3,575.94**	**256.42**	**6,621.97**	**10,454.33**	2,895.74	3,465.81	5,137.51	11,499.06
b) Amount ceded in reinsurance	**-**	**(0.14)**	**419.22**	**419.08**	-	(0.04)	(39.36)	(39.40)
c) Amount accepted in reinsurance	**-**	**-**	**-**	**-**	-	-	-	-
Net change in insurance contract liabilities	**3,575.94**	**256.28**	**7,041.19**	**10,873.41**	2,895.74	3,465.77	5,098.15	11,459.66

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

60. Key disclosures related to life insurance business (Edelweiss Tokio Life Insurance Company Limited (ETLI)) (Continued)

c. Investment contract liabilities without DPF are stated at fair value. (Continued)

Change in Reinsurance assets

Particulars	31-Mar-2023	31-Mar-2022
Opening Reinsurance Assets	**3,432.77**	3,393.36
Premium	**360.89**	331.70
Unwinding of the Discount/Interest Credited	**236.27**	200.48
Change in Valuation for expected future benefits	**(695.07)**	(214.65)
Insurance Liabilities released	**(321.50)**	(278.12)
Closing Reinsurance Assets	**3,013.36**	**3,432.77**

At 31 March 2023, the ETLI conducted an impairment review of the reinsurance assets and there is no impairment loss for the year.

During the year, the ETLI entered into reinsurance arrangements that resulted in profit of ₹ 72.58 million for the financial year 2022-23 (PY ₹ 987.18 million). This profit has been reflected in the statement of profit or loss.

At 31 March 2023 and 31 March 2022, there are no impaired reinsurance assets.

d. Key Assumptions

Liabilities for life insurance policies are determined by the Appointed Actuary in accordance with the IRDAI regulations and relevant actuarial practice standards & guidance notes issued by the Institute of Actuaries of India. For Unit Linked (UL) business, separate unit and non-unit reserve is maintained. The unit reserve is the current value of the assets underlying the unit funds and the non-unit reserve is kept to meet the liabilities due to the cost of insurance, expenses, commissions etc. in excess of future charges. For discontinued policies under UL products the fund is transferred to a separate discontinuance fund as per IRDAI regulations and the same has been kept as reserves. Further, for the discontinuance polices, the non-unit reserves are also kept.

The reserves/ liabilities under non-linked business is calculated using a prospective gross premium method of valuation. The reserves are established having regard to the assumptions as to future experience, including the interest rate that will be earned on premiums not yet received and future bonus rates for participating business. Assumptions as to the future bonus rates are set to be consistent with the interest rate assumptions. For participating policies, the valuation interest rate used is 6.00% (no change from last year). For non-par policies, the valuation interest rate ranges between 5.58% - 7.07% (PY 5.58% - 6.75%) for the first 5 years and 4.00% - 6.28% (PY 4.00% - 6.00%) thereafter (for annuity, 2% assumed for year greater than 50 years).

The lapse assumptions are based on various factors namely the actual experience, credibility of the experience, pricing assumptions, trend from actual experience and consistency from past year's assumptions. For lapsed policies, revival reserves are maintained (till the policies are within the revival year) assuming 10.00% (previous year 10.00%) of them will get revived.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

60. Key disclosures related to life insurance business (Edelweiss Tokio Life Insurance Company Limited (ETLI)) (Continued)

d. Key Assumptions (Continued)

Mortality assumptions are set with reference to the published IALM (2012-2014) Ultimate Mortality Table. The mortality assumptions are based on various factors namely the actual experience, credibility of the experience, pricing assumptions, trend from actual experience and consistency from past year's assumptions. For annuity product, mortality rates are set with reference to the IIAM 12-15 - Indian Individual Annuitant Mortality Table (2012-15). Assumptions for morbidity and incidence of accidental death are based on terms available from reinsurers and the standard morbidity rate table CIBT 93 (Critical Illness Base Table for year 93).

Assumptions for future expenses are considered as per the file & use assumptions (which are derived from long term business plan of the Company) or similar existing product assumptions and these expenses escalated each year by 5.00% p.a. (previous year 5.00%) to allow for inflation. An additional reserve has been included to allow for the contingency of closure to new business and to cover maintenance expense overrun.

Commission has been allowed for at the rates specified in the products file and use.

Further it has been ensured that for each policy the reserve is sufficient to pay the surrender value.

For participating products, terminal bonuses are provisioned such that the reserves are at least equal to asset share at product level.

The provisions have been made for incurred but not reported death claims (IBNR), free look reserve, unearned premium reserve of the extra premium collected etc.

Free look assumption has been set based on the actual cancellation experience observed by the company for all lines of business, trend of the experience in the last few years and consistency of the rate in comparison to the past year. The assumption of free look rate is set at 4% this year (no change from last year).

For riders, both unearned premium and gross premium reserves are calculated and the higher of these two is held as reserve. For OYRGTL plan (One Year Renewable Group Term Life), the Unearned Premium Reserve is calculated as premium for the unexpired duration. In addition, the premium deficiency reserve and IBNR is also kept for OYRGTL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

60. Key disclosures related to life insurance business (Edelweiss Tokio Life Insurance Company Limited (ETLI)) (Continued)

d. Key Assumptions (Continued)

Portfolio assumptions impacting net liabilities	Range	FY 2022-23	FY 2021-22
Mortality rates (as a % of Indian Assured Lives Mortality (2006-08))**	Max	**230% (Without MAD)***	230% (Without MAD)*
	Min	**28% (Without MAD)**	22% (Without MAD)
Discount/ interest rates***	Max	**8% (Without MAD)**	8% (Without MAD)
	Min	**7.25% (Without MAD)**	7.25% (Without MAD)
Expense****	Max	**10262 (INFL @5%) (without MAD) 20 (INFL @ 5%) (without MAD) for micro Insurance plan**	9773 (INFL @5%) (without MAD) 19 (INFL @ 5%) (without MAD) for micro Insurance plan
	Min	**304 (INFL @ 5%) (without MAD) 13 (INFL @ 5%) (without MAD) for micro Insurance plan**	289 (INFL @ 5%) (without MAD) 12 (INFL @ 5%) (without MAD) for micro Insurance plan
MAD*		**Mortality: Mortality: 10%; additional 5% MAD to cater COVID-19 pandemic risk**	Mortality: 10%; additional 5% MAD to cater COVID19 pandemic risk
		Interest: 78 - 575 bps	Interest: 85 - 575 bps
		Expenses: 10%	Expenses: 10%

* Margin for Adverse Deviation (MAD) is over and above the base rate mentioned above.

** Mortality rates (excluding annuity products) are expressed as % of Indian Assured Lives Mortality (2012-14) and for annuity it is expressed as % of IIAM 12-15 - Indian Individual Annuitant Mortality Table (2012-15). Further in Annuity plans, Mortality improvement of 1% per annum till attained age of 64 and 0.5% per annum thereafter has been assumed from the current rates.

*** Under Unit linked, for unit growth rate (i.e. Investment return) weighted average growth rate of various unit funds is used.

**** The value of future expenses has been derived to allow for all the future maintenance expenses as applicable namely fixed per policy, renewal premium (0%-2%)/ commission (0%-25%) related, fund (0%-0.25%) related etc. The limits for fixed per policy expenses are as mentioned above in the table.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

60. Key disclosures related to life insurance business (Edelweiss Tokio Life Insurance Company Limited (ETLI)) (Continued)

e. Sensitivity Analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross liabilities.

The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous year. The sensitivities are same as shared with Regulators during annual reporting.

For Year Ended 31-Mar-2023

Sensitivity Parameters	Gross Liability				
	Insurance Contracts			Investment Contracts	
	With DPF	Linked	Others	Linked	Others
Mortality increased by 10%	**14,785.10**	**16,669.22**	**34,428.91**	**997.08**	**114.54**
Mortality decreased by 10%	**14,773.24**	**16,664.32**	**31,797.65**	**997.08**	**114.52**
Lapses increased by 10%	**14,775.69**	**16,665.84**	**32,693.93**	**997.08**	**114.53**
Lapses decreased by 10%	**14,781.76**	**16,666.70**	**33,560.48**	**997.08**	**114.53**
Expenses increased by 10%	**14,782.15**	**16,667.01**	**33,273.18**	**997.08**	**114.54**
Expenses decreased by 10%	**14,773.15**	**16,665.66**	**32,954.29**	**997.07**	**114.53**
Interest Rate increased by 100 bps	**13,503.10**	**16,606.55**	**26,725.63**	**969.31**	**114.53**
Interest Rate decreased by 100 bps	**16,339.21**	**16,729.64**	**41,593.24**	**1,027.16**	**114.53**
Inflation Rate increased by 100 bps	**14,778.60**	**16,667.03**	**33,259.50**	**997.08**	**114.53**
Inflation Rate decreased by 100 bps	**14,774.84**	**16,665.90**	**32,983.52**	**997.08**	**114.53**

For Year Ended 31-Mar-2022

Sensitivity Parameters	Gross Liability				
	Insurance Contracts			Investment Contracts	
	With DPF	Linked	Others	Linked	Others
Mortality increased by 10%	11,204.36	16,412.09	27,707.89	884.09	458.64
Mortality decreased by 10%	11,197.15	16,408.28	25,298.98	884.09	458.64
Lapses increased by 10%	11,199.72	16,409.50	26,148.37	884.09	458.64
Lapses decreased by 10%	11,201.84	16,410.17	26,862.30	884.09	458.64
Expenses increased by 10%	11,204.57	16,410.35	26,634.27	884.09	458.64
Expenses decreased by 10%	11,196.97	16,409.39	26,349.91	884.09	458.64
Interest Rate increased by 100 bps	10,321.02	16,295.02	21,720.15	870.95	458.64
Interest Rate decreased by 100 bps	12,262.24	16,535.48	32,845.28	898.03	458.64
Inflation Rate increased by 100 bps	11,203.05	16,410.34	26,621.61	884.09	458.64
Inflation Rate decreased by 100 bps	11,198.67	16,409.57	26,378.71	884.09	458.64

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

60. Key disclosures related to life insurance business (Edelweiss Tokio Life Insurance Company Limited (ETLI)) (Continued)

e. Sensitivity Analysis (Continued)

Gross premiums on insurance contracts and investment contracts with DPF

Particulars	2022-23	2021-22
Life Insurance	**16,764.25**	14,573.78
Total Gross Premiums	**16,764.25**	**14,573.78**

Premiums ceded to reinsurers on insurance contracts and investment contracts with DPF

Particulars	2022-23	2021-22
Life Insurance	**(360.89)**	(331.70)
Total premiums ceded to reinsurers	**(360.89)**	**(331.70)**

Net benefits and claims

Particulars	2022-23	2021-22
a. Gross benefits and claims paid		
Life insurance contracts	**4,325.78**	4,478.74
Investment contracts with DPF	**-**	-
Total gross benefits and claims paid	**4,325.78**	4,478.74
b. Claims ceded to reinsurers		
Life insurance contracts	**(393.30)**	(1,325.35)
Investment contracts with DPF	**-**	-
Total claims ceded to reinsurers	**(393.30)**	(1,325.35)
Net benefits and claims	**3,932.48**	**3,153.39**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

61. Key disclosures related to General Insurance business (Zuno General Insurance Limited (ZGIL) (formerly known as Edelweiss General Insurance Company Limited))

Contract Liability for General Insurance business

Premium earned

Gross Premium on insurance contracts

Particular	2022-23	2021-22
Gross written Premium	5,517.39	3,610.19
Change in reserve for unexpired risks	(872.11)	(618.48)
Gross Earned Premium (a)	**4,645.28**	**2,991.71**

Premium ceded to reinsurers on insurance contracts

Particular	2022-23	2021-22
Premium on reinsurance ceded	1,818.77	1,118.15
Change in reserve for unexpired risks	(243.40)	(453.76)
Premium ceded to reinsurers (b)	**1,575.37**	**664.39**
Total Premium Earned (net) (a - b)	**3,069.91**	**2,327.32**

Change in actuarial liability

Particular	2022-23	2021-22
Gross Claim Paid	2,458.25	2,142.34
Claims Ceded to reinsurer on Gross Claims Paid	(461.46)	(251.14)
Net Claims Paid	**1,996.79**	**1,891.20**
Change in Gross Claims Outstanding	259.28	82.56
Change in Cededing to reinsurer on Gross Claims Outstanding	(124.62)	(1.29)
Net Claims Outstanding	**2,131.45**	**1,972.47**
Change in Gross IBNR	714.87	546.92
Change in Cededing to reinsurer on Gross IBNR	(322.43)	(268.59)
Net IBNR	**392.44**	**278.33**
Change in Gross Premium deficiency Reserve	-	(38.36)
Change in Cededing to reinsurer on Premium deficiency Reserve	-	-
Net Premium deficiency Reserve	**-**	**(38.36)**
Change in actuarial liability	**392.44**	239.97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

61. Key disclosures related to General Insurance business (Zuno General Insurance Limited (ZGIL) (formerly known as Edelweiss General Insurance Company Limited)) (Continued)

Reinsurance asset		
Particular	**31-Mar-2023**	**31-Mar-2022**
Reinsurance on Insurance Contract	**1,766.25**	370.32
Gross Insurance contract liabilities	**5,736.10**	3,889.84
Reinsurance asset relating to Insurance contracts	**(2,030.69)**	1,340.24
Net Insurance contract liabilities	**3,705.41**	**2,549.60**

Gross Insurance contract liabilities	**31-Mar-2023**	**31-Mar-2022**
Gross Claims Outstanding	**701.63**	442.34
Gross IBNR	**2,374.56**	1,659.69
Gross Premium deficiency Reserve	**1.41**	1.41
Gross Reserve for unexpired risks	**2,658.50**	1,786.39
Gross Insurance contract liabilities	**5,736.10**	**3,889.83**

Reinsurance asset relating to Insurance contracts	**31-Mar-2023**	**31-Mar-2022**
Reinsurance of Claims Outstanding	**210.79**	86.17
Reinsurance of IBNR	**796.40**	473.97
Reinsurance of Premium deficiency Reserve	**-**	-
Reinsurance of Reserve for unexpired risks	**1,023.49**	780.09
Reinsurance of Insurance contract liabilities	**2,030.68**	**1,340.23**

Net Insurance contract liabilities	**31-Mar-2023**	**31-Mar-2022**
Net Claims Outstanding	**490.83**	356.18
Net IBNR	**1,578.16**	1,185.71
Net Premium deficiency Reserve	**1.41**	1.41
Net Reserve for unexpired risks	**1,635.01**	1,006.30
Net Insurance contract liabilities	**3,705.41**	**2,549.60**

Reconciliation of Claims Outstanding	**31-Mar-2023**	**31-Mar-2022**
Gross Claims Outstanding at the beginning of year	**442.34**	210.39
Gross Change in claims reserve	**259.28**	231.95
Gross Claims Outstanding at the end of year	**701.62**	**442.34**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

61. Key disclosures related to General Insurance business (Zuno General Insurance Limited (ZGIL) (formerly known as Edelweiss General Insurance Company Limited)) (Continued)

Reconciliation of Claims Outstanding	2022-23	2021-22
Reinsurance of Claims Outstanding at the beginning of year	**86.17**	11.99
Reinsurance of Change in claims reserve	**124.62**	74.18
Reinsurance of Claims Outstanding at the end of year	**210.79**	**86.17**
Net Claims Outstanding at the beginning of year	**356.18**	198.41
Net Change in claims reserve	**134.66**	157.77
Net Claims Outstanding at the end of year	**490.84**	**356.18**

Reconciliation of Incurred but not reported (IBNR)	2022-23	2021-22
Gross IBNR Outstanding at the beginning of year	**1,659.69**	612.25
Gross Change in IBNR reserve	**714.87**	1,047.44
Gross IBNR Outstanding at the end of year	**2,374.56**	**1,659.69**
Reinsurance of IBNR Outstanding at the beginning of year	**473.97**	89.83
Reinsurance of Change in IBNR reserve	**322.43**	384.15
Reinsurance of IBNR Outstanding at the end of year	**796.40**	**473.98**
Net IBNR Outstanding at the beginning of year	**1,185.71**	522.42
Net Change in IBNR reserve	**392.45**	663.29
Net IBNR Outstanding at the end of year	**1,578.16**	**1,185.71**

Reconciliation of Premium deficiency Reserve	2022-23	2021-22
Gross Premium deficiency Reserve Outstanding at the beginning of year	**1.42**	39.78
Gross Change in Premium deficiency reserve	**-**	(38.36)
Gross Premium deficiency Reserve Outstanding at the end of year	**1.42**	**1.42**
Reinsurance of Premium deficiency Reserve Outstanding at the beginning of year	**-**	-
Reinsurance of Change in Premium deficiency reserve	**-**	-
Reinsurance of Premium deficiency Reserve Outstanding at the end of year	**-**	-
Net Premium deficiency Reserve Outstanding at the beginning of year	**1.42**	39.78
Net Change in Premium deficiency reserve	**-**	(38.36)
Net Premium deficiency Reserve Outstanding at the end of year	**1.42**	**1.42**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

61. Key disclosures related to General Insurance business (Zuno General Insurance Limited (ZGIL) (formerly known as Edelweiss General Insurance Company Limited)) (Continued)

Reserve for unexpired risks	2022-23	2021-22
Gross Reserve for unexpired risks Outstanding at the beginning of year	1,786.39	1,167.91
Gross Change in Reserve for unexpired risks reserve	872.11	618.48
Gross Reserve for unexpired risks Outstanding at the end of year	**2,658.50**	**1,786.39**
Reinsurance of Reserve for unexpired risks Outstanding at the beginning of year	780.09	326.33
Reinsurance of Change in Reserve for unexpired risks reserve	243.40	453.76
Reinsurance of Reserve for unexpired risks Outstanding at the end of year	**1,023.49**	**780.09**
Net Reserve for unexpired risks Outstanding at the beginning of year	1,006.30	841.59
Net Change in Reserve for unexpired risks reserve	628.71	164.72
Net Reserve for unexpired risks Outstanding at the end of year	**1,635.01**	**1,006.31**

Geographical concentration:

The ZGIL has its operation only in India.

Sensitivity Analysis to key assumptions

The following analysis is performed for reasonably possible movements in 'Ultimate Loss ratio' with all other assumptions held constant, showing the impact on gross and \net liabilities, profit before tax and equity.

The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous year.

2022-23	Change in Assumption	Increase / (Decrease) on Gross Liability	Increase / (Decrease) on Net Liability	Increase / (Decrease) on Profit Before Tax	Increase / (Decrease) on Equity
Ultimate Loss Ratio	10.00%	575.90	620.85	620.85	-
Ultimate Loss Ratio	(10.00)%	(575.90)	(620.85)	(620.85)	-

2021-22	Change in Assumption	Increase / (Decrease) on Gross Liability	Increase / (Decrease) on Net Liability	Increase / (Decrease) on Profit Before Tax	Increase / (Decrease) on Equity
Ultimate Loss Ratio	10.00%	415.62	438.70	438.70	-
Ultimate Loss Ratio	(10.00)%	(415.62)	(438.70)	(438.70)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

62. The Group holds 43.76% in the equity shares of Nuvama Wealth Management Limited ("NWML"). Till 30 March 2023, EFSL had significant influence over NWML as per Ind AS 28, Investments in Associates and Joint Ventures ("Ind AS 28) and accounted for such investment in NWML at cost. With effect from 30 March 2023, EFSL does not have significant influence on NWML in accordance with Ind AS 28, pursuant to the amendment agreement dated 09 March 2023 to the amended and restated shareholders' agreement dated 18 March 2021 between EFSL, Edelweiss Global Wealth Management Limited ("EGWML"), PAGAC Ecstasy Pte Ltd ("PAGAC") and NWML, the amendment to the articles of association of NWML and the appointment of independent trustee on 30 March 2023 to act on behalf of EFSL shareholders. Accordingly, the Group's investment in NWML has been re-measured at fair value as per requirements of Ind AS 28 and has recorded a fair value gain of ₹ 12,385.40 million during the year ended 31 March 2023.

During the year ended 31 March 2023, the Group has reassessed and carried out a review of its loans, investments and POCI loans and has recorded a provision on such financial assets. This provision also included certain management overlay provisions recorded by the Group ₹ 9,585.40 million. Accordingly, net impact of such fair value gains, fair value loss, impairment charge and loss due to change in valuation of POCI loans is ₹ 2,800 million for year end 31 March 2023. Consequently, profit before and after tax for the year ended 31 March 2023 is higher by ₹ 2,800 million and ₹ 1,580 million respectively.

63. A subsidiary, ECL Finance Limited (ECLF) has initiated sales / purchase of investment prior to 31 March 2023, from / to assets reconstruction companies ('ARCs' of 'trusts') & Alternative Investment Fund (AIF) for which definitive contractual agreement were executed post balance sheet date. However, the balance receivable against sale of financial assets aggregating to ₹ 14,510 million and payable against purchased of financial assets aggregating to ₹ 6,840 million were settled post 31 March 2023 but prior to approval of financial statements by the Board of Directors. As per Indian Accounting Standard (Ind AS) 10 'Events after the Reporting Period, any event, favourable and un-favourable, that occurs between the end of the reporting period and the date when the financial statements are approved by the Board of Directors, which provides evidence of conditions that existed at the end of the reporting period, would require adjustments in the amounts recognised in its financial statements to reflect adjustment of such events. Accordingly, on sale, ECLF has de-recognised such financial assets and recorded the corresponding recoverable amount under Other Financial Assets and on purchase, recognised the respective financial assets and recorded the corresponding liability under Other Financial Liability. Further, as the risks and rewards continues in the Group, these are accounted for as financial assets in the consolidated financial statements and the consequent expected credit loss is recorded in the consolidated financial statements.

Other Additional Regulatory Information

64. Details of Benami Property held

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

65. Security of current assets against borrowings

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

66. Wilful Defaulter

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

Other Additional Regulatory Information (Continued)

67. Transactions with Struck off Companies

Name of the struck-off Company	Nature of transactions with struck-off Company	Relationship with the struck-off Company	Balance Outstanding as on 31-Mar-2023	Balance Outstanding as on 31-Mar-2022
Glossy Creations Private Limited	Receivables	-	**0.59**	0.66
Glossy Creations Private Limited	Investments in securities	-	**0.00**	0.00
Glossy Creations Private Limited	Payables	-	**0.00**	0.00
Glossy Creations Private Limited	Shares held by struck-off Company	-	**0.00**	0.00
S.K.R Infotech	Payable	-	**0.00**	0.00
Kamal Enterprises	Payable	-	**0.00**	0.03
Shams Cable Network	Payable	-	**0.00**	0.00
Shams Cable Network	Office Exps	-	**0.00**	0.00
City Elevators Pvt Ltd	Receivable	-	**0.15**	0.24
Cleanflo India Pvt Ltd	Receivable	-	**0.00**	0.15
Emicon India Pvt Ltd	Receivable	-	**0.09**	0.14
First Care India Private Limited	Receivable	-	**0.00**	0.56
Spectrum Washing Pvt Ltd	Receivable	-	**0.13**	0.00
Viva Concrete Technologies Pvt Ltd	Receivable	-	**0.54**	0.00
Medifit Health & Fitness Private Limited	Receivables	-	**0.44**	0.00
Zedpack Pvt Ltd	Receivables	-	**0.00**	0.01
Shellz India Pvt Ltd	Receivables	-	**0.00**	0.02
Amit Ventures	Payables	-	**0.00**	0.02
Arihant Capital Markets Ltd.	Payables	-	**0.00**	0.00
Arihant Infotech	Payables	-	**0.00**	0.13
Deb Express Couriers	Payables	-	**0.00**	0.00
Globex International	Payables	-	**0.00**	0.01
Jagdamba Traders	Payables	-	**0.00**	0.00
Ocean Finvest	Payables	-	**0.00**	0.66
Practical Financial Services Pvt. Ltd.	Payables	-	**0.00**	0.00
Sift Capital	Payables	-	**0.00**	0.02
SPA Capital Services Ltd	Payables	-	**0.07**	0.00
Marvel Limited	Commission Income	-	**0.00**	0.00
Four Seasons Hotel	Professional Fees	-	**0.00**	0.00
Anahat Organisation Development Consultancy Pvt Ltd	Professional Fees	-	**0.00**	0.00
Maruti Infrastructure Limited	Retention Money Payable	-	**3.66**	0.00
M R D Enterprises	Payable	-	**0.00**	0.00
M R D Enterprises	Repairs & Maintenance	-	**0.00**	0.00
Shah & Associates	Payable	-	**0.00**	0.00
Kamal Enterprises	Miscellaneous Expense	-	**0.00**	0.00
Runner Time Logistics	Office Exps	-	**0.00**	0.00

0.00 indicates amount less than ₹ 0.01 million

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

Other Additional Regulatory Information (Continued)

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

69. Utilisation of Borrowed funds and share premium

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

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company/Group (Ultimate Beneficiaries); or

(ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries

(B) During the year, the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall, other than as disclosed in note (1) below for year ended 31 March 2022:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries

For the year ended 31 March 2022

Note (1)

During the year ended March 31, 2022, the Holding Company has taken loans and given loans to its subsidiary company in the ordinary course of business, are at Arm's length and the same is approved by Board Audit Committee of the Holding Company. The Holding Company confirms that the below transactions are in accordance with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013 and the such transactions are not in violation of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

S. No.	Name of Lender	Nature	Date	₹ in millions	Loan given	Nature	Date	₹ in millions	Remarks
1	Beacon Trustee (Various lenders)	NCD Borrowing	5-Oct-21	4,000	ECL Finance Limited (ECL Finance)	Loan given	6-Oct-21	4,000	1) In accordance with loan agreement with lender, the loan was taken by the Holding Company, for the purpose of repayment of existing banking liabilities of ECL Finance. 2) During the year ECL finance has repaid ₹ 4,000 million to the Holding Company.

Note (2) : Transactions between group companies have not been disclosed under this note as they are eliminated for the purpose of preparing consolidated financial statements of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

Other Additional Regulatory Information (Continued)

70. Undisclosed income

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

71. Details of Crypto Currency or Virtual Currency

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

72. Loans & Advances

There are no loans or advances in the nature of loans which are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are;

(a) repayable on demand or

(b) without specifying any terms or period of repayment

73. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will evaluate the rules, assess the impact if any, and account for the same once the rules are notified and become effective.

74.1 Nuvama Clearing Services Limited ("NCSL"), an erstwhile associate of the Company challenged an order, by an investigating agency, marking lien on its clearing account, before the 47th Additional Chief Metropolitan Magistrate Court, Mumbai ("ACMM"). Since the investigation against Anugrah Stock and Broking Pvt. Ltd. ("trading member"), for which NCSL was a clearing member, is still under process, the said Court contended that it had no objection to setting aside the lien order, upon NCSL providing an undertaking to keep sufficient assets unencumbered.

NCSL has provided undertaking to keep sufficient unencumbered assets amounting to ₹ 4,603.20 million belonging to the Group and an erstwhile associate and the said lien order has been set aside. The above case which pending for hearing before ACMM, has now been transferred to the City Civil & Sessions Court under Maharashtra Protection of Interest of Depositors (In Financial Establishments) Act, 1999 (MPID).

During the year ended March 2023, hearing has happened with Securities Appellate Tribunal with respect to NSCL's application made to SAT for challenging NCL's perverse order against NCSL; and the said hearing has been concluded and for which no order or further directions from SAT have yet been received. The matter is sub-judice and has been listed for further hearing and there is no further update on this matter during the year.

NSE Clearing Ltd (NCL) had conducted an inspection in the matter of trading member Anugrah Share & Brokers Pvt Ltd (Anugrah) and issued a show cause notice to NCSL. The MCSGF Committee of NSE Clearing Limited has directed NCSL to adhere to instructions of National Stock Exchange ("NSE") / NCL. NCSL filed an appeal against the impugned order with Securities Appellate Tribunal ("SAT") and SAT by its order had granted a stay on the matter. The matter has been listed for further hearing and there is no further update on this matter during the year.

Various Arbitration/Writ Petitions have been filed before the Hon'ble Bombay High Court ("Hon'ble Court") by various end clients of the trading member against trading member and its associates. NCSL has been made party to the same.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

All the Writ Petitions have been tagged together and common orders have been passed. The matters are yet to be listed for further hearing.

NCSL believes that it has acted in accordance with the agreement entered with the trading member and in accordance with applicable laws and regulations. Accordingly, there is no adjustment required in the financial statements of the Group for the year ended 31 March 2023.

74.2 Under the Shareholders' Agreement dated 05 March 2019, entered between Edelweiss Financial Services Limited (EFSL), CDPQ Private Equity Asia PTE. Limited (CDPQ) and ECL Finance Limited (together referred as Parties), EFSL had agreed, pursuant to clause 8.1 & 8.2 to make equity investment of an amount equivalent to the amount of losses on Select real estate/structured finance Loans (Select Loans) into ECL Finance Limited within six months of the default leading to loss incurred by the ECL Finance Limited on or before the date of the conversion of the Investor CCDs into Equity Shares. The rationale for this undertaking was to keep the total equity/net worth of ECL Finance Limited unimpacted on account of impairment in these loan accounts. During the year ended 31 March 2023, Parties have agreed and concluded that loss event for three of the borrowers in the Select Loans have crystalized and hence, EFSL has agreed to make good the loss amounting to ₹ 1,295.20 million incurred by ECL Finance Limited in earlier years. Accordingly, EFSL has recorded such loss in its profit and loss for the year ended 31 March 2023. The Parties have agreed that no loss event has been crystalized in respect of other Select Loans amounts mentioned in above said clauses of the agreement and hence there is no obligation of EFSL.

75. The Income Tax Authorities (" the Department") had conducted a search under section 132 of the Income Tax Act, 1961 on the premises of the Company and its certain subsidiaries during March 2023. The Company and its certain subsidiaries had provided the requisite details which were sought by the income tax authorities during the course of the search. Subsequently, the Company and its subsidiaries have received summons under section 131 (1A) of the Income Tax Act, 1961 seeking certain data/information, which the Company and its subsidiaries is in the process of responding. The Company and its subsidiaries confirms that neither the Department has raised any tax demand nor the Company and its subsidiaries have admitted any tax liability. Further, no proceeding or assessment orders have been issued post the search conducted by the Department. While uncertainty exists regarding the outcome of the proceedings by the Department, the Company and its subsidiaries are extending its full cooperation with the concerned income tax authorities and based on current internal assessment, management is of the view that this will not have any impact on the consolidated financial statements for the year ended 31 March 2023.

76. The Board of Directors at their meeting held on 26 May 2023, have recommended a final dividend of ₹ 1.25 per equity share (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting.

77. During the year ended 31 March 2023 and 31 March 2022, two subsidiaries (previous year three subsidiaries) of the Company had sold certain financial assets amounting to ₹ 16,718.90 million and ₹ 11,424.10 million(net of provisions) respectively to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 5,227,20 million and ₹ 9,455.70 million respectively from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from these subsidiaries financial statements. The Company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognized in the subsidiaries financial statements. Based on assessment of probability of default, loss given default in respect of these financial assets (i.e. sold during the year ended 31 March 2023 and in earlier years) and in light of various factors viz. exposures to certain sectors and assessment of credit and market risks for certain counter parties relative to such risks at initial recognition, the Group has recorded charge due to change in valuation of POCI loans of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

₹ 2,693.00 million and ₹ 4,152 million (net) respectively for the year ended and is included in "Change in valuation of credit impaired loans".

78. The Board of Directors of the Company at its meeting held on 13 May 2022, had approved the Scheme of arrangement between Edelweiss Financial Services Limited ('EFSL') and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) ('NWML') and their respective shareholders and creditors, under section 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013, which inter-alia envisaged demerger of Wealth Management Business Undertaking ('Demerged Undertaking' as defined in the Scheme) of EFSL into the NWML.

The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned Scheme vide its order dated 27 April 2023 under the applicable provisions of the Companies Act, 2013. Certified copy of the said order of the Tribunal was received by the Company on 12 May 2023 and filed with the Registrar of Companies on 18 May 2023.

The Scheme came into the effect from 18 May 2023. As per the Scheme, the Appointed Date of the Scheme is 18 May 2023.

79.1 During the year ended 31 March 2023, an investor has invested in Security receipts issued by ARC trusts as senior class investor in such trusts amounting to ₹ 12,000 million. These pertain to certain loans and security receipts sold by one of the subsidiary company, ECL Finance Limited to the ARC trusts. EFSL and another subsidiary company, Edelweiss Securities and Investments Private Limited ("ESIPL") have provided a Put option to the investor assuring to pay or guarantee the payment of agreed aggregated total pay-out value after reducing any payment to investors from underlying assets during the period i.e., amount invested along with a minimum guaranteed return as per the agreement. Further, based on management assessment and given current estimates/cash flows from underlying assets, the likelihood of any payment to investor is considered as remote. Further, as the risks and rewards continues in the Group, these are accounted as financial assets in the consolidated financial statements and the consequent expected credit loss is recorded in the consolidated financial statements.

79.2 During the year ended 31 March 2022, certain assets amounting to ₹ 4,004.40 million were sold to alternative assets funds by the subsidiary NBFCs. The Company and its subsidiary Edelweiss Rural & Corporate Services Limited ('ERCSL'), have, vide a put agreement dated 04 February 2022 and 31 July 2021 respectively, have guaranteed / undertaken to purchase these financial assets amounting to ₹ 4,004.40 million on occurrence of certain trigger event as per the agreement. Further, as the risks and rewards continues in the Group, these are accounted as financial assets in the consolidated financial statements and the consequent expected credit loss is recorded in the consolidated financial statements.

79.3 ECap Equities Limited (formerly known as Edel Land Limited), a wholly owned subsidiary of the Company, has entered into an agreement dated 28 November 2019, pursuant to which upon happening of a contingency whereupon if the investors who have subscribed for a majority in the Alternative Investment Fund (AIF) to which ECL Finance Limited (ECLF) and Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) (NHFL), subsidiaries of the Group have sold financial assets does not receive the agreed IRR (IRR) as per the agreement in which case ECCL shall be required to either arrange for a buyer thereof and/or purchase the assets at IRR.

80. A subsidiary, ECL Finance Limited ('ECLF') has received the inspection report dated 12 January 2023 from Reserve Bank of India ('RBI') for the financial statements ending 31 March 2022. The RBI in its inspection report has inter alia raised matter relating to the sharing of fair value gains of ₹ 1,994.10 million between the ECLF and the Company. This pertains to exposure towards certain borrowers that are covered under the Shareholders' agreement between the Company, ECLF and an investor and the Risks & Rewards sharing agreement between the Company and ECLF. ECLF has provided

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Currency : Indian rupees in millions)

its justifications for sharing of these fair value gains to RBI and has discussed this with its Board of Directors in its meeting dated 24 January 2023. In the month of April 2023, the ECLF submitted a detailed reply along with calculations, rationale for recognising such fair value gain and amended the Risk & Rewards sharing agreement with the Company. Further, the ECLF has sold/received redemption against such security receipts as on 31 March 2023. Since, the sharing of the gain is within the Group, there is no impact in the consolidated financial statements as on 31 March 2023.

81. The Group has complied with the Rule 3 of Companies (Accounts) Rules, 2014 amended on August 5, 2022 relating to maintenance of electronic books of account and other relevant books and papers. The Group's books of accounts and relevant books and papers are accessible in India at all times and backup of accounts and other relevant books and papers are maintained in electronic mode within India and kept in servers physically located in India on daily basis.

82. Change in valuation of credit impaired loans represents valuation movement of loans of consolidated ARC trusts.

83. The Group has process whereby periodically all long term contract (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provisions as required under any law / accounting standard for material foreseeable losses on such long terms contracts (including derivative contract) has been made in the books of accounts.

84. Previous year's figures have been regrouped / reclassified to conform to current year presentation.

The accompanying notes are an integral part of financial statements.

As per our report of even date attached

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firms Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No: 102102

Mumbai 26 May 2023

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Venkatchalam Ramaswamy
Vice Chairman & Executive Director
DIN : 00008509

Ananya Suneja
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 26 May 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Financial Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Edelweiss Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Key audit matters	How our audit addressed the key audit matter
Impairment of investments in subsidiary companies (as described in note 1.4.1.3 and note 6 of the standalone financial statements)	
The Company has investments in various subsidiaries aggregating ₹ 48,456.95 million which are not listed (equity) or quoted. These investments are valued at cost and are required to be assessed for impairment in accordance with Ind AS 36, when any indicators of impairment are observed. 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. 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.	Our audit procedures included considering the appropriateness of the processes laid down by the management for assessment of impairment in the value of investments in subsidiaries combined with procedures performed as follows: • Considered management's assessment of impairment from the management experts wherever considered necessary and assessed whether any impairment indicators existed for investment in individual subsidiaries. • Traced the net-worth of the individual subsidiaries to their audited financial statements to assess whether any impairment indicators were present. • Assessed information used to determine the key assumptions, including growth rates and discount rates. • Assessed the disclosures relating to investments in subsidiaries included in the standalone financial statements in accordance with the requirements of Ind AS.
IT systems and controls	
Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction, hence we identified IT systems and controls as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.	Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting of the Company: • Tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. • Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorized. • Tested the Company's periodic review of access rights. Also tested requests of changes to systems for approval and authorization. • In addition to the above, tested the design and operating effectiveness of certain automated controls that were considered as key internal controls. • Tested the design and operating effectiveness of compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

INDEPENDENT AUDITOR'S REPORT (Continued)

Information other than the Financial Statements and Auditor's Report thereon

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

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

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

When we read the Board report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Standalone Financial Statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

INDEPENDENT AUDITOR'S REPORT (Continued)

2. As required by Section 143(3) of the Act, we report that:

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

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

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

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

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

(f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

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

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – (Refer Note 32(1)(a) and (b) to the standalone financial statements);

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – (Refer Note 68 to the standalone financial statements);

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 51 (A) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

INDEPENDENT AUDITOR'S REPORT (Continued)

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 51 (B) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

As stated in note 55 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number:102102
UDIN: 23102102BGXJET6688
Place of Signature: Mumbai
Date: May 26, 2023

INDEPENDENT AUDITOR'S REPORT (Continued)

Annexure 1 referred to in paragraph 1 Under the Heading "Report on Other Legal and Regulatory Requirements" of our Report of Even Date

Re: Edelweiss Financial Services Limited ('the Company')

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

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

(b) The Company has a regular programme of physical verification of its property, plant and equipment and are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and no discrepancies were noticed in respect of assets verified during the year.

(c) The title deeds of all the immovable properties are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

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

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies as follows:

₹ in million

Particulars	Guarantees	Put Option	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year to					
- Subsidiaries	8,922.70	12,000.00	Nil	46,507.42	Nil
- Others	Nil	Nil	Nil	Nil	Nil
*Balance outstanding as at balance sheet date in respect of above cases					
- Subsidiaries	28,943.90(**)	₹ 14,464.01	1,712.41	28,723.65	Nil
- Others	4,138.30(**)	Nil	Nil	Nil	Nil

* the above balance includes outstanding as at March 31, 2023

** Guarantees originally issued against the above was ₹ 68,520.70 million

INDEPENDENT AUDITOR'S REPORT (Continued)

Annexure 1 referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of our Report of Even Date (Continued)

(b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies are not prejudicial to the Company's interest.

(c) The Company has granted loans to group companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. As represented by the Management, there are no loans given to other than group companies.

(d) There are no amounts of loans and advances in the nature of loans granted to companies which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to group companies which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to group companies. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) The Company has not advanced loans to directors / to a Company in which the director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. The Company has made investments/ given loans /guarantees/ provided security which is in compliance to the provisions of section 186 of the Companies Act 2013.

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

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to it though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to custom, duty of excise, value added tax, and sales tax are not applicable to company.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, service tax, and other statutory dues have not been deposited on account of any dispute, are as follows, The provisions relating to duty of custom, duty of excise, value added tax and sales tax are not applicable to the Company.

INDEPENDENT AUDITOR'S REPORT (Continued)

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of Even Date (Continued)

₹ in million

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	3.23	AY 2001-02	High Court
Income Tax Act, 1961	Income Tax	17.95	AY 2008-09	High Court
Income Tax Act, 1961	Income Tax	122.73	AY 2009-10	High Court
Income Tax Act, 1961	Income Tax	219.45	AY 2010-11	High Court
Income Tax Act, 1961	Income Tax	83.53	AY 2011-12	High Court
Income Tax Act, 1961	Income Tax	91.24	AY 2012-13	High Court
Income Tax Act, 1961	Income Tax	23.13	AY 2013-14	High Court
Income Tax Act, 1961	Income Tax	20.20	AY 2014-15	High Court
Income Tax Act, 1961	Income Tax	16.22	AY 2015-16	Commissioner of Income Tax (Appeals)
Service Tax	Service Tax	414.60	2008-09 to 2011-12	CESTAT, Mumbai
Service Tax	Service Tax	119.75	2009-10 up to Jun 2012	CESTAT, Mumbai

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

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) The Company did not raise any funds on short term basis during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries as per details below:

(₹ in million)

Nature Of fund taken	Name of lender	Amount involved	Name of the subsidiary	Relation	Nature of transaction for which funds utilized	Remarks
Non convertible debenture (NCD)	Beacon Trusteeship Limited	4,000	ECL finance Limited	Subsidiary	During the previous year, amount was utilized for lending to the subsidiary of the company to repay its existing banking liabilities (This is as per the agreement)	Non-convertible debenture repaid during the year.

INDEPENDENT AUDITOR'S REPORT (Continued)

Annexure 1 referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of our Report of Even Date (Continued)

(f) 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.

₹ in million

Nature of loan taken	Name of lender	Amount of loan	Name of the Subsidiary	Relation	Details of security pledged
Non-Convertible debenture	Beacon Trusteeship Limited	3,973.91	Edel Finance Company Limited (EFCL)	Subsidiary	Pledge of compulsory convertible debentures of Edelweiss Rural & Corporate Services Limited held by EFCL.

(x) (a) Monies raised during the year by the Company by way of public offer (including debt instruments) were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilization was invested in fixed deposits.

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

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

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

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

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

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

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

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

INDEPENDENT AUDITOR'S REPORT (Continued)

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of Even Date (Continued)

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

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

(d) The Group has one Core Investment Company as part of the Group.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.

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

(xix) On the basis of the financial ratios disclosed in note 69 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 25(b) to the standalone financial statements.

(b) There are no unspent amounts, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 25(b) to the standalone financial statements.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number:102102
UDIN: 23102102BGXJET6688
Place of Signature: Mumbai
Date: May 26, 2023

INDEPENDENT AUDITOR'S REPORT (Continued)

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Edelweiss Financial Services Limited

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

We have audited the internal financial controls with reference to standalone financial statements of Edelweiss Financial Services Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to these Standalone Financial Statements

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Edelweiss Financial Services Limited (Continued)

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

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number:102102
UDIN: 23102102BGXJET6688
Place of Signature: Mumbai
Date: May 26, 2023

BALANCE SHEET

as at 31 March 2023

(Currency: Indian rupees in millions)	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Financial assets			
(a) Cash and cash equivalents	2	**1,350.09**	4,619.34
(b) Bank balances other than cash and cash equivalents	3	**39.17**	539.08
(c) Trade Receivables	4	**305.64**	123.64
(d) Loans	5	**29,023.40**	21,703.81
(e) Investments	6	**72,100.70**	49,632.63
(f) Other financial assets	7	**199.89**	915.64
Total financial assets		**103,018.89**	**77,534.14**
Non-financial assets			
(a) Current tax assets (net)		**1,143.22**	951.08
(b) Deferred tax assets (net)	8	**1,895.05**	1,159.14
(c) Property, Plant and Equipment	9	**10.34**	5.71
(d) Other Intangible assets	9	**-**	0.83
(e) Other non-financial assets	10	**1,118.36**	769.70
Total non-financial assets		**4,166.96**	**2,886.46**
TOTAL ASSETS		**107,185.86**	**80,420.60**
EQUITIES & LIABILITIES			
Financial liabilities			
(a) Trade Payables	11		
(i) total outstanding dues of micro enterprises and small enterprises		**1.30**	0.15
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**2,232.69**	952.00
(b) Debt securities	12	**25,886.54**	24,322.12
(c) Other financial liabilities	13	**6,480.45**	5,052.01
Total financial liabilities		**34,600.98**	**30,326.28**
Non-financial liabilities			
(a) Current tax liabilities		**7.86**	7.94
(b) Provisions	14	**9.31**	7.19
(c) Other non-financial liabilities	15	**15.08**	77.03
Total non-financial liabilities		**32.25**	**92.16**
TOTAL LIABILITIES		**34,633.23**	**30,418.44**
EQUITY			
(a) Equity Share capital	16	**898.38**	898.20
(b) Other equity	17	**71,654.25**	49,103.96
TOTAL EQUITY		**72,552.63**	**50,002.16**
TOTAL LIABILITIES AND EQUITY		**107,185.86**	**80,420.60**

The accompanying notes are an integral part of the Standalone Financial Statements. 1 to 73

As per our report of even date attached

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firms Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No: 102102

Mumbai 26 May 2023

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Venkatchalam Ramaswamy
Vice Chairman & Executive Director
DIN : 00008509

Ananya Suneja
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 26 May 2023

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2023

(Currency: Indian rupees in millions)	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations			
Interest income	18	**3,499.18**	2,918.12
Dividend Income		**-**	386.01
Fee and commission income	19	**821.49**	889.65
Net gain on fair value changes	22	**19,770.41**	4,170.71
Total Revenue from operations		**24,091.08**	**8,364.49**
Other income	20	**6,795.84**	5,360.25
Total income		**30,886.92**	**13,724.74**
Expenses			
Finance costs	21	**3,027.37**	2,142.50
Impairment on financial instruments	23	**1,493.56**	(54.92)
Employee benefits expense	24	**334.17**	426.32
Depreciation, amortisation and impairment	9	**3.57**	3.53
Other expenses	25	**2,881.69**	2,659.87
Total expenses		**7,740.36**	**5,177.30**
Profit before tax		**23,146.56**	**8,547.44**
Tax expense:	26 & 27		
Current tax		**-**	(5.08)
Deferred tax		**(735.91)**	(781.06)
Profit for the year		**23,882.47**	**9,333.58**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		**0.33**	(0.10)
Other comprehensive income		**0.33**	**(0.10)**
Total comprehensive income		**23,882.80**	**9,333.48**
Earnings per share (₹) (Face value ₹ 1 each)	28		
- Basic		**26.59**	10.44
- Diluted		**26.59**	10.43

The accompanying notes are an integral part of the Standalone Financial Statements. 1 to 73

As per our report of even date attached

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firms Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No: 102102

Mumbai 26 May 2023

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Venkatchalam Ramaswamy
Vice Chairman & Executive Director
DIN : 00008509

Ananya Suneja
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 26 May 2023

STATEMENT OF CASH FLOW

for the year ended 31 March 2023

	(Currency : Indian rupees in millions)	For the year ended 31 March 2023	For the year ended 31 March 2022
A	**Cash flow from operating activities**		
	Profit / (Loss)before tax	**23,146.56**	8,547.44
	Adjustments for:		
	Depreciation and amortisation expenses	**3.57**	3.53
	Fair value change in investments	**(23,552.48)**	(3,249.57)
	Fair value change in provisions	**2,052.85**	(1,264.01)
	Profit on sale of investments (net)	**(6,799.59)**	(5,315.75)
	Impairment / (reversal) on financial instruments	**1,493.56**	(54.92)
	Dividend on investments	**-**	(386.01)
	(Profit)/loss on sale of property, plant and equipment	**0.21**	(0.97)
	Interest income	**(3,499.18)**	(2,918.12)
	ESOP and SAR cost	**14.23**	22.97
	Finance costs	**3,027.37**	2,142.50
	Operating cash flow before working capital changes	**(4,112.90)**	**(2,472.91)**
	Adjustments for:		
	Decrease /(Increase) in trade receivables	**(160.91)**	123.87
	Decrease /(Increase) in other financial assets	**896.35**	(29.38)
	Decrease /(Increase) in other non-financial assets	**(348.66)**	(633.35)
	(Decrease)/increase in in trade payables	**1,080.69**	(1,291.56)
	(Decrease)/increase in provisions and other financial liabilities	**(386.44)**	(757.60)
	(Decrease)/increase in other non-financial liabilities	**(61.96)**	(43.28)
	Cash generated from / (used in) operations	**(3,093.83)**	**(5,104.21)**
	Income taxes paid (net of refund)	**(192.25)**	(257.25)
	Net cash generated from / (used in) operating activities - A	**(3,286.08)**	**(5,361.46)**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment	**(8.31)**	(4.52)
	Sale of property, plant and equipment	**0.74**	2.57
	Purchase of investments	**(6,150.00)**	(5,969.26)
	Sale of investments	**12,332.29**	8,128.50
	Dividend on investments	**-**	386.01
	Decrease /(Increase) in other bank balances	**499.91**	(530.88)
	Loan (given) / Repayment of loans (Refer note 1 below)	**(7,319.59)**	(9,233.51)
	Interest received	**3,499.18**	2,918.12
	Net cash generated from / (used in) investing activities - B	**2,854.22**	**(4,302.97)**
C	**Cash flow from financing activities**		
	Proceeds from issuance of Share capital (including securities premium)	**1.65**	318.44
	Repayment of Debt securities	**(6,710.00)**	(710.00)
	Proceeds from Debt securities	**7,617.42**	16,751.30
	Proceeds from/(repayment of) borrowing (Refer note 1 below)	**-**	(1,091.16)
	Dividend paid	**(1,376.06)**	(1,315.98)
	Finance costs	**(2,370.40)**	(1,150.63)
	Net cash generated from / (used in) financing activities - C	**(2,837.39)**	**12,801.97**
	Net increase in cash and cash equivalents (A+B+C)	**(3,269.25)**	**3,137.53**
	Cash and cash equivalents as at the beginning of the year	**4,619.34**	1,481.81
	Cash and cash equivalents as at the end of the year	**1,350.09**	4,619.34

STATEMENT OF CASH FLOW (Continued)

for the year ended 31 March 2023

Notes:

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

2. Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013.

3. Refer note 31 for changes in liabilities arising from financing activities.

The accompanying notes are an integral part of the Standalone Financial Statements. 1 to 73

As per our report of even date attached

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firms Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No: 102102

Mumbai 26 May 2023

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Venkatchalam Ramaswamy
Vice Chairman & Executive Director
DIN : 00008509

Ananya Suneja
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 26 May 2023

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

(Currency : Indian rupees in millions)

A EQUITY SHARE CAPITAL

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Balance at the beginning of the year	**898.20**	890.90
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting year	**898.20**	**890.90**
Changes in equity share capital during the year	**0.18**	7.30
Balance at the end of the year	**898.38**	**898.20**

1. Edelweiss Employees Welfare Trust and Edelweiss Employees Incentive and Welfare Trust are extension of Company's financial statements, these trusts are holding 4,48,96,780 number of equity shares amounting to ₹ 44.90 million (Previous year ₹ 44.90 million). These are deducted from total outstanding equity shares.

2. Refer note 16 for detailed quantitative information including investors holding more than 5% of equity share capital.

3. The above two Welfare Trusts hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable Securities and Exchange Board of India regulations (SEBI). Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.

B OTHER EQUITY (Refer Note 17)

Particulars	Reserves and Surplus						Total attributable to equity shareholders
	Share application money pending allotment	Capital Redemption Reserve	Securities Premium	Employee Stock Option Plan (ESOP) reserve/Stock appreciation rights (SAR)	General reserve	Retained earnings	
Balance at 01-Apr-21	**1.70**	**2.03**	**30,246.81**	**1,128.28**	**508.64**	**8,481.52**	**40,368.98**
Profit for the year	-	-	-	-	-	9,333.58	9,333.58
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	(0.10)	(0.10)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**9,333.48**	**9,333.48**
Dividends to equity shareholders	-	-	-	-	-	(709.54)	(709.54)
Transfers to securities premium on exercise of ESOP	-	-	110.75	(110.75)	-	-	-
Issue of equity instruments on ESOP	(320.14)	-	312.84	-	-	-	(7.30)
Share application money received	318.44				-	-	318.44
ESOP charges transferred to reserves						55.85	55.85
Reversal on account of lapses of ESOP/SAR				(439.54)			(439.54)
ESOP Charge	-	-	-	63.95	-	-	63.95
Stock appreciation rights (SAR) charge	-	-	-	119.64	-	-	119.64
Balance at 31-Mar-22	**-**	**2.03**	**30,670.40**	**761.58**	**508.64**	**17,161.31**	**49,103.96**

STATEMENT OF CHANGES IN EQUITY (Continued)

for the year ended 31 March 2023

(Currency : Indian rupees in millions)

B OTHER EQUITY (Refer Note 17) (Continued)

Particulars	Reserves and Surplus						Total attributable to equity shareholders
	Share application money pending allotment	Capital Redemption Reserve	Securities Premium	Employee Stock Option Plan (ESOP) reserve/Stock appreciation rights (SAR)	General reserve	Retained earnings	
Balance at 31-Mar-22	**-**	**2.03**	**30,670.40**	**761.58**	**508.64**	**17,161.31**	**49,103.96**
Profit for the year	-	-	-	-	-	23,882.47	23,882.47
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	0.33	0.33
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**23,882.80**	**23,882.80**
Dividends to equity shareholders						(1,325.35)	(1,325.35)
Transfers to securities premium on exercise of ESOP & SAR			23.28	(23.28)			0.00
Issue of equity instruments on ESOP	(1.65)		1.47				(0.18)
Share application money received	1.65						1.65
ESOP charges transferred to reserves				(30.95)		30.95	-
Reversal on account of lapses of ESOP/SAR				(149.65)			(149.65)
ESOP Charge				32.21			32.21
Stock appreciation rights (SAR) charge				108.81			108.81
Balance at 31-Mar-23	**-**	**2.03**	**30,695.15**	**698.72**	**508.64**	**39,749.71**	**71,654.25**

The accompanying notes are an integral part of the Standalone Financial Statements. 1 to 73

As per our report of even date attached

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firms Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No: 102102

Mumbai 26 May 2023

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Venkatchalam Ramaswamy
Vice Chairman & Executive Director
DIN : 00008509

Ananya Suneja
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 26 May 2023

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

1. Background

Edelweiss Financial Services Limited ('the Company') Public Limited company domiciled in India, and incorporated under the provision of Companies Act, 1956 and is registered with Securities and Exchange Board of India (SEBI) as Category I – Merchant Banker. The Company was incorporated on November 21, 1995 and is the ultimate holding company of Edelweiss group of companies. The Company has its registered office at Edelweiss House, Off C.S.T. Road, Kalina, Mumbai, India.

The Company is principally engaged in providing investment banking services and holding company activities comprising of development, managerial and financial support to the business of Edelweiss group entities.

Significant Accounting Policies

1.1 Basis of preparation of financial statements

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

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

1.2 Presentation of standalone financial statements

The Company presents its standalone statement of assets and liabilities in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note no. 40.

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

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

1.3 Financial Instruments

1.3.1 Date of recognition

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

Significant Accounting Policies *(Continued)*

1.3.2 Initial measurement of financial instruments

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

1.4 Classification of financial instruments

1.4.1 Financial assets:

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

Financial assets carried at amortized cost (AC)

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

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

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

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

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

1.4.1.1 Amortized cost and Effective interest method

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

Significant Accounting Policies *(Continued)*

1.4.1.2 Financial assets held for trading

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

1.4.1.3 Investment in equity instruments

The Company measures all equity investments at fair value through profit or loss except, for Investment in subsidiaries and associates are recognised at cost, subject to impairment if any at the end of each reporting period. Cost of investment represents amount paid for acquisition of the investment.

1.4.2 Financial liabilities

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

1.4.2.1 Debt securities and other borrowed funds

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

1.4.2.2 Financial assets and Financial liabilities at fair value through profit or loss

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

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

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

1.4.2.3 Financial guarantee:

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

Significant Accounting Policies *(Continued)*

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

1.4.3 Financial liabilities and equity instruments

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

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

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

1.4.4 Derivative contracts (Derivative assets / Derivative liability)

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

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

1.5 Reclassification of financial assets and financial liabilities

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

1.6 Employee welfare trust

The Company is a sponsor to two trusts namely: (i) Edelweiss Employees' Welfare Trust; and (ii) Edelweiss Employees' Incentives and Welfare Trust. These trusts have been formed exclusively to provide benefits to employees of the Company and its subsidiaries and associates. These trusts have been treated as an extension of the Company for the purpose of these financial statements. Accordingly, the equity shares of the Company held by these trusts have been treated as treasury shares. The excess of the cost of such shares over the face value of shares has been reduced from the securities premium account of the Company.

1.7 Derecognition of financial assets and financial liabilities

1.7.1 Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

Significant Accounting Policies *(Continued)*

1.7.2 Derecognition of financial assets (other than due to substantial modification)

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

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

A transfer only qualifies for derecognition if either:

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

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

1.7.3 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, would be recognised in profit or loss.

1.8 Impairment of financial assets

The Company records allowance for expected credit losses for all amortised cost financial assets and financial guarantee contracts, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

Significant Accounting Policies *(Continued)*

amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

1.9 Write off

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss.

1.10 Determination of fair value

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

- Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

Significant Accounting Policies *(Continued)*

- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

1.11 Revenue from contract with customer

Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation. The Company applies the five-step approach for recognition of revenue:

i. Identification of contract(s) with customers;

ii. Identification of the separate performance obligations in the contract;

iii. Determination of transaction price;

iv. Allocation of transaction price to the separate performance obligations; and

v. Recognition of revenue when (or as) each performance obligation is satisfied

Revenue Recognition for different heads of Income are as under:

(i) Investment banking advisory fees, Syndication fees (net of tax)

Advisory/Syndication fees are recognised on an accrual basis in accordance with agreement entered into with respective investment managers / advisors.

(ii) Interest income

Interest income is recognized using the effective interest rate.

(iii) Dividend income

Dividend income is recognized in the standalone statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the Shareholders approve the dividend.

(iv) Profit or loss on sale of investments

Profit or loss on sale of investments is recognised on trade date basis. Difference between the sale price and average cost of acquisition is recognized as profit or loss on sale of investments.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

Significant Accounting Policies *(Continued)*

1.12 Earnings per share

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

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

1.13 Foreign currency transactions

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

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

1.14 Retirement and other employee benefit

Provident fund and national pension scheme

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

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method. Benefits in respect of gratuity are funded with an insurance company approved by Insurance Regulatory and Development Authority (IRDA). Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

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

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

Significant Accounting Policies *(Continued)*

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated Absences

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

The liability is provided based on the number of days of unutilised leave at each balance sheet date based on a valuation by an independent actuary.

1.15 Share-based payment arrangements

Equity-settled share-based payments to employees of the Group and others providing similar services that are granted by the Company are measured by reference to the fair value of the equity instruments at the grant date. These includes Stock Appreciation Rights (SARs) which are equity settled share-based payments In order to arrive at the fair value of the options, the Black-Scholes Option Pricing formula is used.

a. with respect to Company's employees:

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

b. with respect to employees of the Group:

The fair value determined at the grant date of the equity-settled share-based payments is accounted as a capital contribution (deemed investment) to the respective subsidiaries over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised such that the cumulative capital contribution (deemed investment) is increased so that it reflects the revised estimate, with a corresponding adjustment to the Employee Stock Option Plan Reserve. In cases where the share options granted vest in installments over the vesting period, the Company treats each installment as a separate grant, because each installment has a different vesting period, and hence the fair value of each installment differs. Whenever, these estimates are expected to get settle between the subsidiaries and the Company, they are accounted as receivable/payable.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

Significant Accounting Policies *(Continued)*

1.16 Property, plant, and equipment

Property plant and equipment (PPE) is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation, and accumulated impairment in value. PPE is recognised when it is probable that future economic benefits associated with the item is expected to flow to the Company and the cost of the item can be measured reliably. Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs incurred on an item of property, plant and equipment is recognised in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognised in profit or loss as incurred if recognition criteria are not met.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

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

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

Nature of assets	Estimated useful life
Building (other than Factory Building)	60 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computers - servers and networks	6 years
Computers - end user devices, such as desktops, laptops, etc.	3 years

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

Amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

Significant Accounting Policies *(Continued)*

1.17 Intangible assets

The intangible assets mainly include the value of computer software. Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any. Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognised in the statement of profit and loss when the asset is derecognised.

1.18 Impairment of non-financial assets

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

1.19 Cash and cash equivalents

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

1.20 Provisions and other contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

1.21 Income tax

Income tax expense represents the sum of the current tax and deferred tax.

1.21.1 Current tax

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

Significant Accounting Policies *(Continued)*

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

1.21.2 Deferred tax

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

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

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

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

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

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

1.21.3 Current and deferred tax for the year

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

Significant Accounting Policies *(Continued)*

1.22 Critical accounting judgements and key sources of estimation uncertainty

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

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

1.23 Critical judgements in applying accounting policies

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

1.23.1 Business model assessment

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

1.24 Key sources of estimation uncertainty

The Company based its assumptions and estimates on parameters available when these financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.24.1 Fair value of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

Significant Accounting Policies *(Continued)*

is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation, and volatility.

1.24.2 Impairment of financial assets

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

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

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

1.25 Standards issued but not yet effective

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

(i) Amendment to Ind AS 8 - Definition of Accounting Estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

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

(ii) Amendment to Ind AS 1- Disclosure of Accounting Policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Consequential amendments have been made in Ind AS 107.

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

(iii) Amendment to Ind AS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

Significant Accounting Policies *(Continued)*

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

Consequential amendments have been made in Ind AS 101.

The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The company is currently assessing the impact of the amendments.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

2. Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash in hand	**0.01**	0.01
Balances with banks:		
- in Current accounts	**1,350.08**	4,619.33
Total	**1,350.09**	**4,619.34**

3. Bank Balance other than cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Fixed deposits with banks to the extent held as security against borrowings (Refer Note 1)	**31.61**	30.48
Fixed deposits with banks (Original maturity more than 3 months)	**-**	500.00
- 'Earmarked balance with bank (unpaid dividends)	**7.56**	8.60
Total	**39.17**	**539.08**

Note 1:

Fixed deposit aggregating to ₹ 30.87 million (previous year ₹ 30.00 million) have been pledged with Trustee against coupon payment of Debt Securities. Interest accrued on fixed deposit is included in the carrying value of fixed deposits.

4. Trade Receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Receivables considered good -unsecured		
Receivables from related parties	**135.89**	102.38
Receivables from other than related parties	**169.75**	21.26
Receivables - credit impaired	**27.31**	55.86
Gross Receivables	**332.95**	**179.50**
Less: Provision for impairment - unsecured	**(0.71)**	(1.71)
Less: Allowance for expected credit losses	**(26.60)**	(54.15)
Total	**305.64**	**123.64**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 ***(Continued)***

(Currency : Indian rupees in millions)

4. Trade Receivables (Continued)

4.1 Trade Receivable Ageing Schedule

As at 31 March 2023	Outstanding for following periods from due date of payment					Total
Particulars	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) Undisputed Trade receivables – considered good	**305.64**	-	-	-	-	**305.64**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	**3.36**	-	**13.85**	**4.09**	**6.01**	**27.31**
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Gross receivables (A)	**309.00**	-	**13.85**	**4.09**	**6.01**	**332.95**
(i) Undisputed Trade receivables – considered good	**(0.71)**	-	-	-	-	**(0.71)**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	**(2.65)**	-	**(13.85)**	**(4.09)**	**(6.01)**	**(26.60)**
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total ECL Provision on receivables (B)	**(3.36)**	-	**(13.85)**	**(4.09)**	**(6.01)**	**(27.31)**
Total receivables net of provision = (A)-(B)	**305.64**	-	-	-	-	**305.64**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

4. Trade Receivables (Continued)

4.1 Trade Receivable Ageing Schedule (Continued)

As at 31 March 2022	Outstanding for following periods from due date of payment					
Particulars	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	123.64	-	-	-	-	123.64
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	27.73	5.90	4.16	5.01	13.06	55.86
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Gross receivables (A)	**151.37**	**5.90**	**4.16**	**5.01**	**13.06**	**179.50**
(i) Undisputed Trade receivables – considered good	(1.71)	-	-	-	-	(1.71)
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	(26.02)	(5.90)	(4.16)	(5.01)	(13.06)	(54.15)
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total ECL Provision on receivables (B)	**(27.73)**	**(5.90)**	**(4.16)**	**(5.01)**	**(13.06)**	**(55.86)**
Total receivables net of provision = (A)-(B)	**123.64**	**-**	**-**	**-**	**-**	**123.64**

4.2 Reconciliation of impairment allowance on trade receivables:

Particulars	**Amount**
Impairment allowance measured as per simplified approach	
Impairment allowance as on 01 April 2021	**(114.98)**
(Add)/ less: asset originated or acquired / reversals (net)	59.12
Impairment allowance as on 31 March 2022	**(55.86)**
(Add)/ less: asset originated or acquired / reversals (net)	28.55
Impairment allowance as on 31 March 2023	**(27.31)**

Notes:

1) No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.

2) No trade or other receivables are due from firms or private companies in which directors is partner, a director or a member.

3) Trade receivables are non-interest earning and are generally on terms of 1 to 30 days.

4) There are no unbilled or not due trade receivables as at 31 March 2023 and 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

5. Loans

Particulars	As at 31 March 2023	As at 31 March 2022
Term Loans (at amortised cost)		
Loans to related parties (Refer note 34)	**29,027.73**	21,707.64
Total Gross (A)	**29,027.73**	**21,707.64**
Less: Impairment loss allowance	**(4.33)**	(3.83)
Total (Net) (A)	**29,023.40**	**21,703.81**
Unsecured	**29,027.73**	21,707.64
Total Gross (B)	**29,027.73**	**21,707.64**
Less: Impairment loss allowance	**(4.33)**	(3.83)
Total (Net) (B)	**29,023.40**	**21,703.81**
Loans in India		
Public sector	**-**	-
Others	**29,027.73**	21,707.64
Total Gross (C)	**29,027.73**	**21,707.64**
Less: Impairment loss allowance	**(4.33)**	(3.83)
Total (Net) (C) (I)	**29,023.40**	**21,703.81**
Loans outside India	**-**	-
Less: Impairment loss allowance	**-**	-
Total (Net) (C) (II)	**-**	**-**
Total (C) (I) and (C) (II)	**29,023.40**	**21,703.81**

These loans are considered to have low credit risk based on credit evaluation undertaken by the Company. There is no history of any defaults on these loans. Since the counter-parties are subsidiaries of the Company, the Company regularly monitors to ensure that these entities have enough liquidity which safeguards the interest of investors and lenders. Accordingly, there is very minimal Expected credit loss allowance on the aforesaid loans.

Loans including Installment and Interest outstanding due from the directors amounts to ₹ Nil million (Previous year ₹ Nil million).

Loans given to subsidiaries are pledged against debt securities is amounting to ₹ 15,739.10 million (Previous year ₹ 15,729.71 million).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

5. Loans (Continued)

5.1 Credit Quality

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal grading and year-end stage classification. The amounts presented are gross of impairment allowances.

Loans at amortised cost

Particulars	31-Mar-2023				31-Mar-2022			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing								
High grade	**29,027.73**	**-**	**-**	**29,027.73**	21,707.64	-	-	21,707.64
Standard grade	**-**	**-**	**-**	**-**	-	-	-	-
Non-performing								
Impaired	**-**	**-**	**-**	**-**	-	-	-	-
Total	**29,027.73**	**-**	**-**	**29,027.73**	**21,707.64**	**-**	**-**	**21,707.64**

5.2 Gross carrying amount and corresponding ECL reconciliation – Loans

Particulars	Non-credit impaired		Credit impaired				Total	
	Stage I		Stage II		Stage III			
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
Balance at 31 March 2021	12,474.66	2.23	-	-	-	-	12,474.66	2.23
Net new and further lending/ (repayments)	9,232.98	1.60	-	-	-	-	9,232.98	1.60
Balance at 31 March 2022	**21,707.64**	**3.83**	**-**	**-**	**-**	**-**	**21,707.64**	**3.83**
Net new and further lending/ (repayments)	7,320.09	0.50	-	-	-	-	7,320.09	0.50
Balance at 31 March 2023	**29,027.73**	**4.33**	**-**	**-**	**-**	**-**	**29,027.73**	**4.33**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

6. Investments

As at 31 March 2023	At Fair Value through profit and Loss	Others at cost (subsidiaries)	Total
Equity Instruments	**23,643.75**	**48,413.05**	**72,056.80**
Preference Shares	**-**	**1,650.00**	**1,650.00**
Total	**23,643.75**	**50,063.05**	**73,706.80**
Investments in India	**23,643.75**	**50,056.90**	**73,700.65**
Investments outside India	**-**	**6.15**	**6.15**
Total	**23,643.75**	**50,063.05**	**73,706.80**
Less - Impairment Loss allowance	**-**	**1,606.10**	**1,606.10**
Total	**23,643.75**	**48,456.95**	**72,100.70**
Aggregate amount of quoted investments			**3.07**
Aggregate market value of quoted investments			**3.07**
Aggregate amount of unquoted investments			**72,097.63**

As at 31 March 2022	At Fair Value through profit and Loss	At cost (subsidiaries, associates and others)	Total
Equity Shares	92.14	47,896.64	47,988.78
Preference Shares	-	1,650.00	1,650.00
Total	**92.14**	**49,546.64**	**49,638.78**
Investments in India	92.14	49,540.49	49,632.63
Investments outside India	-	6.15	6.15
Total	**92.14**	**49,546.64**	**49,638.78**
Less - Impairment Loss allowance	-	6.15	6.15
Total	**92.14**	**49,540.49**	**49,632.63**
Aggregate amount of quoted investments			2.89
Aggregate market value of quoted investments			2.89
Aggregate amount of unquoted investments			49,629.74

Notes:

1) Investments in equity shares of subsidiaries and associates are pledged against Debt securities issued by the company is amounting to ₹ Nil million (previous year ₹ 573.16 million).

2) Investment in equity shares of subsidiary is pledged against Debt securities issued by another subsidiary amounting to ₹ 1,712.41 million (previous year ₹ 1,712.41 million).

3) Impairment on investment has been assessed based on business projection approved by Board of directors of respective subsidiaries / associates. Impairment is recognised, based on management assessment, if the recoverable value is less than carrying amount.

4) The Company has Employee Stock Option Plans (ESOP) in force. Based on such ESOP schemes, the Company has granted options to acquire equity shares of the Company that would vest in a graded manner to certain employees of subsidiaries / associates. To the extent that the Company has not charged and recovered the fair value of such stock options from its subsidiaries / associates, it has been included in the above carrying value of investment in those subsidiaries / associates.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

6. Investments (Continued)

5) Edelweiss Financial Services Limited (the "Company" or "EFSL") holds 30% in the equity shares of Nuvama Wealth Management Limited ("NWML"). Till 30 March 2023, EFSL had significant influence over NWML as per Ind AS 27 – Separate Financial Statements Investments and accounted for such investment in NWML at cost. With effect from March 30, 2023, EFSL does not have significant influence on NWML in accordance with Ind AS 28, Investments in Associates and Joint Ventures, pursuant to the amendment agreement dated 09 March 2023 to the amended and restated shareholders' agreement dated 18 March 2021 between EFSL, Edelweiss Global Wealth Management Limited ("EGWML"), PAGAC Ecstasy Pte Ltd ("PAGAC") and NWML, the amendment to the articles of association of NWML and the appointment of independent trustee on 30 March 2023 to act on behalf of EFSL shareholders. Accordingly, such investment in NWML has been re-measured at fair value as per requirements Ind AS 28 and has recorded a fair value gain of ₹ 23,434.87 million during the year ended 31 March 2023.

6) During the year ended 31 March 2023, the Company had recorded impairment provision of ₹ 1,599.95 millions on its investment in a subsidiary company on account of Group restructuring/demerger.

7) During the previous year ended 31 March 2022, the Company has recorded a fair value gain of ₹ 3,150 million for its investment in Edelweiss Securities and Investments Private Limited based on fair valuation report obtained from registered valuer and on account of Composite scheme of Arrangement between the Company's subsidiary and associate Companies i.e. Edelweiss Securities Limited ("ESL"), Edelweiss Securities and Investments Private Limited ("ESIPL"), Edelweiss Global Wealth Management Limited ("EGWML") and their respective shareholders and creditors, under section 230 to 232 and other applicable provisions of the Companies Act, 2013 for Demerger of Asset Management Business from ESL into ESIPL. The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned Scheme on 31 March 2022 under the applicable provisions of the Companies Act, 2013. Certified copy of the said order of the Tribunal was received by the Company on 05 April 2022 and filed with the Registrar of Companies on 22 April 2022.

6.1 Investments measured at amortised cost

The table below shows the gross carrying amount of the Group's investments measured at amortised cost by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances.

Particulars	31-Mar-23 Gross carrying amount (Stage 1)	31-Mar-22 Gross carrying amount (Stage 1)
High grade	-	-
Standard grade	-	-
Individually impaired	-	-
Total	**-**	**-**

Reconciliation of gross carrying amount for investments measured at amortised cost

Particulars	31-Mar-23 Gross carrying amount (Stage 1)	31-Mar-22 Gross carrying amount (Stage 1)
Gross carrying amount - opening balance	**-**	250.12
New assets originated or sold	-	(250.12)
Gross carrying amount - closing balance	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

7. Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Margin placed with broker	**0.46**	0.46
Deposits- others	**19.94**	19.94
Corporate guarantee fees receivable	**121.24**	248.54
Receivable on account of sale of investments (Refer Note 1 below)	**-**	590.66
Advances recoverable in cash for value to be received	**58.25**	56.04
Total	**199.89**	**915.64**

Notes:

1 During the F.Y. 2021-22 Company had sold its controlling stake in the insurance broking business (Edelweiss Gallagher Insurance Broking Limited) to its joint venture partner Arthur J Gallagher & Co. The Company has received appropriate approval including Insurance Regulatory and Development Authority (IRDA) for selling its investment in Edelweiss Insurance Broking business. Based on sale agreement, contingent consideration will be received over a period of time based on revenue achievement. Accordingly, an amount of ₹ 590.66 million recorded as receivables on account of such sale as per terms of the agreement, the said amount has been received in F.Y. 2022-23.

8. Deferred tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets		
Trade Receivables		
Provision for expected credit losses	**7.96**	15.02
Property, Plant and Equipment and Intangible assets		
Difference between book and tax depreciation	**7.80**	9.09
Unused tax losses		
Unused tax losses / credits	**783.04**	336.54
Employee benefit obligations		
Disallowances under section 43B of the Income Tax Act, 1961	**2.15**	1.81
Investments and other financial instruments		
Fair valuation of investments - loss in valuation	**-**	0.68
Others		
Provision on risk and reward undertaking and EIR on Borrowing	**1,121.94**	796.00
Total Deferred Tax Asset(A)	**1,922.89**	**1,159.14**
Deferred tax liabilities		
Fair value gain on investment	**(27.84)**	-
Total Deferred Tax Liability (B)	**(27.84)**	**-**
Deferred tax assets (net) (A-B)	**1,895.05**	**1,159.14**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

9. Property, plant and equipment and intangibles

Particulars	Gross Block				Depreciation and amortisation				Net Block
	As at 01 April 2022	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2023	As at 01 April 2022	Charge for the year	Deductions/ adjustments during the year	As at 31 March 2023	As at 31 March 2023
a) Property, Plant and Equipments									
Freehold Building	1.75	-	-	**1.75**	0.40	0.07	-	**0.47**	**1.28**
Furniture and Fixtures	0.23	-	-	**0.23**	0.08	0.03	-	**0.11**	**0.12**
Vehicles	0.95	6.00	0.75	**6.20**	0.30	0.98	0.43	**0.85**	**5.35**
Office equipment	1.92	0.50	0.53	**1.89**	1.38	0.20	0.48	**1.10**	**0.79**
Computers	12.75	1.81	4.34	**10.22**	9.73	1.94	4.24	**7.42**	**2.79**
Total (A)	**17.60**	**8.31**	**5.62**	**20.29**	**11.88**	**3.22**	**5.15**	**9.95**	**10.34**
b) Intangibles									
Software	78.57	-	1.23	**77.34**	77.74	0.35	0.76	**77.34**	**-**
Total (B)	**78.57**	**-**	**1.23**	**77.34**	**77.74**	**0.35**	**0.76**	**77.34**	**-**
Total (A+B)	**96.17**	**8.31**	**6.85**	**97.63**	**89.62**	**3.57**	**5.90**	**87.29**	**10.34**

Particulars	Gross Block				Depreciation and amortisation				Net Block
	As at 01 April 2022	Additions/ adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2022	As at 01 April 2021	Charge for the year	Deductions/ adjustments during the year	As at 31 March 2022	As at 31 March 2022
a) Property, Plant and Equipments									
Freehold Building	1.75	-	-	1.75	0.33	0.07	-	0.40	1.35
Furniture and Fixtures	0.15	0.09	0.01	0.23	0.06	0.03	0.01	0.08	0.15
Vehicles	3.74	0.95	3.74	0.95	2.90	0.42	3.02	0.30	0.65
Office equipment	1.96	0.25	0.29	1.92	1.15	0.37	0.14	1.38	0.54
Computers	15.55	2.74	5.54	12.75	12.71	1.79	4.77	9.73	3.02
Total (A)	**23.15**	**4.03**	**9.58**	**17.60**	**17.15**	**2.68**	**7.94**	**11.88**	**5.71**
b) Intangibles									
Software	78.08	0.49	-	78.57	76.89	0.85	-	77.74	0.83
Total (B)	**78.08**	**0.49**	**-**	**78.57**	**76.89**	**0.85**	**-**	**77.74**	**0.83**
Total (A+B)	**101.23**	**4.52**	**9.58**	**96.17**	**94.04**	**3.53**	**7.94**	**89.62**	**6.54**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

10. Other non-financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Input tax credit	**1,020.84**	612.55
Prepaid expenses	**62.24**	138.42
Vendor Advances	**17.95**	5.47
Contribution to gratuity fund (net) (Refer note 30)	**17.33**	13.26
Total	**1,118.36**	**769.70**

11. Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (MSME)	**1.30**	0.15
Trade payables to related parties	**2,056.66**	904.39
Trade payables to non-related parties	**176.03**	47.61
Total	**2,233.99**	**952.15**

11.1 Trade payables ageing schedule

As at 31 March 2023	Outstanding for following periods from due date of payment				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	**1.30**	**-**	**-**	**-**	**1.30**
(ii) Others	**2,232.69**	**-**	**-**	**-**	**2,232.69**
(iii) Disputed dues- of micro enterprises and small enterprises	**-**	**-**	**-**	**-**	**-**
(iv) Disputed dues-Others	**-**	**-**	**-**	**-**	**-**
Total	**2,233.99**	**-**	**-**	**-**	**2,233.99**

As at 31 March 2022	Outstanding for following periods from due date of payment				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	0.15	-	-	-	0.15
(ii) Others	952.00	-	-	-	952.00
(iii) Disputed dues- of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
Total	**952.15**	**-**	**-**	**-**	**952.15**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

11. Trade payables (Continued)

Particulars	As at 31 March 2023	As at 31 March 2022
i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**1.30**	0.15
ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**-**	-
iii) Prinicipal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-
iv) Interest paid other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-
v) Interest paid under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**0.15**	-
vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	**-**	-
vii) Further interest remaining due and payable for earlier years	**-**	-

11.2 Trade Payables includes ₹ 1.30 million (Previous Year ₹ 0.15 million) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. Interest paid by the Company during the year to "Suppliers" registered under this Act is ₹ 0.15 million (Previous year: ₹ Nil million). The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

There are no ''unbilled'' trade payable, hence the same is not disclosed in the ageing schedule.

12. Debt securities

Particulars	As at 31 March 2023	As at 31 March 2022
Secured Debt (At amortised cost)		
Non-Convertible Debentures (refer Note 1 below)	**25,886.54**	24,322.12
(i) Debt securities in India	**25,886.54**	24,322.12
(ii) Debt securities outside India	**-**	-
Total	**25,886.54**	**24,322.12**

Note 1:

For secured debt, the Company has provided collateral in the nature of exclusive and Pari Passu charge of Loans, receivables and investments. The Company has also provided collaterals in the form of securities investments held by its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

12. Debt securities (Continued)

12.1 Debt Securities - as at 31 March 2023

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
9.00 - 9.99%	**1,595.32**	**8,215.23**	**10,234.61**	**20,045.16**
14.00 - 14.99%	**-**	**-**	**-**	**-**
19.00 - 19.99%	**210.00**	**2,370.00**	**-**	**2,580.00**
Various (benchmark linked)	**1,472.20**	**560.00**	**-**	**2,032.20**
Accrued Interest and EIR	**-**	**-**	**-**	**1,229.18**
Total	**3,277.52**	**11,145.23**	**10,234.61**	**25,886.54**

Debt Securities - as at 31 March 2022

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
9.00 - 9.99%	-	5,712.73	6,715.01	12,427.74
14.00 - 14.99%	-	6,500.00	-	6,500.00
19.00 - 19.99%	210.00	402.50	2,177.50	2,790.00
Various (benchmark linked)	-	1,472.20	560.00	2,032.20
Accrued Interest and EIR	-	-	-	572.18
Total	**210.00**	**14,087.43**	**9,452.51**	**24,322.12**

The issue proceeds of Non-Convertible Debentures (NCDs) issued by the Company are being utilized as per the objects stated in the offer document. Further, there have been no deviations in the use of proceeds of issue of NCDs from the objects stated in the offer document.

All secured & redeemable debt securities issued by the Company and outstanding as on reporting date are fully secured by first charge / pari passu charge, as the case may be, on present & future receivables, book debts, loans and other financial & non- financial assets. Accordingly, the Company is maintaining asset cover of 1x or such higher asset cover required as per the terms of Offer document/ Debenture Trust Deed/ Information Memorandum.

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

Particulars	As at 31 March 2023	As at 31 March 2022
Accrued salaries and benefits	**416.93**	851.49
Unpaid dividends	**7.56**	8.60
Dividend payable	**235.82**	235.77
Risk and Reward undertaking (Refer note 57)	**5,215.24**	3,162.45
Financial guarantee obligation	**121.24**	248.54
Other advances	**467.51**	467.51
Other payables	**16.15**	77.65
Total	**6,480.45**	**5,052.01**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

14. Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits and related costs		
Compensated absences	**8.53**	7.19
Provision for Capex	**0.78**	-
Total	**9.31**	**7.19**

15. Other non-financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory dues*	**9.06**	70.92
Others	**6.02**	6.11
Total	**15.08**	**77.03**

* includes witholding taxes, provident fund, profession tax and other statutory dues payables.

16. Equity share capital

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	No. of shares	Amount	No. of shares	Amount
Authorised :				
Equity Shares of ₹ 1 each	**1,230,000,000**	**1,230.00**	1,230,000,000	1,230.00
Preference shares of ₹ 5 each	**4,000,000**	**20.00**	4,000,000	20.00
	1,234,000,000	**1,250.00**	**1,234,000,000**	**1,250.00**
Issued, Subscribed and Paid up:				
Equity Shares of ₹ 1 each	**943,275,276**	**943.28**	943,097,965	943.10
Less: Shares held by Edelweiss Employees Incentives and Welfare Trust (Refer note 1)	**(7,301,510)**	**(7.30)**	(7,301,510)	(7.30)
Less: Shares held by Edelweiss Employees Welfare Trust (Refer note 1)	**(37,595,270)**	**(37.60)**	(37,595,270)	(37.60)
	898,378,496	**898.38**	**898,201,185**	**898.20**

A. Reconciliation of number of shares (Before deducting treasury shares)

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	**943,097,965**	**943.10**	935,798,077	935.80
Shares issued during the year:				
-Under Employee Stock Options Plans (ESOPs)	**177,311**	**0.18**	7,299,888	7.30
Outstanding at the end of the year	**943,275,276**	**943.28**	**943,097,965**	**943.10**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 ***(Continued)***

(Currency : Indian rupees in millions)

16. Equity share capital (Continued)

Note :

1. Edelweiss Employees' Welfare Trust and Edelweiss Employees' Incentive and Welfare Trust are extension of Company's financial statements. These trusts are holding 44,896,780 number of equity shares amounting to ₹ 44.90 million (Previous year ₹ 44.90 million). These are deducted from total outstanding equity shares.

2. The above two Employee Welfare Trust(s) hold an aggregate 44,896,780 equity shares of the Company for incentive and welfare benefits for group employees as per extant applicable SEBI regulations. Pursuant to the exercise of right available under Regulation 29 of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company has applied before the expiry date of 27 October 2019 for extension of the time limit for disposing of aforesaid equity shares. The said application is under consideration and approval for extension from SEBI is awaited as at date.

B. Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

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

C. Details of shares held by promoters in the Company

As at 31 March 2023

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	%of total shares	% Change during the year
Rashesh Chandrakant Shah	145,601,730	-	145,601,730	15.44%	0.00%
Venkatchalam A Ramaswamy	58,126,560	-	58,126,560	6.16%	0.00%
Vidya Rashesh Shah	31,031,200	-	31,031,200	3.29%	0.00%
Aparna T Chandrashekar	12,210,000	-	12,210,000	1.29%	0.00%
Kaavya Venkat Arakoni	11,790,000	-	11,790,000	1.25%	0.00%
Neel Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Sneha Sripad Desai	1,025,000	-	1,025,000	0.11%	0.00%
Shilpa Urvish Mody	950,000	-	950,000	0.10%	0.00%
Arakoni Venkatachalam Ramaswamy	50,000	-	50,000	0.01%	0.00%
Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust)	38,750,000	-	38,750,000	4.11%	0.00%
Spire Investment Advisors Llp	3,200,000	-	3,200,000	0.34%	0.00%
Sejal Premal Parekh	950,000	-	950,000	0.10%	0.00%
Avanti Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Total	307,684,490	-	307,684,490	32.62%	0.00%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

16. Equity share capital (Continued)

As at 31-March-2022

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	%of total shares	% Change during the year
Rashesh Chandrakant Shah	145,601,730	-	145,601,730	15.44%	0.00%
Venkatchalam A Ramaswamy	58,126,560	-	58,126,560	6.16%	0.00%
Vidya Rashesh Shah	31,031,200	-	31,031,200	3.29%	0.00%
Aparna T Chandrashekar	12,210,000	-	12,210,000	1.29%	0.00%
Kaavya Venkat Arakoni	11,790,000	-	11,790,000	1.25%	0.00%
Neel Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Sneha Sripad Desai	1,025,000	-	1,025,000	0.11%	0.00%
Shilpa Urvish Mody	950,000	-	950,000	0.10%	0.00%
Arakoni Venkatachalam Ramaswamy	50,000	-	50,000	0.01%	0.00%
Mabella Trustee Services Private Limited (on behalf of M/s. Shah Family Discretionary Trust)	38,750,000	-	38,750,000	4.11%	0.00%
Spire Investment Advisors Llp	3,200,000	-	3,200,000	0.34%	0.00%
Sejal Premal Parekh	950,000	-	950,000	0.10%	0.00%
Avanti Rashesh Shah	2,000,000	-	2,000,000	0.21%	0.00%
Total	**307,684,490**	**-**	**307,684,490**	**32.62%**	**0.00%**

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

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	No. of shares	% holding	No. of shares	% holding
Rashesh Shah	**145,601,730**	**15.44%**	145,601,730	15.44%
Venkatchalam Ramaswamy	**58,126,560**	**6.16%**	58,126,560	6.16%
Bih Sa	**45,634,784**	**4.84%**	48,257,748	5.12%
	249,363,074	**26.44%**	**251,986,038**	**26.72%**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

17. Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
Capital redemption reserve	**2.03**	2.03
Securities premium	**30,695.15**	30,670.40
ESOP and SAR outstanding	**698.72**	761.58
General reserve	**508.64**	508.64
Retained earnings	**39,749.71**	17,161.31
Total	**71,654.25**	**49,103.96**

For movement of the above components refer statement of changes in equity.

Nature & purpose of reserves

17.1 Capital redemption reserve

The Company has recognised capital redemption reserve on buy back of equity share capital.

17.2 Securities premium reserve

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

17.3 General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

17.4 Stock Option and Shares appreciation rights outstanding

ESOP and SAR option outstanding represents the amount transferred to reserves pursuant to the "ESOP 2011" and "SAR 2019" schemes.

17.5 Retained earnings

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

18. Interest income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
On financial assets measured at Amortised cost		
Interest on loans	**3,454.60**	2,898.03
Interest on deposits with Banks	**44.58**	5.04
Other interest income	**-**	15.05
Total	**3,499.18**	**2,918.12**

19. Fee and commission income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Advisory and other fees	**821.49**	889.65
Total	**821.49**	**889.65**

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Service transferred at a point in time	**821.49**	889.65
Service transferred over time	**-**	-
Total revenue from contract with customers	**821.49**	**889.65**

Geographical Markets	2022-23	2021-22
India	**788.33**	832.90
Outside India	**33.16**	56.75
Total revenue from contract with customers	**821.49**	**889.65**

Note

The Company satisfies its performance obligations on completion of service with regards to investment banking, advisory and other fees. The payments on these contracts is due on completion of service, the contracts do not contain a significant financing component and the consideration is not variable.

Further, at the end of the year, there are no unsatisfied performance obligations with respect to existing contracts.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

20. Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net gain/ loss on foreign currency	**0.13**	17.02
Miscellaneous income	**0.07**	27.48
Profit on sale of stake in subsidiaries (Refer note 67)	**6,795.64**	5,315.75
Total	**6,795.84**	**5,360.25**

21. Finance cost

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(at amortised cost unless otherwise stated)		
Interest on deposits	**-**	8.74
Interest on borrowings (other than debt securities)	**-**	24.28
Interest on debt securities	**3,017.55**	2,099.68
Other finance charges	**9.82**	9.80
Total	**3,027.37**	**2,142.50**

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net gain /(loss) on financial instruments at fair value through profit or loss		
On Investments		
Fair Value gain / (loss) (unrealised) (Refer note below)	**23,552.48**	3,249.57
Profit / (loss) on trading of securities (net)	**3.94**	-
Investments at fair value through profit or loss		
Fair value gain/ (loss) on risk and reward (Refer note below)	**(3,786.01)**	921.14
Total Net gain/(loss) on fair value changes	**19,770.41**	**4,170.71**

Note:

Refer footnote 5 of note no 6.

23. Impairment on financial instruments

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
On loans	**0.50**	1.60
On investments*	**1,599.95**	-
On trade receivables	**(106.89)**	(56.52)
Total	**1,493.56**	**(54.92)**

* Refer footnote 6 of note no 6

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

24. Employee benefits expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages (Refer Note 66)	**283.05**	378.11
Contribution to provident and other funds	**20.87**	20.14
Expense on employee stock option scheme/stock appreciation rights (Refer Note 37)	**14.23**	22.97
Staff welfare expenses	**16.02**	5.10
Total	**334.17**	**426.32**

25. Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Advertisement and business promotion	**53.94**	7.51
Auditors' remuneration (Refer note 25(a))	**30.15**	32.68
Commission and brokerage	**8.77**	46.05
Communication	**2.07**	2.29
Computer software and other expenses	**79.71**	67.30
Commission to non-executive directors	**12.50**	14.00
Electricity charges	**1.01**	1.34
Contribution towards corporate social responsibility (Refer Note 25.b)	**100.00**	75.04
Directors' sitting fees	**3.00**	1.88
Insurance	**2.25**	5.46
Legal and professional fees	**334.44**	102.04
Management fees (Refer Note 58)	**2,099.80**	2,166.33
Foreign exchange loss	**0.20**	-
Membership and subscription	**34.55**	30.20
Goods and Service tax expenses	**3.50**	15.61
Office expenses	**4.46**	2.29
Clearing & Custodian charges	**6.78**	6.77
Printing and stationery	**6.52**	4.03
Rates and taxes	**5.22**	7.66
Rent (Refer Note 25.c)	**69.26**	55.76
Repairs and maintenance - others	**0.15**	0.04
Seminar and conference expenses	**-**	0.47
Travelling and conveyance	**21.87**	12.36
Postage and courier	**0.75**	0.68
Loss on sale/ write-off of PPE (net)	**0.21**	(0.97)
Miscellaneous expenses	**0.58**	3.05
Total	**2,881.69**	**2,659.87**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

25. (a) Auditors' remuneration

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Statutory Audit	**6.80**	5.90
Limited review	**3.60**	3.60
Certification & others	**19.44**	22.88
Towards reimbursement of expenses	**0.31**	0.30
Total	**30.15**	**32.68**

25. (b) Details of CSR Expenditure

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
As per the provisions of Section 135 of Companies Act 2013,		
Gross Amount required to be spent by the Company	**100.00**	75.04
Amount Spent (Paid in Cash)		
(i) Construction/ Acquisition of any assets	**-**	-
(ii) on purpose other than (i) above	**100.00**	75.04
Amount Spent (Yet to be paid in Cash)		
(i) Construction/ Acquisition of any assets	**-**	-
(ii) on purpose other than (i) above	**-**	-
Total	**100.00**	**75.04**

The Company has paid the above amount for CSR expenditure to Edelgive Foundation (subsidiary) section 8 company under Companies Act 2013.

25. (c) Leases

Rental expenses for the year ended March 31, 2023 aggregated to ₹ 69.26 million (Previous year: ₹ 55.76 million) which has been included under the head other expenses – Rent in the Statement of profit and loss. The Company does not have any non-cancellable operating lease.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

26. Income tax

The components of income tax expense recognised in profit or loss for the years ended 31 March 2023 and 31 March 2022 are:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax	-	-
Adjustment in respect of current income tax of prior years	-	(5.08)
Deferred tax relating to origination and reversal of temporary differences	(735.91)	(781.06)
Total tax expense	**(735.91)**	**(786.14)**
Total current tax	**-**	**(5.08)**
Total deferred tax	**(735.91)**	**(781.06)**

26.1. Reconciliation of the total tax expense

The tax expense shown in the statement of profit and loss differs from the tax expense that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2023 and 31 March 2022 is, as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	23,146.56	8,547.44
Tax rate	25.17%	25.17%
Income tax expense calculated based on above tax rate	5,825.99	2,151.39
Adjustment in respect of income tax of prior years	-	(5.08)
Income not charged to tax or chargeable to lower tax rate	(6,905.24)	(1,412.14)
DTA not created on		
Expenditure of current year	318.07	(72.70)
DTA created on expenses of earlier year	-	(1,466.50)
Non Deductible Expenses	25.27	18.89
Tax expense recognised in profit or loss	**(735.91)**	**(786.14)**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

27. Components of deferred tax

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

For the year ended 31 March 2023	Opening deferred tax asset/ (liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total Movement	Closing deferred tax asset/ (liability)
Deferred tax Assets							
Trade receivables- expected credit losses	**15.02**	**(7.06)**	**-**	**-**	**-**	**(7.06)**	**7.96**
Unused tax losses / credits	**336.54**	**446.50**	**-**	**-**	**-**	**446.50**	**783.04**
Employee benefits obligations	**1.81**	**0.34**	**-**	**-**	**-**	**0.34**	**2.15**
Fair valuation of Investments	**0.68**	**(28.52)**	**-**	**-**	**-**	**(28.52)**	**(27.84)**
Fair valuation of Derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Property, Plant and Equipment and Intangible assets	**9.09**	**(1.29)**	**-**	**-**	**-**	**(1.29)**	**7.80**
Provision on risk and reward undertaking and EIR on Borrowing	**796.00**	**325.94**	**-**	**-**	**-**	**325.94**	**1,121.94**
Total	**1,159.14**	**735.91**	**-**	**-**	**-**	**735.91**	**1,895.05**

For the year ended 31 March 2022	Opening deferred tax asset/ (liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	Total Movement	Closing deferred tax asset/ (liability)
Deferred tax Assets							
Trade receivables- expected credit losses	29.50	(14.48)	-	-	-	(14.48)	15.02
Unused tax losses / credits	336.54	0.00	-	-	-	0.00	336.54
Employee benefits obligations	0.90	0.91	-	-	-	0.91	1.81
Fair valuation of Investments - loss in valuation	0.68	0.00	-	-	-	0.00	0.68
Fair valuation of Derivatives	0.00	-	-	-	-	0.00	-
Property, Plant and Equipment and Intangible assets	12.00	(2.91)	-	-	-	(2.91)	9.09
Provision on risk and reward undertaking	0.00	796.00				796.00	796.00
Deferred tax Liabilities							
Unrealised gain on Derivatives	(1.54)	1.54	-	-	-	1.54	0.00
Total	**378.08**	**781.06**	**-**	**-**	**-**	**781.06**	**1,159.14**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

27. Components of deferred tax (Continued)

27.1. Deductible temporary differences, unused tax losses and unused tax credits on which deferred tax asset is not recognised in balance sheet

As at 31-March-2023

Financial Year to which the loss related to	Deductible temporary differences		Unused tax losses						Unused tax credits		
			Unabsorbed depreciation		Unabsorbed long term capital losses		Unabsorbed business losses	Total	MAT Credit		Total
	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Amount	Expiry year-financial year	Amount
FY 2022-23			-		1,599.95	FY 2030-31	-	1,599.95	-			1,599.95
FY 2021-22	200.00	Not Applicable	-				-	-	-			-
FY 2020-21			-		3,267.39	FY 2028-29	-	3,267.39	-			3,267.39

As at 31-March-2022

Financial Year to which the loss related to	Deductible temporary differences		Unused tax losses						Unused tax credits		
			Unabsorbed depreciation		Unabsorbed long term capital losses		Unabsorbed business losses	Total	MAT Credit		Total
	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Expiry year-financial year	Amount	Amount	Expiry year-financial year	Amount
FY 2021-22	200.00	Not Applicable	-				-	-	-			-
FY 2020-21			-		3,267.39	FY 2028-29	-	3,267.39	-			3,267.39

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

28. Earnings per share (EPS)

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

Particulars	31 March 2023	31 March 2022
Profit for the year	**23,882.47**	9,333.58
Calculation of weighted average number of equity shares of ₹1 each		
Number of shares outstanding at the beginning of the year	**898,201,185**	890,901,297
Number of shares issued during the year	**177,311**	7,299,888
Total number of equity shares outstanding at the end of the year	**898,378,496**	**898,201,185**
Weighted average number of shares outstanding at the end of the year (based on the date of issue of shares) for basic EPS	**898,207,466**	893,981,653
Number of dilutive potential equity shares	**115,119**	792,995
Weighted average number of shares outstanding at the end of the year (based on the date of issue of shares) for diluted EPS	**898,322,585**	**894,774,648**
Earnings per share (EPS) (Face value ₹ 1 each)		
Basic earnings share (in ₹)	**26.59**	10.44
Diluted earning per share (in ₹)	**26.59**	10.43

29. Segment information

Primary Segment (Business Segment)

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

Segment	Activities Covered
Agency	Advisory and transactional services
Holding company activities	Development, managerial and financial support to the businesses of Edelweiss group entities

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis.

The management is the Chief Operating Decision Maker(CODM).

The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the CODM.

Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary Segment

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

29. Segment information (Continued)

The following table gives information as required under the Indian Accounting Standard -108 on "Operating Segment":

As at 31 March 2023

Particulars	Agency business	Holding company activities	Un-allocated	Total
Segment Revenue				
Revenue	**702.42**	**30,184.50**	**-**	**30,886.92**
Inter Segment Revenue	**-**	**-**	**-**	**-**
Revenue from External Customers	**702.42**	**30,184.50**	**-**	**30,886.92**
Segment Expenditure	**567.02**	**7,173.34**	**-**	**7,740.36**
Segment Results (Total profit before Tax)	**135.40**	**23,011.16**	**-**	**23,146.56**
Tax expense				**(735.91)**
Net profit / (loss) for the period				**23,882.47**
Segment Assets	**98.31**	**104,049.28**	**3,038.27**	**107,185.86**
Segment Liabilities	**242.50**	**34,382.88**	**7.85**	**34,633.23**
Capital Expenditure	**4.45**	**3.86**	**-**	**8.31**
Depreciation and Amortisation	**1.91**	**1.66**	**-**	**3.57**
Significant Non-Cash Expenses / (Income) other than Depreciation and Amortisation	**(21.09)**	**23,099.79**	**-**	**23,078.70**

As at 31 March 2022

Particulars	Agency business	Holding company activities	Un-allocated	Total
Segment Revenue				
Revenue	750.22	12,947.48	27.04	13,724.74
Inter Segment Revenue	-	-	-	-
Revenue from External Customers	750.22	12,947.48	27.04	13,724.74
Segment Expenditure	537.54	4,639.76	-	5,177.30
Segment Results (Total profit before Tax)	212.68	8,307.72	27.04	8,547.44
Tax expense				(786.14)
Net profit / (loss) for the period				9,333.58
Segment Assets	156.43	78,153.96	2,110.21	80,420.60
Segment Liabilities	162.80	30,247.70	7.94	30,418.44
Capital Expenditure	2.23	2.29	-	4.52
Depreciation and Amortisation	1.74	1.79	-	3.53
Significant Non-Cash Expenses / (Income) other than Depreciation and Amortisation	(56.52)	(4,170.08)	-	(4,226.60)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

30. Retirement benefit plan

A) Defined contribution plan (Provident fund and National Pension Scheme):

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised ₹ 17.60 million (Previous year: ₹ 16.75 million) for provident fund and other contributions in the statement of profit and loss.

B) Defined benefit plan (Gratuity):

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972. The gratuity benefit is partially provided through funded plan and annual expense is charged to the statement of profit and loss on the basis of actuarial valuation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Statement of profit and loss

Expenses recognised in the Statement of Profit and Loss:

Particulars	31 March 2023	31 March 2022
Current service cost	**4.05**	3.96
Interest on defined benefit obligation	**(0.77)**	(0.56)
Total included in 'Employee benefits expense'	**3.28**	**3.40**

Movement in Other Comprehensive Income:

Particulars	31 March 2023	31 March 2022
Balance at start of year (Loss)/ Gain	**8.71**	8.81
Re-measurements on define benefit obligation (DBO)		
a. Actuarial (Loss)/ Gain from changes in financial assumptions	**2.05**	(0.50)
b. Actuarial (Loss)/ Gain from experience over the past year	**(0.45)**	1.10
c. Actuarial Loss/(Gain) from changes in demographic assumptions	**-**	(2.12)
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	**(1.27)**	1.42
Balance at end of year (Loss)/ Gain	**9.04**	**8.71**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

30. Retirement benefit plan (Continued)

B) Defined benefit plan (Gratuity): (Continued)

Balance sheet

Reconciliation of defined benefit obligation (DBO) :

Particulars	31 March 2023	31 March 2022
Present value of DBO at the beginning of the year	**40.46**	36.41
Acquisition/ (Divestiture)		
Interest cost	**2.39**	1.92
Current service cost	**4.05**	3.96
Benefits paid	**(7.02)**	(5.34)
Past service cost	**-**	-
Actuarial (gain)/loss	**(1.60)**	1.52
Transfer in / (Out)	**0.00**	1.99
Present value of DBO at the end of the year	**38.28**	**40.46**

Reconciliation of fair value of plan assets:

Particulars	31 March 2023	31 March 2022
Fair value of plan assets at the beginning of the year	**53.72**	49.82
Contributions by Employer	**7.02**	5.34
Benefits paid	**(7.02)**	(5.34)
Interest income	**3.16**	2.48
Acquisition/ (Divestiture)/Curtailment	**-**	-
Return on plan asset excluding amount included in net interest on the net defined benefit liability/ (asset)	**(1.27)**	1.42
Fair value of plan assets at the end of the year	**55.61**	**53.72**
Actual Return on Plan Assets	**1.89**	3.90

Net asset / (liability) recognised in the balance sheet:

Particulars	31 March 2023	31 March 2022
Present value of DBO	**38.28**	40.46
Fair value of plan assets at the end of the year	**55.61**	53.72
Net Liability / (Assets)	**(17.33)**	**(13.26)**
Less: Effect of limiting net assets to asset ceiling	**-**	-
Liability / (Assets) recognised in the balance sheet	**(17.33)**	**(13.26)**
Funded Status [Surplus/ (Deficit)]	**17.33**	13.26
Of which, Short-term Liability	**-**	-
Experience Adjustment on Plan Liabilities: (Gain)/ Loss	**0.45**	2.12

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

30. Retirement benefit plan (Continued)

B) Defined benefit plan (Gratuity): (Continued)

Experience adjustments:

Particulars	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019
On plan liabilities: loss / (gain)	**0.45**	2.12	(2.95)	(3.08)	(1.84)
On plan assets: gain / (loss)	**-**	-	-	-	-
Estimated contribution for next year	**-**	-	-	2.00	1.00

Percentage Break-down of Total Plan Assets

Particulars	31 March 2023	31 March 2022
Investment in Unit linked funds with insurance company	**99.9%**	99.9%
Cash and cash equivalents	**0.1%**	0.1%
Total	**100.0%**	**100.0%**

Principal actuarial assumptions at the balance sheet date:

Particulars	31 March 2023	31 March 2022
Discount rate	**7.1%**	5.9%
Salary escalation	**7.0%**	7.0%
Employees attrition rate	**16.0%**	16.0%
Mortality Rate	**IALM 2012-14 (Ultimate)**	IALM 2012-14 (Ultimate)
Interest Rate on Net DBO / (Asset) (%)	**5.9%**	5%
Expected weighted average remaining working life (years)	**3.5 years**	4 years

Sensitivity Analysis

Particulars	31 March 2023	31 March 2022
DOB increases / (decreases) by		
1 % Increase in Salary Growth Rate	**1.16**	1.20
1 % Decrease in Salary Growth Rate	**(1.08)**	(1.20)
1 % Increase in Discount Rate	**(1.07)**	(1.20)
1 % Decrease in Discount Rate	**1.17**	1.23
1 % Increase in Withdrawal Rate	**0.01**	(0.06)
1 % Decrease in Withdrawal Rate	**(0.01)**	0.06
Mortality (Increase in expected lifetime by 1 year)	**-**	1.00
Mortality (Increase in expected lifetime by 3 year)	**-**	4.00

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant there are no changes from the previous year to the methods and assumptions underlying the sensitivity analyses.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

30. Retirement benefit plan (Continued)

B) Defined benefit plan (Gratuity): (Continued)

Movement in Surplus / (Deficit)

Particulars	31 March 2023	31 March 2022
Surplus / (Deficit) at start of the year	**13.26**	13.40
Net Transfer (In)/ Out	**-**	(1.99)
Current Service Cost	**(4.05)**	(3.96)
Net Interest on net DBO	**0.77**	0.56
Re-measurements	**0.33**	(0.10)
Contributions / Benefits	**7.02**	5.34
Surplus / (Deficit) at end of year	**17.33**	13.26

C) Compensated absences :

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

D) Other Disclosures

Description of Asset Liability Matching (ALM) Policy

The Company has an insurance plans invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates. The liabilities' duration is not matched with the assets' duration.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The Company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

Maturity profile

The average expected remaining lifetime of the plan members is 3.5 years (31 March 2022: 4 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

31. Changes in liabilities arising from financing activities

Particulars	01 April 2022	Cash flows (net)	Changes in fair values	Exchange difference	Others**	31 March 2023
Borrowings*	**24,322.12**	**907.42**	**-**	**-**	**657.00**	**25,886.54**
Total liabilities from financing activities	**24,322.12**	**907.42**	**-**	**-**	**657.00**	**25,886.54**

Particulars	01 April 2021	Cash flows (net)	Changes in fair values	Exchange difference	Others**	31 March 2022
Borrowings*	8,380.01	14,950.13	-	-	991.98	24,322.12
Total liabilities from financing activities	8,380.01	14,950.13	-	-	991.98	24,322.12

* Comprises of Debt securities and other borrowings.

** Refers to interest accrued during the year.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

32. Contingent liabilities & commitments :

32.1 Contingent liabilities

a) Claims against the Company not acknowledged as debt:

- Income Tax matters in respect of which appeal is pending ₹ 5.69 million (Previous year: ₹ 7.80 million).

- Service Tax matters in respect of which appeal is pending ₹ 534.36 million (Previous year: ₹ 534.36 million).

b) Other claim not acknowledged as debt:

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

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

c) Guarantees excluding financial guarantees :

Corporate/other guarantee not acknowledged as debt:

Corporate/other guarantee given by the Company on behalf of its subsidiaries and associate companies and to third party which is outstanding as at 31 March 2023 and 31 March 2022 is given below:

Particulars	As at 31 March 2023	As at 31 March 2022
Guarantee to trustees and others for non convertible debentures and other borrowings	**25,849.37**	23,527.47
Guarantee to Banks for loan taken by subsidiaries and associates	**7,232.80**	11,353.20
Total	**33,082.17**	**34,880.67**

32.2 Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ Nil million (Previous year: ₹ Nil million).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

33 Cost Sharing

The group companies provide business and support services to each other basis of the signed agreed terms. The services provided are with the intent to create synergies at group level for e.g. sharing of empty spaces with the group companies, having common HR and admin teams, using one's available resource for the benefit of the group.

In consideration of the business and management oversight by Edelweiss group, the beneficiaries shall share and pay towards the costs, as agreed. It is expressly agreed between the parties that sharing of these cost shall be on the total cost over the financial year (April to March) adequate to compensate the function performed , assets employed and risks assumed by group companies and will be determined by the beneficiaries and edelweiss group companies. The amount payable by the beneficiaries is reviewed intermittently and any amendment to the same is mutually agreed upon in writing by the parties. For the purpose of total cost means all operating expense including but not limited to, normal recurring cost such as office rent, communication charges, salaries, employee benefits, cost of approved third-party vendor, deprecation on assets used and amortization.

34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure":

(A) Subsidiaries which are controlled by the Company:

1 ECL Finance Limited
2 Edelcap Securities Limited (through ECap Equities Limited)
3 ECap Securities and Investments Limited
4 Edelweiss Alternative Asset Advisors Limited (through Edelweiss Securities and Investments Private Limited)
5 Ecap Equities Limited (formerly known as Edel Land Limited)
6 Edel Investments Limited (through ECap Securities and Investments Limited)
7 Edelweiss Tokio Life Insurance Company Limited
8 Edelweiss Trustee Services Limited
9 Edelweiss Asset Management Limited
10 Edelweiss Investment Adviser Limited (through Edelweiss Rural & Corporate Services Limited)
11 EC International Limited, Mauritius
12 Edelgive Foundation
13 Edelweiss Alternative Asset Advisors Pte. Limited (through Edelweiss Alternative Asset Advisors Limited)
14 Edelweiss International (Singapore) Pte. Limited (through Edelweiss Capital (Singapore) Pte. Limited)
15 Edelweiss Retail Finance Limited (through Edelcap Securities Limited)
16 NIDO Home Finance Limited (formerly known as Edelweiss Housing Finance Limited (through Edelweiss Rural & Corporate Services Limited))
17 Edelweiss Rural & Corporate Services Limited (through Edel Finance Company Limited)
18 Comtrade Commodities Services Limited (through Edelweiss Rural & Corporate Services Limited)
19 Edel Finance Company Limited
20 Nuvama Investment Advisors LLC (formerly known as EAAA, LLC)
21 EW Special Opportunities Advisors LLC, Mauritius (through EC International Limited) (upto 30 June 2022)
22 Edelweiss Resolution Advisors LLP (upto 01 July 2022)
23 Edelweiss Multi Strategy Fund Advisors LLP (through Edelweiss Rural and Corporate Services Limited)
24 ZUNO General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited)
25 Edelweiss Asset Reconstruction Company Limited
26 Edelweiss Private Equity Tech Fund (through Ecap Equities Limited)
27 Edelweiss Value and Growth Fund (through Ecap Equities Limited)
28 Edelweiss Securities and Investments Private Limited
29 Edelweiss Employees Welfare Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

(A) Subsidiaries which are controlled by the Company: (Continued)

30 Edelweiss Employees Incentive and Welfare Trust
31 Allium Finance Private Limited (through Edelweiss Rural and Corporate Services Limited)
32 Nuvama Custodial Services Limited (formerly known as Edelweiss Capital Services Limited)
33 India Credit Investment Fund - II
34 Edelweiss Real Asset Managers Limited (through Edelweiss Securities and Investments Private Limited)
35 Sekura India Management Limited (through Edelweiss Securities and Investments Private Limited)
36 Edelweiss Global Wealth Management Limited
37 India Credit Investment Fund - III (w.e.f 23 March 2023)
38 Gallagher Insurance Brokers Private Limited (upto 18 October 2021)
39 Aster Commodities DMCC (upto 7 December 2021).

(B) Enterprises over which control is exercised by the Company:

Trust name :

EARC TRUST SC - 130
EARC SAF-2 TRUST
EARC TRUST SC - 238
EARC TRUST SC - 266
EARC TRUST SC - 306
EARC TRUST SC - 332
EARC TRUST SC - 334
EARC TRUST SC - 344
EARC TRUST SC - 347
EARC TRUST SC - 351
EARC TRUST SC - 352
EARC TRUST SC - 357
EARC TRUST SC - 360
EARC TRUST SC - 363
EARC TRUST SC - 370
EARC SAF 1 TRUST INVESTOR ACCOUNT
EARC TRUST SC - 6
EARC TRUST SC - 9
EARC TRUST SC - 102
EARC TRUST SC - 112
EARC TRUST SC - 229
EARC TRUST SC - 245
EARC TRUST SC - 251
EARC TRUST SC - 262
EARC TRUST SC - 297
EARC TRUST SC - 298
EARC TRUST SC - 308
EARC TRUST SC - 314
EARC TRUST SC - 372
EARC TRUST SC - 373
EARC TRUST SC - 374
EARC TRUST SC - 392
EARC TRUST SC - 395
EARC TRUST SC - 393
EARC TRUST SC - 380
EARC TRUST SC - 387
EARC TRUST SC - 388
EARC TRUST SC - 375
EARC TRUST SC - 394
EARC TRUST SC - 385
EARC TRUST SC - 401
EARC TRUST SC - 402
EARC TRUST SC - 376
EARC TRUST SC - 406
EARC TRUST SC - 377
EARC TRUST SC - 378
EARC TRUST SC - 396
EARC TRUST SC - 410
EARC TRUST SC - 405
EARC TRUST SC - 428
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EARC TRUST SC - 436
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EARC TRUST SC - 424
EARC TRUST SC - 440
EARC TRUST SC - 441
EARC TRUST SC - 447
EARC TRUST SC - 444
EARC TRUST SC - 425
EARC TRUST SC - 451
EARC TRUST SC - 448
EARC TRUST SC - 449
EARC TRUST SC - 459
EARC TRUST SC - 443
EARC TRUST SC - 461
EARC TRUST SC - 477
EARC TRUST SC - 293
EARC TRUST SC - 318
EARC TRUST SC - 321
EARC TRUST SC - 325
EARC TRUST SC - 349
EARC TRUST SC - 223
EARC TRUST SC - 399
EARC TRUST SC - 342
EARC TRUST SC - 427
EARC SAF-3 TRUST
EARC TRUST SC - 7

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

(B) Enterprises over which control is exercised by the Company: (Continued)

EARC TRUST SC - 329
EARC TRUST SC - 331
EARC TRUST SC - 361
EARC TRUST SC - 109
EARC TRUST SC - 386
EARC TRUST SC - 263
EARC TRUST SC - 348
EARC TRUST SC - 381
EARC TRUST SC - 383
EARC TRUST SC - 384
EARC TRUST SC - 391
EARC TRUST SC - 417
EARC TRUST SC - 397
EARC TRUST SC - 431
EARC TRUST SC - 227
EARC TRUST SC - 228
EARC TRUST SC - 397
EARC TRUST SC - 431
EARC TRUST SC - 227
EARC TRUST SC - 228
EARC TRUST SC - 434
EARC TRUST SC - 418
EARC TRUST SC - 462
EARC TRUST SC - 481
EARC TRUST SC - 482
EARC Trust - SC 442
EARC Trust - SC 483
EARC Trust - SC 484
EARC Trust SC - 452

(C) Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them control or significant influence over the Company:

Mr. Rashesh Shah
Mr. Venkatchalam Ramaswamy
Ms. Vidya Shah
Ms. Aparna T. C.

(D) Key managerial personnel (KMP):

Mr. Rashesh Shah - Chairman and Managing Director
Mr. Venkatchalam Ramaswamy - Vice Chairman and Executive Director
Mr. Himanshu Kaji - Executive Director
Ms. Ananya Suneja – Chief Financial Officer (from 01 March 2022)
Mr. B. Renganathan (upto 23 April 2021)
Mr. Tarun Khurana - Company Secretary (from 23 April 2021)
Mr. Rujan Panjwani - Executive Director (upto 2 September 2022)
Mr. Sarju Simaria - Chief Financial Officer (upto 28 Feb 2022))

(E) Relatives of KMP / Promoter Individuals with whom transactions have taken place

Ms. Kaavya Venkat
Ms. Shilpa Mody
Ms. Sejal Premal Parekh
Mr. A V Ramaswamy
Ms. Sneha Sripad Desai
Shah Family Discretionary Trust
Spire Investment Advisors LLP
Ms. Shabnam Panjwani (upto 2 September 2022)
Ms. Avanti Shah
Mr. Neel Shah

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

(F) Independent Directors

Mr. Berjis Desai (upto 6 November 2021)
Mr. Biswamohan Mahapatra
Mr. Kunnasagaran Chinniah (upto 2 September 2022)
Mr. Navtej S. Nandra (upto 2 September 2022)
Mr. P. N. Venkatachalam (upto 2 September 2022)
Mr. Ashok Kini
Dr. Ashima Goyal
Mr. Shiva Kumar (from 4 August 2022)

(G) Associate Entities (upto 30th March 2023):

1 Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)

Subsidiaries of Associate

1 Nuvama Wealth Finance Limited (formerly known as Edelweiss Finance & Investments Limited)
2 Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)
3 Nuvama Clearing Services Limited (Nuvama Clearing Services Limited)
4 Nuvama Investment Advisors Private Limited (formerly known as Edelweiss Investment Advisors Private Limited)
5 Nuvama Financial Services Inc. (Edelweiss Financial Services Inc)
6 Nuvama Financial Services (UK) Limited (formerly known as Edelweiss Financial Services (UK) Limited)
7 Nuvama Capital Services (IFSC) Limited (formerly known as Edelweiss Securities (IFSC) Limited)
8 Nuvama Asset Management Limited (formerly known as ESL Securities Limited)
9 Nuvama Investment Advisors (Hongkong) Private Limited (formerly known as Edelweiss Securities (Hong Kong) Private Limited)
10 Pickright Technologies Private Limited (w.e.f 13 March 2023)

(H) Transactions and balances with Related Parties:

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
1	**Sale of Equity shares to**	Edel Finance Company Limited	**4,031.50**	2,668.02
		Ecap Equities Limited	**3,714.72**	1,134.72
		ECap Securities And Investments Limited	**315.20**	-
		Edelweiss Securities And Investments Private Limited	**2,136.27**	-
		Edelweiss Alternative Asset Advisors Limited	**2,134.20**	-
2	**Purchase of Equity shares from**	Nuvama Wealth Management Limited	**-**	1,022.41
		Edelweiss Rural & Corporate Services Limited	**-**	0.10
3	**Investment in Equity shares of**	Edel Finance Company Limited	**2,000.00**	-
		ZUNO General Insurance Limited	**1,650.00**	1,200.00

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

(H) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
		ECap Securities And Investments Limited	-	310.00
		Nuvama Custodial Services Limited	-	15.30
		Edelweiss Global Wealth Management Limited	-	500.00
		Edelweiss Tokio Life Insurance Company Limited	**2,500.00**	2,918.00
4	**Term loans given to**	ECap Securities And Investments Limited	-	5,771.31
		Edelweiss Rural & Corporate Services Limited	**8,320.00**	36,891.63
		ECL Finance Limited	**1,300.00**	7,100.00
		Edelweiss Global Wealth Management Limited	-	500.00
		Ecap Equities Limited	**12,076.22**	-
		Edel Finance Company Limited	**9,698.30**	8,055.30
		Edelweiss Securities And Investments Private Limited	**5,800.00**	2,296.50
		Edelweiss Investment Adviser Limited	**7,992.90**	-
		Edel Investments Limited	**1,100.00**	-
		Edelweiss Alternative Asset Advisors Limited	**220.00**	-
5	**Term loans repaid by**	ECap Securities And Investments Limited	-	3,715.31
		Edelweiss Rural & Corporate Services Limited	**13,559.23**	29,749.48
		Nuvama Wealth Finance Limited	-	3,355.00
		ECL Finance Limited	**1,300.00**	10,900.00
		Edelweiss Global Wealth Management Limited	**488.36**	163.14
		Ecap Equities Limited	**6,988.04**	790.00
		Edelweiss Securities And Investments Private Limited	**2,746.50**	850.00
		Edel Finance Company Limited	**6,364.08**	2,110.00
		Edelweiss Investment Adviser Limited	**6,403.00**	-
		Edel Investments Limited	**1,100.00**	-
		Edelweiss Alternative Asset Advisors Limited	**220.00**	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

(H) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
6	**Sale of Property Plant and Equipment from**	Nuvama Wealth Finance Limited	-	0.33
		Edelweiss Rural & Corporate Services Limited	-	0.14
		Nuvama Wealth and Investment Limited	**0.00**	0.15
		Nuvama Wealth Management Limited	-	0.04
		ECL Finance Limited	-	0.05
		Edelcap Securities Limited	-	0.00
		Edelweiss Alternative Asset Advisors Limited	-	0.03
		Edel Investments Limited	-	0.00
		EdelGive Foundation	-	0.01
		Edelweiss Asset Reconstruction Company Limited	-	0.03
		Edelweiss Retail Finance Limited	-	0.00
		Edelweiss Tokio Life Insurance Company Limited	-	0.00
		Nuvama Asset Management Limited	-	0.03
		Ecap Equities Limited	**0.00**	-
7	**Purchase of Property Plant and Equipment from**	Edelweiss Rural & Corporate Services Limited	-	0.11
		ECL Finance Limited	**0.01**	0.00
		Nuvama Wealth Management Limited	-	0.96
		Nuvama Wealth and Investment Limited	-	0.06
		EdelGive Foundation	-	0.00
		Edelweiss Investment Adviser Limited	-	0.00
		Nuvama Wealth Finance Limited	-	0.15
		Nuvama Custodial Services Limited	-	0.01
8	**Remuneration paid to**	Mr. Rashesh Shah	**80.01**	86.77
		Mr. Venkatchalam Ramaswamy	**64.42**	65.58
		Mr. Himanshu Kaji	**32.50**	41.59
		Mr. Rujan Panjwani	**34.07**	52.09
		Mr. Sarju Simaria	-	18.42
		Mr Tarun Khurana	**11.11**	7.50
		Ms Ananya Suneja	**25.11**	1.39
		Mr B. Renganathan	-	2.64

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

(H) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
9	**Dividend paid on Equity Shares**	Mr. Rashesh Shah	**211.12**	211.12
		Mr. Venkatchalam Ramaswamy	**84.28**	84.28
		Ms. Vidya Shah	**45.00**	45.00
		Shah Family Discretionary Trust	**56.19**	56.19
		Spire Investment Advisors LLP	**4.64**	4.64
		Ms. Aparna T. C.	**17.70**	17.70
		Ms. Kaavya Venkat	**17.10**	17.10
		Mr. Rujan Panjwani	**14.34**	16.97
		Mr. Himanshu Kaji	**4.31**	4.28
		Ms. Sneha Sripad Desai	**1.49**	1.49
		Ms. Shilpa Mody	**1.38**	1.38
		Ms. Sejal Premal Parekh	**1.38**	1.38
		Ms. Shabnam Panjwani	**0.19**	0.93
		Mr. A V Ramaswamy	**0.07**	0.07
		Mr Navtej S. Nandra	**1.99**	11.56
		Ms. Avanti Shah	**2.90**	2.90
		Mr P N Venkatachalam	**0.07**	0.39
		Mr. Neel Shah	**2.90**	2.90
		Mr Tarun Khurana	**0.09**	0.09
		Mr Kunnasagaran Chinniah	**0.05**	0.29
		Mr. B. Renganathan	**-**	0.08
10	**Dividend Income received from**	Gallagher Insurance Brokers Private Limited	**-**	384.80
11	**Fee / commission paid to**	Nuvama Wealth Management Limited	**7.80**	30.86
		Nuvama Wealth and Investment Limited	**-**	8.00
		Nuvama Financial Services Inc.	**0.20**	0.17
		Edelweiss Rural & Corporate Services Limited	**0.42**	0.34
		Edel Finance Company Limited	**0.09**	-
		Edelweiss Asset Reconstruction Company Limited	**2.20**	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

(H) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
12	**Management Fees paid to**	ECL Finance Limited	**1,139.24**	1,829.94
		Edelweiss Asset Reconstruction Company Limited	**509.93**	98.31
		NIDO Home Finance Limited	**11.39**	89.03
		Edelweiss Retail Finance Limited	**11.66**	29.17
13	**Fee / commission earned from**	NIDO Home Finance Limited	**2.50**	-
		Nuvama Wealth and Investment Limited	**0.85**	-
14	**Royalty Fees received from**	Nuvama Wealth Management Limited	**40.11**	40.48
		Edelweiss Tokio Life Insurance Company Limited	**37.50**	35.00
		ZUNO General Insurance Limited	**6.89**	5.83
15	**Fee / Guarantee commission earned from**	Edel Finance Company Limited	**0.71**	1.12
		Nuvama Wealth Finance Limited	**1.41**	1.44
		Edelweiss Asset Reconstruction Company Limited	**30.13**	45.13
		NIDO Home Finance Limited	**-**	4.44
		Edelweiss Retail Finance Limited	**-**	0.86
		Ecap Equities Limited	**2.10**	7.57
		Edelweiss Alternative Asset Advisors Limited	**0.04**	0.06
		Edelweiss Investment Adviser Limited	**0.19**	-
16	**Interest income on margin from**	Nuvama Clearing Services Limited	**-**	0.24
17	**Interest Income on Debenture**	Edelweiss Alternative Asset Advisors Limited	**-**	11.71
18	**Interest expense on short term loan taken**	ECap Securities And Investments Limited	**-**	1.99
19	**Interest Income on short term loan given**	Edelweiss Rural & Corporate Services Limited	**1,009.00**	2,005.73
		Nuvama Wealth Finance Limited	**-**	162.73

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

(H) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
		ECL Finance Limited	**3.73**	71.69
		Edelweiss Global Wealth Management Limited	**36.63**	24.41
		Ecap Equities Limited	**538.81**	493.50
		Edel Finance Company Limited	**1,445.50**	136.65
		Edelweiss Securities And Investments Private Limited	**217.20**	3.33
		Edelweiss Investment Adviser Limited	**201.42**	-
		Edel Investments Limited	**1.66**	-
		Edelweiss Alternative Asset Advisors Limited	**0.66**	-
20	**Interest Expense on NCD**	Ecap Equities Limited	**40.70**	-
		Edelweiss Tokio Life Insurance Company Limited	**39.27**	-
		ZUNO General Insurance Limited	**13.67**	-
21	**Clearing Charges paid to**	Nuvama Clearing Services Limited	**-**	0.00
22	**Cost reimbursements paid to**	Edelweiss Rural & Corporate Services Limited	**75.93**	71.92
		Nuvama Wealth Management Limited	**172.62**	383.39
		ECL Finance Limited	**0.01**	-
		Nuvama Clearing Services Limited	**167.39**	20.91
		Edelweiss Global Wealth Management Limited	**-**	2.53
		Nuvama Wealth and Investment Limited	**378.45**	403.56
		Nuvama Asset Management Limited	**5.33**	-
		NIDO Home Finance Limited	**-**	0.01
23	**Cost reimbursements recovered from**	Nuvama Wealth Management Limited	**-**	0.33
		Edelweiss Rural & Corporate Services Limited	**-**	0.62
		ECL Finance Limited	**-**	0.19
		Edelweiss Tokio Life Insurance Company Limited	**-**	0.64

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

(H) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
		Nuvama Wealth and Investment Limited	-	1.66
		Nuvama Clearing Services Limited	0.59	0.76
		Edelweiss Asset Management Limited	0.14	0.39
		Edelweiss Asset Reconstruction Company Limited	0.70	1.23
		NIDO Home Finance Limited	0.68	1.34
		Edelweiss Retail Finance Limited	0.20	0.33
		Edelweiss Alternative Asset Advisors Limited	0.01	0.88
		Gallagher Insurance Brokers Private Limited	-	0.06
		ZUNO General Insurance Limited	-	0.27
		Edelcap Securities Limited	0.64	0.66
24	Directors' sitting fees paid to	Mr Berjis Desai	-	0.28
		Mr Biswamohan Mahapatra	0.65	0.26
		Mr Kunnasagaran Chinniah	0.20	0.54
		Mr Navtej S. Nandra	0.18	0.24
		Mr P N Venkatachalam	0.22	0.32
		Ms Dr. Ashima Goyal	0.48	0.12
		Mr Ashok Kini	0.71	0.12
		Mr Shiva Kumar	0.57	-
25	Commission paid to Non executive directors	Mr Berjis Desai	-	2.00
		Mr Biswamohan Mahapatra	2.00	2.00
		Mr Kunnasagaran Chinniah	2.00	2.00
		Mr Navtej S. Nandra	2.00	2.00
		Mr P N Venkatachalam	2.00	2.00
		Ms Dr. Ashima Goyal	2.00	2.00
		Mr Ashok Kini	2.00	2.00
		Mr Shiva Kumar	-	-
		Ms Vidya Shah	2.00	2.00
26	Contribution towards corporate social responsibility	EdelGive Foundation	100.00	75.04

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

(H) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
Balances with Related Parties				
1	**Investments in Equity Shares in**	ECL Finance Limited	**11,504.96**	15,492.85
		Edelweiss Tokio Life Insurance Company Limited	**11,443.58**	8,943.58
		Edelweiss Asset Management Limited	**1,712.41**	1,712.41
		EC International Limited	**6.15**	6.15
		ECap Securities And Investments Limited	**1,599.95**	1,599.95
		Nuvama Custodial Services Limited	**280.50**	280.50
		Edel Investments Limited	**-**	46.67
		Ecap Equities Limited	**147.71**	147.71
		EdelGive Foundation	**0.10**	0.10
		NIDO Home Finance Limited	**195.98**	195.98
		Edelweiss Trusteeship Company Limited	**1.00**	1.00
		Edelweiss Global Wealth Management Limited	**790.01**	790.01
		ZUNO General Insurance Limited	**6,786.16**	5,136.16
		Edel Finance Company Limited	**9,871.55**	7,871.55
		Nuvama Wealth Management Limited	**23,531.82**	124.52
		Edelweiss Asset Reconstruction Company Limited	**-**	448.64
		Edelweiss Securities And Investments Private Limited	**4,072.99**	4,072.99
		Edelweiss Alternative Asset Advisors Pte. Limited	**-**	1,025.86
2	**Investments in Preference shares of**	Edel Finance Company Limited	**1,650.00**	1,650.00
3	**Gratuity Payable to**	Nuvama Wealth Management Limited	**-**	0.33
		Nuvama Wealth Finance Limited	**-**	0.44
		Edelweiss Alternative Asset Advisors Limited	**0.00**	0.00
		Edelweiss Asset Reconstruction Company Limited	**0.42**	0.42
		ECL Finance Limited	**-**	1.79

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

(H) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
4	**Gratuity Receivable from**	Edelweiss Rural & Corporate Services Limited	**-**	2.80
5	**ESOP Charges Payable to**	Nuvama Wealth Management Limited	**-**	29.70
		Nuvama Wealth and Investment Limited	**-**	0.87
		Edelweiss Alternative Asset Advisors Limited	**0.33**	15.98
		Edelweiss Tokio Life Insurance Company Limited	**-**	0.96
		Edelcap Securities Limited	**7.39**	4.58
		Edelweiss Rural & Corporate Services Limited	**1.63**	-
		Edelweiss Asset Reconstruction Company Limited	**0.08**	-
		Edelweiss Alternative Asset Advisors Pte. Limited	**2.11**	-
		ECL Finance Limited	**0.71**	-
6	**ESOP Charges Receivable from**	Nuvama Wealth Finance Limited	**-**	1.04
		Edelweiss Rural & Corporate Services Limited	**0.62**	1.17
		Edelweiss Asset Management Limited	**2.54**	1.85
		ECL Finance Limited	**6.73**	6.54
		Edelweiss Alternative Asset Advisors Limited	**9.27**	-
		Nuvama Clearing Services Limited	**-**	3.66
		Edelweiss Tokio Life Insurance Company Limited	**3.22**	-
		Edelweiss Asset Reconstruction Company Limited	**5.17**	3.34
		ZUNO General Insurance Limited	**2.13**	1.91
		Nuvama Asset Management Limited	**-**	2.36
		Nuvama Custodial Services Limited	**-**	0.22
		Edelweiss Alternative Asset Advisors Pte. Limited	**-**	0.10
		Edelweiss Retail Finance Limited	**0.33**	0.66
		Nuvama Investment Advisors Private Limited	**-**	0.65
		Nuvama Financial Services Inc.	**-**	0.06
		Ecap Equities Limited	**14.03**	2.74
		Edel Investments Limited	**0.01**	1.44
		NIDO Home Finance Limited	**1.47**	0.67
		Edelweiss International (Singapore) Pte. Limited	**0.11**	0.07

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

(H) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
7	**Accrued interest on loans given to**	Edelweiss Rural & Corporate Services Limited	**50.63**	244.11
		Edel Finance Company Limited	**152.73**	41.65
		ECL Finance Limited	**3.36**	-
		Edelweiss Global Wealth Management Limited	**-**	2.87
		Ecap Equities Limited	**56.99**	30.59
		Edelweiss Securities And Investments Private Limited	**5.36**	3.00
		Edelweiss Investment Adviser Limited	**32.66**	-
		Edelweiss Alternative Asset Advisors Limited	**0.60**	-
		Edel Investments Limited	**1.49**	-
8	**Long Term Loan given to**	Edelweiss Rural & Corporate Services Limited	**4,100.00**	9,270.00
		Ecap Equities Limited	**2,050.00**	2,050.00
		Edel Finance Company Limited	**11,389.53**	8,051.20
		Edelweiss Securities And Investments Private Limited	**4,500.00**	1,446.50
		Edelweiss Investment Adviser Limited	**1,589.90**	-
9	**Short Term Loan given to**	Edelweiss Global Wealth Management Limited	**-**	488.36
		Ecap Equities Limited	**5,094.22**	6.04
		Edel Finance Company Limited	**-**	4.10
		Edelweiss Rural & Corporate Services Limited	**-**	69.23
10	**NCD held by**	Ecap Equities Limited	**33.29**	-
		Edelweiss Tokio Life Insurance Company Limited	**1,260.80**	-
11	**Trade payable to**	Nuvama Financial Services Inc.	**-**	0.21
		NIDO Home Finance Limited	**9.65**	19.57
		ECL Finance Limited	**1,989.36**	772.01
		Edelweiss Retail Finance Limited	**23.46**	6.39
		Nuvama Wealth Management Limited	**-**	1.53
		Nuvama Wealth and Investment Limited	**-**	1.72

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

(H) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
		EdelGive Foundation	**0.00**	0.00
		Edelweiss Alternative Asset Advisors Limited	**-**	72.69
		Edelweiss Asset Reconstruction Company Limited	**19.21**	16.42
		Nuvama Clearing Services Limited	**-**	1.78
		Edelweiss Rural & Corporate Services Limited	**14.14**	8.40
		Edelweiss Securities And Investments Private Limited	**0.25**	0.23
		Edelweiss Alternative Asset Advisors Pte. Limited	**-**	2.42
		Edel Finance Company Limited	**0.00**	-
		Ecap Equities Limited	**0.50**	
12	**Trade receivable from**	Edelweiss Tokio Life Insurance Company Limited	**37.48**	7.31
		Edelcap Securities Limited	**0.08**	0.83
		Edel Finance Company Limited	**0.13**	0.09
		Edelweiss Asset Management Limited	**0.02**	0.01
		Edelweiss Asset Reconstruction Company Limited	**4.86**	-
		Nuvama Wealth Finance Limited	**-**	0.14
		Edelweiss Alternative Asset Advisors Limited	**0.07**	-
		Ecap Equities Limited	**0.41**	0.42
		ZUNO General Insurance Limited	**6.89**	6.71
		Edel Investments Limited	**-**	0.85
		Nuvama Investment Advisors (Hongkong) Private Limited	**-**	0.00
		Nuvama Financial Services (UK) Limited	**-**	0.02
		Nuvama Investment Advisors Private Limited	**-**	0.05
		Edelweiss Rural & Corporate Services Limited	**0.00**	-
		Edelweiss Investment Adviser Limited	**0.05**	0.01
		Edelweiss International (Singapore) Pte. Limited	**0.07**	0.07
		EAAA LLC	**-**	0.01

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

34 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

(H) Transactions and balances with Related Parties: (Continued)

Sr. No.	Nature of Transaction	Related Party Name	31-Mar-23	31-Mar-22
		Edelweiss Securities And Investments Private Limited	**0.02**	-
		ECL Finance Limited	**85.29**	-
		Edelweiss Retail Finance Limited	**0.41**	-
		NIDO Home Finance Limited	**0.16**	-
13	**Margin placed with broker**	Nuvama Clearing Services Limited	**-**	0.47
		Nuvama Wealth Management Limited	**-**	0.06
14	**Risk and Reward undertaking**	Edelweiss Retail Finance Limited	**702.32**	1,102.84
		NIDO Home Finance Limited	**1,915.98**	2,299.55
		ECL Finance Limited	**32,880.84**	42,906.27
15	**Guarantee given on behalf of Group Company**	Nuvama Clearing Services Limited	**-**	8,950.00
		Ecap Equities Limited	**6,523.30**	1,209.10
		Edelweiss Asset Reconstruction Company Limited	**16,575.40**	18,782.40
		Edel Finance Company Limited	**470.00**	470.00
		Nuvama Wealth Finance Limited	**-**	139.77
		NIDO Home Finance Limited	**917.10**	1,324.40
		Edelweiss Investment Adviser Limited	**3,284.89**	1,830.00
		ECL Finance Limited	**1,200.00**	1,625.00
		Edelweiss Alternative Asset Advisors Limited	**-**	550.00

0.00 indicates amounts less than ₹ 0.01 million.

Notes:

1 Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and provision made for bonus which are provided for group of employees on an overall basis.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

35. Capital management

The Company manages the capital structure by a balanced mix of debt and equity. The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The Company maintains sound capitalisation both from an economic and regulatory perspective. The Company continuously monitors and adjusts overall capital demand and supply in an effort to achieve an appropriate balance of the economic and regulatory considerations at all times and from all perspectives. These perspectives include specific capital requirements from rating agencies.

Capital structure includes infusion in the form of equity and structured debt from strategic business partners in certain of Company's subsidiaries to fund expansion and assist in achieving expected growth in the competitive market.

No changes were made in the objectives, policies or processes during the financial years ended 31 March 2023 and 31 March 2022.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment. Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

Particulars	As at 31 March 2023	As at 31 March 2022
Total Debt	**25,886.54**	24,322.12
Equity	**72,552.63**	50,002.16
Debt to Equity	**0.36**	**0.49**

Total Debt = Debt securities

36. Disclosure of loans and advances given pursuant to requirements of Regulation 34(3) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.

Entity	31 March 2023		31 March 2022	
	Loan outstanding	Maximum amount outstanding during the year*	Loan outstanding	Maximum amount outstanding during the year
Edelweiss Rural and Corporate Services Limited	**4,150.63**	**10,929.23**	9,583.35	22,885.95
Nuvama Wealth Finance Limited	**-**	**-**	-	3,355.00
ECL Finance Limited	**3.36**	**1,300.00**	-	4,000.00
Edelweiss Global Wealth Management Limited	**-**	**488.36**	491.23	651.50
Ecap Equities Limited	**7,201.21**	**7,338.19**	2,086.62	6,193.89
Edel Finance Company Limited	**11,542.26**	**14,638.30**	8,096.94	8,055.30
Edelweiss Investment Adviser Limited	**1,622.56**	**3,828.10**	-	-
Edelweiss Alternative Asset Advisors Limited	**0.60**	**220.00**	-	-
Edel Investments Limited	**1.49**	**1,100.00**	-	-
Edelweiss Securities And Investments Private Limited	**4,505.36**	**4,500.00**	1,449.50	2,296.50

All the above loans have maturity of 0-3 years as per contracted terms.

* Maximum amount outstanding during the year represents principle outstanding.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

37. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans

Edelweiss Financial Services Limited ("EFSL" hereafter), has recognised share based payment expenses for the years ended 31 March 2023 and 31 March 2022 based on fair value as on the grant date calculated as per option pricing model. The grants represent equity-settled options under the Employee Stock Option Plans and Stock Appreciation Rights Plans (hereafter referred to as, "ESOP 2011" and "SAR 2019" or "ESOPs" "SARs").

The Edelweiss Group has granted ESOPs under the two plans viz., ESOP 2011 & SAR 2019 to its employees on an equity-settled basis as tabulated below. The ESOPs/SARs provide a right to its holders (i.e., Edelweiss group employees) to purchase one EFSL share for each option at a pre-determined strike price on the expiry of the vesting period. The ESOP/SAR hence represents an European call option that provides a right but not an obligation to the employees of the Edelweiss group to exercise the option by paying the strike price at any time on completion of the vesting period, subject to an outer boundary on the exercise period.

EFSL has granted stock options to employees of the Edelweiss group on an equity-settled basis as tabulated below.

Particulars	SAR 2019	ESOP 2011
Dates of grant	Varying	Varying
Option Type	Equity settled	Equity settled
No. of outstanding options at 31 March 2023*	8,057,420	4,592,500
No. of outstanding options at 31 March 2022	10,914,200	7,182,488
No. of Equity shares represented by an option	1 share for 1 option	1 share for 1 option
Fair Value per option	Varies as per the grant date	Varies as per the grant date
Exercise Price	Varies as per the grant date	Varies as per the grant date
Vesting Period	2-6 years	1-4 years
Vesting Conditions	Service	Service

* Includes, SAR 2019 3,45,050, ESOP Nil (Previous year SAR 2019 345,050, ESOP Nil) approved but not granted.

The vesting of options is subject to the employee's continued employment with the Edelweiss group. The ESOPs shall vest as follows:

Particulars	SAR 2019	ESOP 2011
Duration from grant date	% options vesting	% options vesting
12 months from the grant date	-	25.00%
24 months from the grant date	33.33%	25.00%
36 months from the grant date	-	25.00%
48 months from the grant date	33.33%	25.00%
72 months from the grant date	33.34%	-
Total	**100.00%**	**100.00%**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

37. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (Continued)

Plan description

Plan Name	Grant Date	Vesting Conditions	Term of Options	Payout
ESOP Plan 2011	Various	As specified in tables above	1-4 years	Equity settled
SAR Plan 2019	Various	As specified in tables above	2-6 years	Equity settled

Movement of number of Options for FY 2022-23 and 2021-22

Number of options	2022-23			2021-22		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Outstanding at the start of the year	**10,914,200**	**7,182,488**	**18,096,688**	16,780,500	18,260,651	35,041,151
Granted during the year*	**-**	**-**	**-**	-	-	-
Exercised during the year	**(1,034,220)**	**(25,000)**	**(1,059,220)**	-	(6,627,263)	(6,627,263)
Lapsed/ cancelled during the year	**(1,822,560)**	**(2,564,988)**	**(4,387,548)**	(5,866,300)	(4,450,900)	(10,317,200)
Outstanding at the end of the year*	**8,057,420**	**4,592,500**	**12,649,920**	10,914,200	7,182,488	18,096,688
Exercisable at the end of the year	**-**	**3,263,050**	**3,263,050**	-	4,030,525	4,030,525

* Includes, SAR 2019 3,45,050, ESOP Nil (Previous year SAR 2019 3,45,050, ESOP Nil) approved but not granted.

Weighted Average Exercise Price for FY 2022-23 and 2021-22

Weighted Average Exercise Price (₹)	31 March 2023		31 March 2022	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Outstanding at the start of the year	**123.38**	**172.77**	132.90	132.00
Granted during the year			-	-
Exercised during the year	**61.00**	**60.75**	-	44.70
Lapsed/ cancelled during the year	**104.55**	**184.47**	150.57	196.21
Outstanding at the end of the year	**136.20**	**166.84**	123.38	172.77
Exercisable at the end of the year	**NA**	**187.44**	NA	191.57
Weighted Average Share price at the exercise date	**58.85**	**58.98**	NA	44.81

Outstanding Options as at March 31 - 2023 and 2022

	31 March 2023		31 March 2022	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options outstanding	**8,057,420**	**4,592,500**	10,914,200	7,182,488
Weighted average strike price (₹)	**136.20**	**166.84**	123.38	172.77
Weighted average remaining lifetime of options (in years)	**1.65**	**0.16**	2.33	0.39
Number of employees covered under the scheme	**122**	**166**	152	210

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

37. Share based payments: Employee Stock Option Plans and Stock Appreciation Rights Plans (Continued)

Options granted during FY 2022-23 and 2021-22

Particulars	31 March 2023		31 March 2022	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Number of options granted	-	-	-	-
Weighted average strike price (in ₹)	NA	NA	NA	NA
Weighted average remaining lifetime of options (in years)	NA	NA	NA	NA
Number of employees covered under the scheme	NA	NA	NA	NA
Weighted Average Fair value per option (in ₹)	NA	NA	NA	NA
Weighted Average Intrinsic value per option (in ₹)	NA	NA	NA	NA

Assumptions for Fair Value for FY 2022-23 and 2021-22

Particulars	31 March 2023		31 March 2022	
	SAR 2019	ESOP 2011	SAR 2019	ESOP 2011
Weighted average share price (in ₹)	136.33	169.52	123.12	175.10
Weighted average strike price (in ₹)	136.20	166.84	123.38	172.77
Weighted average remaining lifetime of options (in years)	1.65	0.16	2.33	0.39
Expected volatility (% p.a.)	56% p.a. - 72% p.a.	41% p.a. - 72% p.a.	56% p.a. - 72% p.a.	35% p.a. - 72% p.a.
Risk-free discount rate (% p.a.)	5.1% p.a. - 6.9% p.a.	4.3% p.a. - 7.8% p.a.	4.3% p.a. - 6.9% p.a.	4.3% p.a. - 7.8% p.a.
Expected dividend yield (% p.a.)	0.7% p.a. - 2.4% p.a.	0.4% p.a. - 2.4% p.a.	0.7% p.a. - 2.4% p.a.	0.4% p.a. - 2.4% p.a.

Other Disclosure

Particulars	31 March 2023			31 March 2022		
	SAR 2019	ESOP 2011	Total	SAR 2019	ESOP 2011	Total
Charges during the year due to share based payments	10.71	3.52	14.23	12.89	10.08	22.97
Changes in fair value of share based payments due to any modifications made during the year	-	-	-	-	-	-
Liability due for share based payments	343.65	355.07	698.72	264.88	496.70	761.58
Intrinsic value of the liability above	4.83	20.36	25.19	2.50	16.06	18.56

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

38. Risk Management

The Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

Risk management strategy:

The strategy at an execution level is supported by -

1. Three tiered risk management structure to manage and oversee risks
2. Board and Executive Level Committees to review and approve risk exposures
3. Risk Management framework to ensure each risk the Company is exposed to is given due importance and managed through a well-defined framework and guidelines
4. Well-defined Standard Operating Procedures and Product approval framework to ensure risks are mitigated at operational level
5. Adequate segregation of duties to ensure multi-layered checks and balances
6. Exception reporting framework to ensure process and policy deviations are adequately addressed

Risk management structure:

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has appointed the Risk Committee which is responsible for monitoring the overall risk process within the Company and reports to the Audit Committee.

The Risk Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits.

The Company is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Company works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Credit risk

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial /contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. The Company's lending activities is restricted to only its subsidiaries within the Edelweiss Group, the Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. Credit risk is monitored using various internal risk management measures and within limits approved by the board within a framework of delegated authorities. It is managed through a robust risk control framework, which outlines clear and consistent policies, principles and guidance for risk managers. Presently Company has credit exposure only to it's subsidiaries where adequate control and monitoring is ensured.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

38. Risk Management (Continued)

Liquidity risk

Liquidity risk emanates from the possible mismatches due to differences in maturity and repayment profile of assets and liabilities. To avoid such a scenario, the Company has maintained cash reserves in the form of Fixed Deposits, Cash, Loans which are callable any time at the Company's discretion, etc. These assets carry minimal credit risk and can be liquidated. These would be to take care of immediate obligations while continuing to honour commitments as a going concern.

Analysis of financial assets and liabilities by remaining contractual maturities

The table below at note number 41 summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31 March. All OTC derivatives used for hedging are shown by maturity, based on their contractual undiscounted payment obligations. All exchange traded derivatives held for trading are analysed based on expected maturity.

Market Risk:

Market risk is the risk which can affect the Company's performance due to adverse movements in market prices of instrument due to interest rates, equity prices, foreign exchange rates. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters.

Foreign exchange risk – Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's foreign exposure is limited to investments and loans to Group entities outside India. The Company aggregates the foreign exchange exposure emerging out of these loans/investments and the same is hedged using OTC and exchange traded derivatives. Positions are regularly monitored by the Company and rebalanced/ rolled over based on the inflow and outflow of funds. The Company don't have any foreign currency exposure as at March 31, 2023.

Currency	2022-23			
	Increase in currency rate (%)	Effect on profit before tax	Decrease in currency rate (%)	Effect on profit before tax
NA				

Currency	2021-22			
	Increase in currency rate (%)	Effect on profit before tax	Decrease in currency rate (%)	Effect on profit before tax
NA				

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

39. Fair Value Measurement

39.1 Valuation governance framework

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

39.2. Fair value hierarchy

Fair values of financial assets and liabilities are determined according to the following hierarchy.

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

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

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

39.3. Financial instruments measured at Amortised Cost :

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

Particulars	31-Mar-2023				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	**29,023.40**	**29,023.40**	**-**	**-**	**29,023.40**
Financial liabilities					
Debt securities	**25,886.54**	**25,886.54**	**22,366.27**	**3,520.27**	**-**

Particulars	31-Mar-2022				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Loans	21,703.81	23,086.52	-	-	23,086.52
Financial liabilities					
Debt securities	24,322.12	24,576.46	20,728.18	3,848.28	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

39. Fair Value Measurement (Continued)

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

Particulars	As at 31 March 2023			
	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) - A	-	-	-	-
Investments				
Equity instruments	3.07	108.86	23,531.82	23,643.75
Total investments measured at fair value - B	3.07	108.86	23,531.82	23,643.75
Total financial assets measured at fair value on a recurring basis	3.07	108.86	23,531.82	23,643.75

Particulars	As at 31 March 2022			
	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				
Equity instruments	2.89	89.25	-	92.14
Total investments measured at fair value	2.89	89.25	-	92.14
Total financial assets measured at fair value on a recurring basis	2.89	89.25	-	92.14

39.5. Movement in level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value.

Particulars	Financial assets
	Equity instruments at FVTPL
As at 31-Mar-2022	-
Transfer into level 3	23,531.82
As at 31-Mar-2023	23,531.82

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

39. Fair Value Measurement (Continued)

39.6. Fair valuation principles :

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to formation that is considered to be more relevant and reliable.

39.7. Fair valuation techniques :

Equity instruments

The equity instruments which are actively traded on recognised stock exchanges are valued at readily available active prices on a regular basis. Such instruments are classified as Level 1. Equity instruments in non-listed entities are initially measured at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Such unlisted equity securities are classified at Level 2.

Derivatives:

The Company enters into certain derivative financial instruments primarily with banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly forward exchange contracts.

Exchange traded derivatives:

Company has entered into certain exchange-traded currency futures. The Company uses latest traded prices at the reporting date to value these derivatives and classifies these instruments as Level 1 in the hierarchy.

39.8. Transfer between Level 1 and level 2

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

39.9. Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data

As at 31 March 2023

Type of Financial Instruments	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input	Change in fair value because of increase in unobservable input	Decrease in the unobservable input	Change in fair value because of decrease in unobservable input
Investments in unquoted equity shares categorised at Level 3	Simple Average of discounted projected Cash Flows and Comparable Companies multiple	Fair value per share	₹ 2,238 per share	5%	1,176.59	5%	(1,176.59)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

40. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the effective interest rate. Issued debt reflect the contractual coupon amortisations.

Particulars	As at 31 March 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
(a) Cash and cash equivalents	**1,350.09**	**-**	**1,350.09**	4,619.34	-	4,619.34
(b) Bank balances other than cash and cash equivalents	**39.17**	**-**	**39.17**	539.08	-	539.08
(c) Trade Receivables	**305.64**	**-**	**305.64**	123.64	-	123.64
(d) Loans	**7,393.97**	**21,629.43**	**29,023.40**	886.11	20,817.70	21,703.81
(e) Investments	**111.93**	**71,988.77**	**72,100.70**	92.14	49,540.49	49,632.63
(f) Other financial assets	**58.71**	**141.18**	**199.89**	667.10	248.54	915.64
Total financial assets (A)	**9,259.51**	**93,759.38**	**103,018.89**	**6,927.41**	**70,606.73**	**77,534.14**
Non-financial assets						
(a) Current tax assets (net)	**-**	**1,143.22**	**1,143.22**	-	951.08	951.08
(b) Deferred tax assets (net)	**-**	**1,895.05**	**1,895.05**	-	1,159.14	1,159.14
(c) Property, Plant and Equipment	**-**	**10.34**	**10.34**	-	5.71	5.71
(d) Other Intangible assets	**-**	**-**	**-**	-	0.83	0.83
(e) Other non- financial assets	**80.19**	**1,038.17**	**1,118.36**	-	769.70	769.70
Total non-financial assets (B)	**80.19**	**4,086.78**	**4,166.96**	**-**	**2,886.46**	**2,886.46**
TOTAL ASSETS (C = A+B)	**9,339.70**	**97,846.16**	**107,185.86**	**6,927.41**	**73,493.19**	**80,420.60**

Particulars	As at 31 March 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES						
Financial liabilities						
(a) Trade Payables	**2,233.99**	**-**	**2,233.99**	952.15	-	952.15
(b) Debt securities	**3,847.02**	**22,039.52**	**25,886.54**	343.35	23,978.77	24,322.12
(c) Other financial liabilities	**1,120.26**	**5,360.19**	**6,480.45**	1,563.37	3,488.64	5,052.01
Total financial liabilities (D)	**7,201.27**	**27,399.71**	**34,600.98**	**2,858.87**	**27,467.41**	**30,326.28**
Non-financial liabilities						
(a) Current tax liabilities (net)	**-**	**7.86**	**7.86**	-	7.94	7.94
(b) Provisions	**9.31**	**-**	**9.31**	7.19	-	7.19
(c) Other non-financial liabilities	**15.08**	**-**	**15.08**	77.03	-	77.03
Total non-financial liabilities (E)	**24.39**	**7.86**	**32.25**	**84.22**	**7.94**	**92.16**
TOTAL LIABILITIES (F = D+E)	**7,225.66**	**27,407.57**	**34,633.23**	**2,943.09**	**27,475.35**	**30,418.44**
NET TOTAL ASSETS / (LIABILITIES) (C-F)	**2,114.04**	**70,438.59**	**72,552.63**	**3,984.32**	**46,017.84**	**50,002.16**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

41 Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities, financial assets, derivatives and financial commitments as at 31 March. All OTC derivatives used for hedging are shown by maturity, based on their contractual undiscounted payment obligations. All exchange traded derivatives held for trading are analysed based on expected maturity.

As at 31 March 2023

Non-derivative financial liabilities	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	2,233.99	-	-	-	-	2,233.99
Debt securities	156.74	78.96	3,611.32	11,743.46	10,296.06	25,886.54
Other financial liabilities	1,120.26	-	-	5,360.19	-	6,480.45
Total undiscounted non-derivative financial liabilities	3,510.99	78.96	3,611.32	17,103.65	10,296.06	34,600.98

Non-derivative financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	1,389.26	-	-	-	-	1,389.26
Trade receivables	305.64	-	-	-	-	305.64
Loans	7,393.97	-	-	21,629.43	-	29,023.40
Investments designated at fair value through profit or loss	111.93	-	-	-	71,988.77	72,100.70
Other financial assets	58.71	-	-	121.24	19.94	199.89
Total undiscounted non-derivative financial assets	9,259.51	-	-	21,750.67	72,008.71	103,018.89

Commitments	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Financial Guarantee and contracts issued	17,171.60	446.57	664.50	2,241.90	12,557.60	33,082.17

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

41 Analysis of financial liabilities, financial assets, derivatives and financial commitments by remaining contractual maturities (Continued)

As at 31 March 2022

Non-derivative financial liabilities	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	952.15	-	-	-	-	952.15
Debt securities	143.85	86.19	113.31	14,062.35	9,916.42	24,322.12
Other financial liabilities	1,563.37			3,488.64		5,052.01
Total undiscounted non-derivative financial liabilities	**2,659.37**	**86.19**	**113.31**	**17,550.99**	**9,916.42**	**30,326.28**

Non-derivative financial assets	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	5,158.42	-	-	-	-	5,158.42
Trade receivables	123.64	-	-	-	-	123.64
Loans	886.11	-	-	20,817.70		21,703.81
Investments at fair value through profit or loss	92.14	-	-	-	49,540.49	49,632.63
Other financial assets	76.44	-	590.66	248.54		915.64
Total undiscounted non-derivative financial assets	**6,336.75**	**-**	**590.66**	**21,066.24**	**49,540.49**	**77,534.14**

Commitments	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Financial Guarantee and contracts issued	10,796.00	2,504.90	16.60	15,830.27	5,732.90	34,880.67

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

42 Total market risk exposure

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

Particulars	As at 31 March 2023			As at 31 March 2022		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets						
Cash and cash equivalent and other bank balances	**1,389.26**	**-**	**1,389.26**	5,158.42	-	5,158.42
Trade receivables	**305.64**	**-**	**305.64**	123.64	-	123.64
Loans at amortised cost	**29,023.40**	**-**	**29,023.40**	21,703.81	-	21,703.81
Financial investments– FVTPL	**23,643.75**	**111.93**	**23,531.82**	92.14	92.14	-
Financial investments– at cost	**48,456.95**	**-**	**48,456.95**	49,540.49	-	49,540.49
Other Financial assets	**199.89**	**-**	**199.89**	915.64	-	915.64
Total	**103,018.89**	**111.93**	**102,906.96**	**77,534.14**	**92.14**	**77,442.00**
Liability						
Debt securities	**25,886.54**	**-**	**25,886.54**	24,322.12	-	24,322.12
Trade payables	**2,233.99**	**-**	**2,233.99**	952.15	-	952.15
Other financial liabilities	**6,480.45**	**-**	**6,480.45**	5,052.01	-	5,052.01
Total	**34,600.98**	**-**	**34,600.98**	**30,326.28**	**-**	**30,326.28**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

43 Disclosure related to collateral

Following table sets out availability of Company assets to support funding

As at 31 March 2023	Pledge as collateral	Available as collateral	Total carrying amount
Cash and cash equivalent including bank balance	**30.87**	**1,358.39**	**1,389.26**
Trade receivables	**305.64**	**-**	**305.64**
Loans	**15,739.10**	**13,284.30**	**29,023.40**
Investments	**1,712.41**	**70,388.29**	**72,100.70**
Other financial assets	**-**	**78.65**	**78.65**
Property, plant and equipment	**-**	**10.34**	**10.34**
Other non financial assets	**-**	**1,118.36**	**1,118.36**
Total assets	**17,788.02**	**86,238.33**	**104,026.35**

As at 31 March 2022	Pledge as collateral	Available as collateral	Total carrying amount
Cash and cash equivalent including bank balance	30.00	4,884.05	4,914.05
Trade receivables	123.64	-	123.64
Loans	15,729.71	5,974.10	21,703.81
Investments	2,285.56	47,347.07	49,632.63
Other financial assets	-	667.10	667.10
Property, plant and equipment	-	5.71	5.71
Other non financial assets	-	769.70	769.70
Total assets	**18,168.91**	**59,647.73**	**77,816.64**

44 Analysis of risk concentration

Industry analysis - risk concentration

As at 31 March 2023	Financial services	Others	Total
Financial assets			
Cash and cash equivalent and other bank balances	**1,389.26**	**-**	**1,389.26**
Trade receivables	**305.64**	**-**	**305.64**
Loans	**29,023.40**	**-**	**29,023.40**
Investments	**72,100.70**	**-**	**72,100.70**
Other financial assets	**199.89**	**-**	**199.89**
Total assets	**103,018.89**	**-**	**103,018.89**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

44 Analysis of risk concentration (Continued)

Industry analysis - risk concentration (Continued)

As at 31 March 2022	Financial services	Others	Total
Financial assets			
Cash and cash equivalent and other bank balances	5,158.42	-	5,158.42
Trade receivables	123.64	-	123.64
Loans	21,703.81	-	21,703.81
Investments	49,632.63	-	49,632.63
Other financial assets	915.64	-	915.64
Total assets	**77,534.14**	**-**	**77,534.14**

45. Events after reporting date

The Company has evaluated all events that occur after balance sheet date through the date when the financial statements were issued to determine if they must be reported. The management of the Company determined that there were no reportable subsequent events except as disclosed in Note 60.

46. Details of Benami Property held

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

47. Where the Company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose the following:-

The Company has been sanctioned working capital limits from bank during the F.Y 2022 on the basis of security of current assets of the Company. The Company had closed the sanctioned workings capital limit within a month and accordingly was not required to file any return/statement with the bank. During the previous year the Company had availed overdraft facility from one Bank and pursuant to confirmation received from the said bank, there was no requirement to file any return/statement with the bank. There is no such working capital limits sanctioned during F.Y 2023 by bank to the Company.

48. Wilful Defaulter

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 ***(Continued)***

(Currency : Indian rupees in millions)

49. Relationship with Struck off Companies

Where the company has any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, the Company shall disclose the following details, namely:-

As at 31-March-2023

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any,to be disclosed
Marvel Limited	**Commission Income**	**-**	**None**
Four Seasons Hotel	**Professional Fees**	**-**	**None**
Anahat Organisation Development Consultancy Pvt Ltd	**Professional Fees**	**-**	**None**
Shams Cable Network	**Office Expense**	**-**	**None**

As at 31-March-2022

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Provenance Land Private Limited	Business Promotions	-	None
Aakanksha Leasing And Services Private Ltd	Commission and Brokerage Expense	-	None
Br Wealth Advisors Private Limited	Commission and Brokerage Expense	-	None

0.00 indicates amounts less than ₹ 0.01 million

50. Registration of charges or satisfaction with Registrar of Companies (ROC)

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

51. Utilisation of Borrowed funds and share premium:

A) During the year, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall, other than as disclosed in note (1) below:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries

Note (1)

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

As at 31-March-2023

S. No.	Name of Intermediary	Nature	Date	Rupees in millions	Name of Company in which investment done by Intermediary	Nature	Date	Rupees in millions	Remarks
1	Ecap Equities Limited(Ecap Eq)	**Loan Given**	**04-Apr-22**	**2,300.00**	**Edelweiss Rural & Corporate Services Limited (ERCSL)**	**Non convertible Debenture**	**04-Apr-22**	**2,300.00**	**Ecap Eq and ERCSL are subsidiary of EFSL.**
2	Edelweiss Rural & Corporate Services Limited (ERCSL)	**Loan Given**	**28-Dec-22**	**960.00**	**India Credit Investment Fund II (ICIF II)**	**Units of Funds**	**28-Dec-22**	**957.09**	**ERCSL is subsidiary of EFSL and ICIF II investments are held through ERCSL.**
3	Edelweiss Rural & Corporate Services Limited (ERCSL)	**Loan Given**	**Various Dates**	**2,120.00**	**Edel Finance Company Limited (EFCL)**	**Loan Given**	**24-Jun-22**	**2,120.00**	**ERCSL and EFCL are subsidiary of EFSL.**
4	Edelweiss Rural & Corporate Services Limited (ERCSL)	**Loan Given**	**Various Dates**	**1,750.00**	**Edelweiss Retail Finance Limited (ERFL)**	**Loan Given**	**26-Dec-22**	**1,750.00**	**ERCSL and ERFL are subsidiary of EFSL.**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

51. Utilisation of Borrowed funds and share premium: (Continued)

As at 31-March-2023

S. No.	Name of Intermediary	Nature	Date	Rupees in millions	Name of Company in which investment done by Intermediary	Nature	Date	Rupees in millions	Remarks
5	Edelweiss Rural & Corporate Services Limited (ERCSL)	**Loan Given**	**Various Dates**	**2,148.00**	**Edelweiss Investment Advisors Limited (EIAL)**	**Loan Given**	**30-Dec-22**	**2,148.00**	**ERCSL and EIAL are subsidiary of EFSL.**
6	Edelweiss Rural & Corporate Services Limited (ERCSL)	**Loan Given**	**Various Dates**	**200.00**	**Ecap Equities Limited (Ecap Eq)**	**Loan Given**	**Various Dates**	**200.00**	**ERCSL and Ecap Eq are subsidiary of EFSL.**
7	Ecap Equities Limited(Ecap Eq)	**Loan Given**	**01-Mar-23**	**830.00**	**Edelweiss Securities And Investments Private Limited(ESIPL)**	**Loan Given**	**01-Mar-23**	**830.00**	**Ecap Eq and ESIPL are subsidiary of EFSL.**
8	Ecap Equities Limited(Ecap Eq)	**Loan Given**	**17-Mar-23**	**650.00**	**Edel Investment Limited (EIL)**	**Compulsorily Convertible Debenture Infusion**	**17-Mar-23**	**650.00**	**Ecap Eq is wholly owned subsidiary of EFSL and EIL is wholly owned subsidiary of Ecap Eq.**
9	Edelweiss Securities And Investments Private Limited(ESIPL)	**Loan Given**	**28-Mar-23**	**2,300.00**	**Edelweiss Alternative Asset Advisors Limited (EAAA)**	**Compulsorily Convertible Debenture**	**28-Mar-23**	**2,300.00**	**ESIPL is wholly owned subsidiary of EFSL. As per Group restructuring plan, ESIPL will be holding Company for EAAA.**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

51. Utilisation of Borrowed funds and share premium: (Continued)

As at 31-March-2022

S. No.	Name of Intermediary	Nature	Date	Rupees in millions	Name of Company in which investment done by Intermediary	Nature	Date	Rupees in millions	Remarks
1	Edelweiss Securities And Investments Private Limited (ESIPL)	Loan Given	28-Mar-22	846.50	Edel Finance Company Limited (Edel Finance)	Investment in Equity	28-Mar-22	846.50	1) ESIPL is wholly owned subsidiary of EFSL. As per Group restructuring plan, ESIPL will be holding Company for Asset Reconstruction Business.
2	Edelweiss Securities And Investments Private Limited (ESIPL)	Loan Given	28-Mar-22	1,450.00	Edelweiss Rural & Corporate Services Limited (ERCSL)	Investment in Equity	28-Mar-22	1,450.00	2) ESIPL has purchased equity shares of Edelweiss Asset Reconstruction Company Limited (EARC) from Edel finance and ERCSL. 3) During the year, ESIPL has repaid ₹ 850 million to Edelweiss Financial Services Limited (EFSL) and Closing Balance as at 31 March 2022 is ₹ 1,447 million.
3	Edelweiss Rural & Corporate Services Limited (ERCSL)	Loan Given	Various dates	5,714	Edelweiss Investment Adviser Limited (EIAL)	Loan Given	Various dates	5,713.55	ERCSL and EIAL is wholly owned subsidiary of Edelweiss Financial Services Limited.
4	Edelweiss Rural & Corporate Services Limited	Loan Given	Various dates	6,585	Edel Finance Company Limited (Edel Finance)	Loan Given	Various dates	6,585.00	1) ERCSL and Edel Finance Company Limited (Edel Finance) are wholly owned subsidiary of Edelweiss Financial Services Limited. 2) Edel finance has repaid ₹ 3,952.40 million back to ERCSL and ERCSL has also repaid the same back to EFSL.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

51. Utilisation of Borrowed funds and share premium: (Continued)

As at 31-March-2022

S. No.	Name of Intermediary	Nature	Date	Rupees in millions	Name of Company in which investment done by Intermediary	Nature	Date	Rupees in millions	Remarks
5	Edelweiss Rural & Corporate Services Limited	Loan Given	Various dates	8,200	ECL Finance Limited (ECL Finance)	Loan Given	21-Dec-21	8,200.00	1) ERCSL and ECL Finance are wholly owned subsidiary of EFSL. 2) ECl finance has repaid ₹ 7,420 million back to ERCSL and ERCSL has also repaid the same back to EFSL.
6	Edelweiss Rural & Corporate Services Limited	Loan Given	09-Jun-22	1,130	Edel Land Limited (Edel Land)	Loan Given	9-Jun-22	1,130.00	1) ERCSL and Edel Land are wholly owned subsidiary of EFSL. 2) Edel Land has repaid ₹ 1,130 million back to ERCSL and ERCSL has also repaid the same back to EFSL.

(B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall, other than as disclosed in note (2) below

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries

Note (2)

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

51. Utilisation of Borrowed funds and share premium: (Continued)

As at 31-March-2023

S. No.	Name of Lender	Nature	Date	Rupees in millions	Loan given	Nature	Date	Rupees in millions	Remarks
1						Nil			

As at 31-March-2022

S. No.	Name of Lender	Nature	Date	Rupees in millions	Loan given	Nature	Date	Rupees in millions	Remarks
1	Beacon Trustee (Various lenders)	NCD Borrowing	5-Oct-21	4,000	ECL finance	Loan given	6-Oct-21	4,000	1) As per agreement loan was taken by the Company, for the purpose of repayment of existing banking liabilities of ECL Finance. 2) During the year ECL finance has repaid ₹ 4,000 million to EFSL.

Note (3)

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

52. Undisclosed income

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

53. The Company Doesn't have any immovable properties whose title deeds are not held in name of the Company.

54. Loans and Advances

As at 31-March-2023

Type of Borrowers	Amount of loan or advance in the nature of loan outstanding	Aggregate amount of loans/ advances in nature of loans	Percentage to the total Loans and Advances in the nature of loans*
Promoters	-	-	-
Directors	-	-	-
KMPs	-	-	-
Related Parties	-	-	-

* Percentage of aggregate loans granted during the year

As at 31-March-2022

Type of Borrowers	Amount of loan or advance in the nature of loan outstanding	Aggregate amount of loans/ advances in nature of loans	Percentage to the total Loans and Advances in the nature of loans*
Promoters	-	-	-
Directors	-	-	-
KMPs	-	-	-
Related Parties	-	-	-

* Percentage of aggregate loans granted during the year

The Company has granted loans or advances to Group companies in the nature of loans, without specifying period of repayment of principal to companies. However, during the year the Company has executed supplementary agreement with all such Group companies to stipulate the schedule for repayment of principal. The repayment of principal as per supplementary agreement is not due on these loans. Of these following are the details of the aggregate amount of loans or advances in the nature of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

55. The Board of Directors at their meeting held on 26 May 2023, have recommended a final dividend of ₹ 1.25 per equity share (on face value of ₹ 1 per equity share), subject to the approval of the members at the ensuing Annual General Meeting.

56. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact if any, and account for the same once the rules are notified and become effective.

57.1 During the year ended 31 March 2023, two subsidiaries of the Company had sold certain financial assets amounting to ₹ 16,718.90 million (net of provisions) to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 5,227.20 million from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from these subsidiaries' financial results. The Company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognized in the subsidiaries' financial results. Based on assessment of probability of default, loss given default in respect of these financial assets (i.e. sold during the year ended March 31, 2023 and in earlier years) and in light of various factors viz. exposures to certain sectors and assessment of credit and market risks for certain counter parties relative to such risks at initial recognition, the Company has recorded fair value loss of ₹ 3,786.01 million (net) for year ended and is included in "Net gain / (loss) on fair value changes.

During the previous year ended 31 March 2022, three subsidiaries of the Company had sold certain financial assets amounting to ₹ 1,675.60 million and ₹ 11,424.10 million respectively (net of provisions) to various asset reconstructions company trusts ('ARC Trusts') and acquired security receipts (SR) amounting to ₹ 1,424.40 million and ₹ 9,455.70 million respectively from these ARC Trusts. Ind AS 109 – 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all risks and rewards to be transferred for the purpose of de-recognition of such financial assets from these subsidiaries' financial statement. The Company had undertaken substantially all risks and rewards in respect of such financial assets. As a result, these financial assets were de-recognized in subsidiaries' financial statement. Based on assessment of probability of default, loss given default in respect of these financial assets and in light of various factors viz. exposures to certain sectors and assessment of credit and market risks for certain counter parties relative to such risks at initial recognition, the company has recorded fair value gain of ₹ 921.14 million (net) for the year ended respectively and is included in "Net gain on fair value changes".

57.2 During the previous year ended 31 March 2022, certain assets amounting to ₹ 2,720.00 million were sold to alternative assets funds by the subsidiary NBFCs. The Company has, vide a put agreement dated 04 February 2022, has guaranteed / undertaken to purchase these financial assets amounting to ₹ 2,720.00 million on occurrence of certain trigger event as per the agreement.

58. Pursuant to amendments in risk and rewards agreement between the subsidiaries and the Company (as mentioned in note above), with effect from 01 January 2021, fees payable on security receipts (ARC management Fee) has been agreed to be borne by the Company, as the risk and rewards are undertaken by the Company. Accordingly, an amount of ₹ 2,099.80 million (Previous year: ₹ 2,166.33 million) towards such expenses have been recorded by the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

59.1 The Company had amended its risk and rewards agreement with subsidiaries ECL Finance Limited (ECLF), NIDO Home Finance Limited (NHFL) and Edelweiss Retail & Finance Limited (ERFL), with effect from 01 January 2021, and agreed to bear fees payable on security receipts (ARC Fee), as the risk and rewards are undertaken / assumed by the Company. The said agreement has been extended with effect from 31 December 2022, and accordingly, an amount of ₹ 1,139.24 millions has been recorded by the Company towards such expenses for the year ended 31 March 2023.

59.2 Under the Shareholders' Agreement dated 05 March 2019, entered between Edelweiss Financial Services Limited (EFSL), CDPQ Private Equity Asia PTE. Limited (CDPQ) and ECL Finance Limited (together referred as Parties), EFSL had agreed, pursuant to clause 8.1 & 8.2 to make equity investment of an amount equivalent to the amount of losses on Select real estate/structured finance Loans (Select Loans) into ECL Finance Limited within six months of the default leading to loss incurred by the ECL Finance Limited on or before the date of the conversion of the Investor CCDs into Equity Shares. The rationale for this undertaking was to keep the total equity/net worth of ECL Finance Limited unimpacted on account of impairment in these loan accounts. During the year ended 31 March 2023, Parties have agreed and concluded that loss event for three of the borrowers in the Select Loans have crystalized and hence, EFSL has agreed to make good the loss amounting to ₹ 1,295.20 million incurred by ECL Finance Limited in earlier years. Accordingly, EFSL has recorded such loss in its profit and loss for the year ended 31 March 2023. The Parties have agreed that no loss event has been crystalized in respect of other Select Loans amounts mentioned in above said clauses of the agreement and hence there is no obligation of EFSL.

60. The Board of Directors of the Company at its meeting held on 13 May 2022, had approved the Scheme of arrangement between Edelweiss Financial Services Limited ('EFSL') and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) ('NWML') and their respective shareholders and creditors, under section 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013, which inter-alia envisaged demerger of Wealth Management Business Undertaking ('Demerged Undertaking' as defined in the Scheme) of EFSL into the NWML. The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned Scheme vide its order dated 27 April 2023 under the applicable provisions of the Companies Act, 2013. Certified copy of the said order of the Tribunal was received by the Company on 12 May 2023 and filed with the Registrar of Companies on 18 May 2023. The Scheme came into the effect from 18 May 2023. As per the Scheme, the Appointed Date of the Scheme is 18 May 2023.

61. The Company's subsidiary ECL Finance Limited ('ECLF') has received the inspection report dated 12 January 2023 from Reserve Bank of India ('RBI') for the Financial Year 2021-22. The RBI in its inspection report has inter alia raised matter relating to the sharing of fair value gains of ₹ 1,994.10 million between the ECLF and the Company. This pertains to exposure towards certain borrowers that are covered under the Shareholders' agreement between the Company, ECLF and an investor and the Risks & Rewards sharing agreement between the Company and ECLF. ECLF has provided its justifications for recording such fair value gains in its financial statements to RBI. Further, ECLF has informed to its Board of Directors in its meeting dated 24 January 2023 that recording and sharing of such fair value gains between the Company and ECLF is in accordance with agreements referred above.In the month of April 2023, the ECLF submitted a detailed reply along with calculations, rationale for recognising such fair value gain and amended the Risk & Rewards sharing agreement with the Company. Further, the ECLF has sold/received redemption against such security receipts as on 31 March 2023. Accordingly, there is no impact of this observation on financial statements as on 31 March 2023.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

62. During the year ended 31 March 2023, an investor has invested in Security receipts issued by ARC trusts as senior class investor in such trusts amounting to ₹12,000 million. These pertain to certain loans and security receipts sold by one of the subsidiary company, ECL Finance Limited to the ARC trusts. EFSL and another subsidiary company, Edelweiss Securities and Investments Private Limited ("ESIPL") have provided a Put option to the investor assuring to pay or guarantee the payment of agreed aggregated total pay-out value after reducing any payment to investors from underlying assets during the period i.e., amount invested along with a minimum guaranteed return as per the agreement. Further, based on management assessment and given current estimates/cash flows from underlying assets, the likelihood of any payment to investor is considered as remote.

63 The Income Tax Authorities ("the Department") had conducted a search under section 132 of the Income Tax Act, 1961 on the premises of the Company during March 2023. The Company had provided the requisite details which were sought by the income tax authorities during the course of the search. Subsequently, the Company has received summons under section 131 (1A) of the Income Tax Act, 1961 seeking certain data/information, which the Company is in the process of responding. The Company confirms that neither the Department has raised any tax demand nor the Company has admitted any tax liability. Further, no proceeding or assessment orders have been issued post the search conducted by the Department. While uncertainty exists regarding the outcome of the proceedings by the Department, the Company is extending its full cooperation with the concerned income tax authorities and based on current internal assessment, management is of the view that this will not have any impact on the financial statement for the year ended 31 March 2023.

64. The Company has complied with the Rule 3 of Companies (Accounts) Rules, 2014 amended on August 5,2022 relating to maintenance of electronic books of account and other relevant books and papers. The Company's books of accounts and relevant books and papers are accessible in India at all times and backup of accounts and other relevant books and papers are maintained in electronic mode within India and kept in servers physically located in India on daily basis.

65. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and any of the previous financial years.

66. During the year ended 31 March 2023 employee benefits expense includes a reversal of bonus provision of ₹ 470 million. During the year ended 31 March 2022, employee benefits expense includes a reversal of long term incentive plan of ₹ 650.00 million and created additional bonus provision amounting to ₹ 731.00 million during the year ended 31 March 2022.

67. During the year ended 31 March 2023, other income includes gain amounting to ₹ 6,795.64 million (previous year ₹ 5,315.75 million) on sale of investments in its subsidiaries.(Namely Edelweiss Asset Reconstruction Company Limited, ECL Finance Limited, Edel Investment Limited, Nuvama Weath Management Limited (formerly known as Edelweiss Securities Limited) & Edelweiss Alternative Asset Advisors Pte Limited)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

68. The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

69. Ratio Analysis

	Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022	Remarks
1	Debt-Equity Ratio	**0.36**	0.49	Increase in the equity is more than the increase in the Debt, resulted in decrease in Debt-Equity ratio during the year.
2	Interest Service Coverage Ratio	**8.65**	4.99	Increase in the profit before tax compare to the previous year has resulted in increase in Interest service coverage ratio.
3	Total debt to Total assets (%)	**24.15%**	30.24%	Increase in Total assets from ₹ 80,420.60 million in previous year to ₹ 1,07,185.86 million in current year, resulted in decrease in Total Debt-Total Assets ratio during the year.
4	Net profit margin (%)	**77.32%**	68.01%	Increase in Net Profit from ₹ 9,333 million in previous year to ₹ 23,882.47 million in current year, resulted in increase in Net profit margin ratio during the year.

Notes:

1) Debt-equity Ratio = Total debt (Debt securities + Borrowings other than debt securities) / Net worth

2) Interest Service Coverage Ratio = Profit before interest and Tax / interest expense

3) Total debt to Total assets = (Debt securities + Borrowings other than debt securities) / Total assets

4) Net profit margin = Net Profit for the year / Total income

5) Current ratio, Long term debt to working capital, Bad Debts to account receivables ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin (%) are not applicable owing to the business model of the company

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 *(Continued)*

(Currency : Indian rupees in millions)

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

71. Previous year's figures have been regrouped / reclassified to conform to current year presentation.

72. All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirements of Schedule III, unless otherwise stated.

73. These financial statements have been approved for issue by the Board of Directors of the Company on 26 May 2023.

The accompanying notes are an integral part of financial statements.

As per our report of even date attached

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firms Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No: 102102

Mumbai 26 May 2023

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Venkatchalam Ramaswamy
Vice Chairman & Executive Director
DIN : 00008509

Ananya Suneja
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 26 May 2023

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounst/) 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	ECL Finance Limited	Edelcap Securities Limited	Edelweiss Asset Management Limited	ECap Securities and Investments Limited (Formerly known as ECap Equities Limited)	Edelweiss Trusteeship Company Limited	Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)	Edelweiss Investment Adviser Limited	ECap Equities Limited (Formerly known as Edel Land Limited	Edel Investments Limited	Edelweiss Rural & Corporate Services Limited
Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Exchange rate										
Paid-up Equity Share Capital	2,138.27	3639.25	733.43	317.40	1.00	693.50	6,755.50	9,784.49	1140.22	9,965.35
Reserves of the Subsidiary	24,577.74	177.55	1266.90	(847.89)	4.61	7,251.18	(10,954.45)	(4,813.40)	2,366.91	(5,639.79)
Total Assets of the Subsidiary	146,438.14	5,708.53	2,891.41	5,259.53	6.88	37,862.38	6,759.15	44,380.00	3,762.06	27,019.56
Total Liabilities of the Subsidiary	119,722.13	1,891.73	891.08	5,790.02	1.27	29,917.70	10,958.11	39,408.91	254.93	22,694.00
Investments	44,703.48	2,730.13	1,419.69	5,252.10	4.97	2,804.02	-	27,927.31	1,878.50	19,190.01
Total Turnover	16,021.96	382.87	2,166.92	-	4.26	4,446.85	1,636.45	11,123.19	546.55	8012.17
Profit/(Loss) before taxation	1,343.27	(422.27)	177.88	(448.05)	0.91	208.07	(1,167.13)	(384.27)	66.56	(1753.08)
Provision for taxation	234.86	(4.02)	-	-	0.26	47.44	6.08	(374.44)	2.20	215.46
Profit/(Loss) after taxation	1,108.41	(418.25)	177.88	(448.05)	0.66	160.63	(1,173.21)	(9.83)	64.36	(1968.54)
Proposed dividend	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Form AOC-I (Continued)

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounst/) Rules, 2014) Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries (Continued)

(Currency : Indian rupees in millions)

Name of the Subsidiary Company	Comtrade Commodities Services Limited (Formerly known as Edelweiss Comtrade Limited)	Edel Finance Company Limited	Edelweiss Retail Finance Limited	Edelweiss Multi Strategy Fund Advisors LLP	Edelweiss Resolution Advisors LLP	Zuno General Insurance Limited (Formerly known as Edelweiss General Insurance Company Limited)	Edelweiss Securities and Investments Private Limited	EC International Limited	Nuvama Investments Advisors LLC (Formerly known as EAAA LLC)	Edelweiss Alternative Asset Advisors Pte. Limited
Reporting currency	INR	INR	INR	INR	INR	INR	INR	USD	USD	SGD
Exchange rate								82.18	82.18	61.81
Paid-up Equity Share Capital	290.00	9,216.75	429.50	5.91	-	6,780.00	6.13	6.20	74.51	446.64
Reserves of the Subsidiary	(282.96)	6,018.36	4,937.00	1.78	-	(5,043.68)	3,263.51	(158.49)	(80.19)	2,540.20
Total Assets of the Subsidiary	34.62	42,038.93	10,345.23	7.94	-	8,918.20	9,493.40	29.32	2.75	4,884.46
Total Liabilities of the Subsidiary	27.58	26,803.82	4,978.73	0.26	-	7,181.88	6,223.76	181.61	8.43	1,897.62
Investments	-	31,802.86	3,115.40	-	-	6,372.82	9,163.46	28.02	0.00	3,701.11
Total Turnover	0.61	3,105.92	1,297.21	0.00	0.03	3,876.67	1,223.46	0.07	8.02	4,412.35
Profit/(Loss) before taxation	(4.62)	862.80	371.01	(0.14)	0.03	(1,254.87)	614.02	(13.60)	(15.65)	2,399.13
Provision for taxation	0.03	208.78	93.15	-	-	-	(53.46)	-	-	(1.75)
Profit/(Loss) after taxation	(4.64)	654.02	277.86	(0.14)	0.03	(1,254.87)	667.49	(13.60)	(15.65)	2,400.87
Proposed dividend	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	-	100%	100%	100%	100%	100%

Form AOC-I (Continued)

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounst/) Rules, 2014) Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries (Continued)

(Currency : Indian rupees in millions)

Name of the Subsidiary Company	Edelweiss International (Singapore) Pte. Limited	Edelgive Foundation	Edelweiss Alternative Asset Advisors Limited	Edelweiss Private Equity Tech Fund	Edelweiss Value and Growth Fund	Edelweiss Asset Reconstruction Company Limited	EW Special Opportunities Advisors LLC	Edelweiss Tokio Life Insurance Company Limited	Allium Finance Private Limited	Edelweiss Global Wealth Management Limited
Reporting currency	USD	INR	INR	INR	INR	INR	USD	INR	INR	INR
Exchange rate	82.18						82.18			
Paid-up Equity Share Capital	1,650.65	104.20	3,523.75	280.61	723.82	2,632.53	-	9,155.52	68.26	730.00
Reserves of the Subsidiary	788.83	49.33	1,112.98	268.56	127.21	25,308.75	-	(2,374.66)	1,240.08	2,726.98
Total Assets of the Subsidiary	2,665.94	333.64	10,752.69	549.49	852.12	59,469.03	-	76,144.08	1,311.34	4,152.50
Total Liabilities of the Subsidiary	226.46	180.11	6,115.97	0.32	1.09	31,527.75	-	69,363.22	3.00	695.52
Investments	-	-	5,575.48	530.97	837.71	44,393.80	-	64,853.02	1,071.46	4,097.01
Total Turnover	755.36	624.10	2,763.34	(63.80)	61.01	10,006.99	0.12	19,999.93	58.37	5.48
Profit/(Loss) before taxation	463.41	(97.51)	954.37	(65.76)	57.28	4,290.53	0.03	(1,990.89)	62.84	(99.95)
Provision for taxation	0.54	-	172.10	-	-	1,106.60		-	26.13	0.32
Profit/(Loss) after taxation	462.87	(97.51)	782.27	(65.76)	57.28	3,183.93	0.03	(1,990.89)	36.71	(100.26)
Proposed dividend	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	99.05%	95.60%	96.05%	59.82%	-	75.08%	88.28%	100.00%

Form AOC-I (Continued)

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounst/) Rules, 2014) Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries (Continued)

(Currency : Indian rupees in millions)

Name of the Subsidiary Company	Nuvama Custodial Services Limited (Formerly Known as Edelweiss Capital Services Limited)	India Credit Investment Fund-II	Sekura India Management Limited	Edelweiss Real Assets Managers Limited	India Credit Investment Fund-III
Reporting currency	INR	INR	INR	INR	INR
Exchange rate					
Paid-up Equity wShare Capital	550.00	8,786.65	0.50	0.62	12,417.45
Reserves of the Subsidiary	23.85	(269.67)	38.84	111.31	(1.31)
Total Assets of the Subsidiary	1,427.27	8,565.64	61.12	121.10	12,417.44
Total Liabilities of the Subsidiary	853.41	48.65	21.78	9.18	1.31
Investments	-	8,469.89	-	-	12,397.45
Total Turnover	389.03	78.20	225.37	24.72	-
Profit/(Loss) before taxation	24.01	(31.64)	51.75	0.08	(1.31)
Provision for taxation	4.56	-	13.04	-	-
Profit/(Loss) after taxation	19.45	(31.64)	38.70	0.08	(1.31)
Proposed dividend	-	-	-	-	-
% of shareholding	51.00%	100.00%	100.00%	100.00%	100.00%

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Venkatchalam Ramaswamy
Vice Chairman & Executive Director
DIN : 00008509

Ananya Suneja
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 26 May 2023

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounst/) 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	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)
1	Latest Audited Balance sheet date	31-Mar-23
2	Share of Associate held by the Company on the year end	-
	No.	15,334,855
	Amount of Investment in Associates (₹ in millions)	34,325.86
	Extend of Holding %	43.76%
3	Reason why the associate is not consolidated	No Control*
4	Networth attributable to Shareholding as per latest audited BalanceSheet (₹ in millions)	9,884.50
5	Profit / Loss for the year	-
	i. Considered in Consolidation (Associate upto 30 March 2023)	1,317.94
	ii. Not Considered in Consolidation (including exceptional items)	1,732.75

* The Group holds 43.76% in the equity shares of Nuvama Wealth Management Limited ("NWML"). Till 30 March 2023, EFSL had significant influence over NWML as per Ind AS 28, Investments in Associates and Joint Ventures ("Ind AS 28) and accounted for such investment in NWML at cost. With effect from 30 March 2023, EFSL does not have significant influence on NWML in accordance with Ind AS 28, pursuant to the amendment agreement dated 09 March 2023 to the amended and restated shareholders' agreement dated 18 March 2021 between EFSL, Edelweiss Global Wealth Management Limited ("EGWML"), PAGAC Ecstasy Pte Ltd ("PAGAC") and NWML, the amendment to the articles of association of NWML and the appointment of independent trustee on 30 March 2023 to act on behalf of EFSL shareholders. Accordingly, the Group's investment in NWML has been re-measured at fair value as per requirements of Ind AS 28.

For and on behalf of the Board of Directors

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

Venkatchalam Ramaswamy
Vice Chairman & Executive Director
DIN : 00008509

Ananya Suneja
Chief Financial Officer

Tarun Khurana
Company Secretary

Mumbai 26 May 2023

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

I. Details of contracts or arrangements or transactions not at arm's length basis: None

(₹ in million)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
Not Applicable								

II. Details of material contracts or arrangement or transactions at arm's length basis:

(₹ in million)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	Edel Finance Company Limited (Wholly owned Subsidiary)	Sale of securities	-	4,031.50	January 31, 2022	-
2	ECap Equities Limited (Wholly owned Subsidiary)	Sale of securities	-	3,714.72	January 31, 2022	-

For and on behalf of the Board
Edelweiss Financial Services Limited

Rashesh Shah
Chairman & Managing Director
DIN: 00008322

August 4, 2023

NOTICE

NOTICE OF THE 28TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 28TH ANNUAL GENERAL MEETING OF THE MEMBERS OF EDELWEISS FINANCIAL SERVICES LIMITED WILL BE HELD ON TUESDAY, SEPTEMBER 26, 2023 AT 4.00 P.M. THROUGH VIDEO CONFERENCING OR OTHER AUDIO VISUAL MEANS (OAVM) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To consider and adopt: -

a. the audited Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Board and the Auditors thereon; and

b. the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Auditors thereon.

2. To declare dividend on Equity Shares.

3. To appoint a Director in place of Ms. Vidya Shah (DIN: 00274831), who retires by rotation and, being eligible, offered herself for re-appointment.

4. To resolve not to fill the vacancy caused by the retirement of Mr. Himanshu Kaji (DIN: 00009438) who retires by rotation at this Annual General Meeting, although eligible, has not offered himself for re-appointment.

5. Appointment of Statutory Auditors

To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and all other applicable laws and pursuant to the recommendations of the Audit Committee and that of the Board of Directors, M/s. Nangia & Co. LLP, Chartered Accountants (Firm Registration No. 002391C/N500069), be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 33rd Annual General Meeting of the Company to be held in the calendar year 2028 and that the Board of Directors be and is hereby authorised to fix the remuneration from time to time as may be recommended by the Audit Committee in consultation with the Auditors."

SPECIAL BUSINESS:

6. Approval for entering into Material Related Party Transactions

To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and the Rules framed thereunder, the Related Party Transactions Policy of the Company and all other applicable laws and subject to receipt of requisite approvals, consents, permissions and/ or sanctions of regulatory and other appropriate authorities, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board of Directors of the Company, the approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to provide support in the form of corporate guarantee or in any other manner on behalf of Edelweiss Asset Reconstruction Company Limited (EARC), a subsidiary of the Company for further amount of ₹ 1,000 crores, during a period of 24 months commencing from October 1, 2023, in addition to the corporate guarantee of ₹ 650 crores already provided by the Company.

FURTHER RESOLVED that the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company."

7. Approval for pledging/ charging/ disposing of asset(s) by the Material Subsidiary

To consider and, if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Regulation 24 and all other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and all other applicable laws and subject to receipt of requisite approvals, consents, permissions and/ or sanctions of regulatory and other appropriate authorities, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board of Directors of the Company, the approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to permit and/or authorise Edelweiss Asset Reconstruction Company Limited (EARC), a Material Subsidiary of the Company as per the provisions of the Listing Regulations, to charge their assets exceeding 20% of total assets in value, in connection with raising of the funds by issue of Non-convertible Debentures and/or otherwise.

FURTHER RESOLVED that the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company."

8. Alteration of the Articles of Association

To consider and, if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 5 and 14 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021, the approval of the Members be and is hereby accorded for alteration of the Articles of Association of the Company by insertion of the following sub-clause (3) after the existing sub-clause (2) of Article 49:-

'(3) The Board shall appoint the person nominated by the Debenture Trustee(s) as per the provisions of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a Director on the Board of the Company. Such appointment shall be subject to the provisions of Debenture Trust Deed(s), the Companies Act, 2013, the SEBI Regulations and all other applicable laws.'

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company."

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

Tarun Khurana
Company Secretary
(Membership No. A12344)

August 4, 2023

Registered Office:
Edelweiss House,
Off C.S.T. Road,
Kalina, Mumbai – 400 098.
CIN: L99999MH1995PLC094641

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in respect of the Special Businesses to be transacted at the Annual General Meeting (AGM/Meeting) is annexed hereto.

   Although not necessary under the Act, Explanatory Statement in respect of Item No. 5 of the Notice with respect to the appointment of the Auditors is also provided.

2. The Ministry of Corporate Affairs (MCA), vide Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020 and 02/2021 dated 13th January, 2021, 23rd June, 2021, 14th December, 2021, 5th May, 2022 and 28th December, 2022 (collectively referred to as the MCA Circulars) and the Circulars issued by the Securities and Exchange Board of India (SEBI) from time to time (SEBI Circulars), have allowed the Companies to conduct the AGM through VC/OAVM without the physical presence of the Members at a common venue. Accordingly, as per the MCA Circulars and the applicable provisions of the Act, the 28th AGM of the Company shall be conducted through VC/OAVM on Tuesday, September 26, 2023 at 4.00 P.M.

3. Pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (the Listing Regulations) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the information in respect of the Directors seeking re-appointment at the AGM is given as an Annexure to the Notice.

4. As per the provisions of the Act and the Articles of Association of the Company, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being conducted in accordance with the MCA Circulars and SEBI Circulars through VC/OAVM, the requirement of physical attendance of Members has been dispensed with. Accordingly, the facility of appointment of proxies by Members will not be available for such meetings. Hence, the Proxy Form, Attendance Slip and Route Map of the venue of the AGM are not annexed to the Notice of the AGM. However, the Body Corporates, can appoint the authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

   Pursuant to the provisions of the Act, such Members are required to send a scanned certified true copy (PDF/JPG Format) of the resolution/authorisation of its Board or governing body, authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said certified Resolution/Authorisation shall be sent to the Scrutinizer at narasimhan.b8@gmail.com/ab@bnpassociates.in/ support@bnpassociates.in with a copy marked to evoting@nsdl.co.in.

   Pursuant to the MCA Circulars, the Members are provided with the facility to join the AGM through the VC/OAVM mode 15 minutes before the scheduled time of commencement of the AGM and the same shall be kept open until 15 minutes after the scheduled time of commencement. The Members are requested to follow the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first serve basis as per the MCA Circulars. The large shareholders i.e. shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. can attend the Meeting without restriction on account of first come first served principle.

5. In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members/Beneficial Owners of the Company will be entitled to vote at the AGM.

6. QUORUM

The attendance of the Shareholders attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. BOOK CLOSURE

The Register of Members and the Share Transfer Books of the Company will remain closed from September 20, 2023 to September 25, 2023 (both days inclusive).

8. DIVIDEND:

The dividend, as recommended by the Board, if approved at the AGM, will be paid subject to deduction of tax at source, as may be applicable, between September 30, 2023 to October 24, 2023, to those Members:

a) whose names appear as Beneficial Owners as on September 19, 2023 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the equity shares held in electronic form; and

b) whose names appear as Members in the Register of Members of the Company as on September 19, 2023 in respect of the equity shares held in physical form, after giving effect to valid request(s) received for transfer/transmission/ transposition of equity shares by the Company.

As per the provisions of the Income-tax Act, 1961, dividend income will be taxable in the hands of Members and the Company is required to deduct tax at source at the prescribed rates from the dividend being paid to the Members. For detailed information on the same, please refer the Company's website at www.edelweissfin.com.

9. UNCLAIMED DIVIDEND

The Members are requested to note that the dividend which has remained unpaid or unclaimed for 7 consecutive years or more from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF) as per Section 124 of the Act.

Accordingly, pursuant to the provisions of the Act and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company has during the financial year ended March 31, 2023, transferred the Unclaimed Dividend of ₹ 20,60,121 to the IEPF.

Further, 21,669 Equity Shares of the face value of ₹ 1 each of the Company, in respect of which the dividend has not been claimed for 7 consecutive years or more, have also been transferred to the IEPF Authority.

Members are further requested to note that the unpaid or unclaimed dividends and/or the equity shares transferred to the IEPF can be claimed by them by making an on-line/electronic application in Form IEPF-5. Upon submitting duly completed form, applicants are requested to take a print of the same and send the physical copy, duly signed, along with the requisite documents specified in Form IEPF-5, to the Company/ the RTA of the Company, M/s. Link Intime India Private Limited (Unit: Edelweiss Financial Services Limited), C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083, e-mail: rnt.helpdesk@linkintime.co.in/ iepf.shares@linkintime.co.in. The Rules and the application form (Form IEPF-5), as prescribed by the Ministry of Corporate Affairs (MCA) for claiming the shares/ dividends are available on the website of MCA/IEPF authority – www.iepf.gov.in.

In view of the above, the Members who have not claimed/encashed the Dividend Warrants are requested to claim their unpaid dividends within stipulated timeline by writing to the Company / Registrar & Transfer Agent giving the necessary details.

10. GENERAL GUIDANCE TO SHAREHOLDERS

- **NOMINATION FACILITY**

  As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The Members are requested to submit the said form to their Depository Participant (DP) in case the shares are held in electronic form and to Link Intime India Private Limited, the RTA of the Company, in case the shares are held in physical form.

- **BANK MANDATES**

  Members holding shares in physical form are requested to intimate the Registrar & Transfer Agent under the signature of the Sole/First holder, the following information:

  i Name of the Sole/First holder and the folio number

  ii Particulars of Bank Account viz.,

  a) Name of the Bank

  b) Name of the Branch

  c) Complete address of the Branch with Pin code

  d) Bank Account Number allotted by the Bank.

In respect of the matters pertaining to Bank details, NECS mandates, nomination, power of attorney, change in name/ address, etc., the Members are requested to approach:

- the Company's Registrar & Transfer Agent, in case of shares held in physical form; and
- the respective Depository Participants, in case of shares held in electronic form.

In any correspondence with the Company/Registrar & Transfer Agent, the Members are requested to quote their account/ Folio numbers or DP ID and Client ID in respect of physical or electronic holdings, respectively.

- **MODE OF HOLDING SHARES**

  As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with holding physical shares, the Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or the RTA for any support in this regard.

- **UPDATION OF PERSONAL DETAILS**

  i. Pursuant to SEBI Circular dated April 20, 2018, shareholders whose ledger folios having incomplete details with regard to PAN and Bank particulars are required to compulsorily furnish the same to the Registrar and Transfer Agent/ to the Company for registration in the folio.

  ii. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to the RTA in case the shares are held in physical form.

  iii. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA of the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

11. DISPATCH OF ANNUAL REPORT IN ELECTRONIC FORM AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT BY E-MAIL:

i. In accordance with the MCA and the SEBI Circulars, the Annual Report for the financial year 2022-23 (including the Financial Statements, Board's Report, Auditor's report and related documents required to be attached thereto) (the Annual Report 2022-23), and the Notice of the AGM, are being sent in electronic mode to Members and other persons entitled to receive the Notice, whose e-mail address is registered with the Company or the Depository Participant(s).

ii. The Members holding Equity Shares of the Company in Demat Form or Physical Form and who have not yet registered their e-mail address are requested to follow the procedure stated in point No. 12 given below for the purpose of registration.

iii. A copy of the Annual Report 2022-23 along with the Notice of the AGM and Explanatory Statement is available on the website of the Company at www.edelweissfin.com, BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively and National Securities Depository Limited (NSDL) at www.evoting.nsdl.com.

12. PROCEDURE FOR REGISTRATION OF EMAIL IDS WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND FOR E-VOTING ON THE RESOLUTIONS SET OUT IN THIS NOTICE:

i. In case the shares are held in physical mode, shareholders are requested to provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN and Aadhar Card by e-mail to the Company at Efsl.Shareholders@edelweissfin.com.

ii. In case the shares are held in demat mode, please provide DPID & CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, self-attested scanned copy of client master or copy of Consolidated Account statement, PAN, Aadhar to the respective Depository Participants.

iii. If you are an individual shareholder holding shares in demat mode, you are requested to refer to the login method explained in these notes.

iv. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

13. PROCEDURE TO RAISE QUESTIONS/SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

i. As the AGM is being conducted through VC/OAVM, the Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number (DP ID & Client ID) / folio number, email id, mobile number at Efsl.Shareholders@edelweissfin.com.

ii. The Members desirous of getting any information in respect of the contents of the Annual Report are requested to forward the same to the Company Secretary at least 10 days prior to the AGM so that the required information can be made available. The same will be replied by/on behalf of the Company suitably.

iii. In order to enable smooth conduct of AGM, the Members who would like to express their views during the AGM may register themselves as a Speaker by sending an email to Efsl.Shareholders@edelweissfin.com, alongwith your name and DP ID/CLIENT ID from Wednesday, September 20, 2023 (9.00 a.m.) to Friday, September 22, 2023 (5.00 p.m.).

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

14. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Saturday, September 23, 2023 at 9:00 a.m. and ends on Monday, September 25, 2023 at 5:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i. e. September 19, 2023,

may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from the e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

(i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

(ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

(iii) A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

(iv) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

(v) Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

(vi) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

(vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

(viii) Now, you will have to click on "Login" button.

(ix) After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to narasimhan.b8@gmail.com/ ab@bnpassociates.in/ support@bnpassociates.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Efsl.Shareholders@edelweissfin.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Efsl.Shareholders@edelweissfin.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

THE INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.

4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at Efsl.Shareholders@edelweissfin.com. The same will be replied by the company suitably.

6. Members desirous of getting any information in respect of the contents of the Annual Report are requested to forward the same to the Company Secretary at least 10 days prior to the AGM so that the required information can be made available. The same will be replied by/on behalf of the Company suitably.

ANNEXURE TO THE NOTICE DATED AUGUST 4, 2023

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5:

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm's Registration No. 301003E/E300005), were appointed as the Statutory Auditors of the Company by the Members at the 23rd Annual General Meeting ("AGM") held on July 26, 2018 to hold office till the conclusion of the 28th AGM of the Company to be held in the calendar year 2023. Accordingly, the term of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company would expire at the conclusion of the 28th AGM in accordance with the provisions of the Companies Act, 2013 (the Act).

The Audit Committee having considered various parameters have recommended the appointment of M/s. Nangia & Co. LLP, Chartered Accountants (FRN: 002391C/N500069), as the Statutory Auditors of the Company. The Board of Directors of the Company based on the recommendations of the Audit Committee, have recommended the appointment of M/s. Nangia & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company, to hold office for the first term of five consecutive years from the conclusion of 28th AGM till the conclusion of the 33rd AGM of the Company to be held in the calendar year 2028.

Pursuant to Section 139 of the Act and the Rules framed thereunder, the Company has received the written consent from M/s. Nangia & Co. LLP and a certificate confirming that they satisfy the criteria as provided under the Act and that their appointment, if made, will be in accordance with the applicable provisions of the Act and Rules framed thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Nangia & Co. LLP has confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Board recommends the Ordinary Resolution as set out in Item No. 5 of the Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, directly or indirectly, concerned or interested, financially or otherwise in the Resolution set out in Item No. 5 of the Notice.

ITEM NO. 6:

In accordance with the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), it is necessary for a listed company to obtain the prior approval of the Members, where it is proposed to enter into transaction(s) with a related party if the value of the transaction in a contract to be entered into individually or taken together with previous transactions, exceeds ₹ 1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower, even if the transaction is in the ordinary course of business and at arm's length basis.

The Company, being the Holding Company, provides support in the form of Corporate Guarantee or in any other manner on behalf of the subsidiaries from time to time to enable the subsidiaries meet their business requirements. These transactions are entered in the ordinary course of business and at arm's length basis.

To meet the business requirements, Edelweiss Asset Reconstruction Company Limited (EARC), a material subsidiary (as defined under the Listing Regulations) of the Company, borrows monies from Banks and Financial Institutions from time to time. As per the terms of borrowings, the Company may have to provide corporate guarantees in favour of the lenders at the request of EARC. At present, the Company has provided the corporate guarantees to the extent of ₹ 650 crores on behalf of EARC in favour of the lenders of EARC.

It is proposed to provide support in the form of corporate guarantees or in any manner, for further amount of ₹ 1,000 crores, on behalf of EARC, during a period of 24 months commencing from October 1, 2023. The corporate guarantees proposed to be provided would be in addition to the corporate guarantee of ₹ 650 crores provided by the Company.

The information pursuant to SEBI Circular No. SEBI/HO/CFD/CM1/CIR/P/2021/662 dated November 22, 2021, is given below:

Sr. No.	Description	Details
1	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Edelweiss Asset Reconstruction Company Limited (EARC), a Material Subsidiary of the Company
2	Type, tenure, material terms and particulars	To provide support in the form of corporate guarantee or any other manner on behalf of EARC in favour of the banks and financial institutions for the loans and other facilities taken by EARC from time to time. The duration would be for a period of 24 months from October 1, 2023 and shall remain in force till such time the NCDs/borrowings/facilities are outstanding.
3	Value of the transaction	The total amount of corporate guarantees to be provided together with the corporate guarantees of ₹ 650 crores already provided shall not exceed ₹ 1,650 crores at any point of time.
4	Date of approval of the Audit Committee and the Board	August 4, 2023
5	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	- 19.11% of the annual consolidated turnover of the Company for FY 2022-23; and - 164.88% of the annual standalone turnover of EARC for FY 2022-23.
6	Details of the transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	Not Applicable
7	Justification as to why the RPT is in the interest of the listed entity	EARC is a Material Subsidiary of the Company. To meet the business requirements, EARC may borrow funds for which the Company, as a holding company, may be required to provide support in the form of corporate guarantee or in any other manner, as may be required by the lenders. This would enable EARC to borrow monies at competitive rates which in turn would increase consolidated profitability of the Company.
8	Any valuation or other external report relied upon by the listed entity in relation to the transactions	Not Applicable
9	Any other information that may be relevant	All relevant information forms part of this Statement setting out material facts pursuant to the Act and the Listing Regulations.

The Board of Directors recommends passing of the Ordinary Resolution as set out in Item No. 6 of the Notice.

Mr. Rashesh Shah, Mr. Venkatchalam Ramaswamy, Ms. Vidya Shah and Mr. Shiva Kumar, Directors of the Company are also Directors on the Board of EARC and may be deemed to be interested or concerned in this item of business.

Save and except above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, directly or indirectly, concerned or interested, financially or otherwise, in this item of business.

ITEM NO. 7:

As per the provisions of Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), selling/ disposing/ leasing of assets in excess of 20% of the assets by a material subsidiary of the listed entity requires prior approval of shareholders of the listed entity by way of a Special Resolution.

A Material Subsidiary is defined in the Listing Regulations to mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding financial year.

To meet its business requirements, Edelweiss Asset Reconstruction Company Limited (EARC), a Material Subsidiary of the Company, issues the Non-convertible Debentures (the NCDs/Debentures) and borrow monies from time to time, which would have to be secured by its assets. Such assets may exceed 20% of the total assets of EARC, therefore, as per the provisions of the Listing Regulations, it would be necessary to obtain the approval of the Members of the Company by a Special Resolution. The Resolution shall remain in force till such time the NCDs/borrowings/facilities availed by EARC are outstanding.

The Board of Directors recommends passing of the Special Resolution as set out in Item No. 7 of the Notice.

Mr. Rashesh Shah, Mr. Venkatchalam Ramaswamy, Ms. Vidya Shah and Mr. Shiva Kumar, Directors of the Company are also Directors on the Board of EARC and may be deemed to be interested or concerned in this item of business.

Save and except above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, directly or indirectly, concerned or interested, financially or otherwise, in this item of business.

ITEM NO. 8:

The Securities and Exchange Board of India (SEBI), has amended the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (the NCS Regulations), requiring all the companies whose Non-convertible Debentures are listed on the stock exchanges to amend their Articles of Association such that the Debenture Trustees shall have the right to appoint a Nominee Director on its Board in the event of default (as defined in the NCS Regulations).

The Company has been raising the funds by issue of NCDs in accordance with the provisions of the NCS Regulations. The NCDs are listed at BSE Limited. Therefore, it would be necessary for the Company to alter the Articles in the manner provided in the Resolution at Item No. 8 of the Notice.

The Board of Directors recommends passing of the Special Resolution as set out in Item No. 8 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, directly or indirectly, concerned or interested, financially or otherwise, in this item of business.

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

Tarun Khurana
Company Secretary
(Membership No. A12344)

August 4, 2023

Registered Office:
Edelweiss House, Off C.S.T. Road,
Kalina, Mumbai – 400 098.
CIN: L99999MH1995PLC094641

Details of Directors seeking re-appointment at the Annual General Meeting pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2):

Particulars	Ms. Vidya Shah
Date of Birth	June 18, 1966
Age	57 years
Date of first Appointment	August 1, 2014
Experience in functional Area	Over three decades of experience in the financial services sector & strategic philanthropy
Qualification	Post Graduate Diploma in Management from IIM, Ahmedabad.
Terms and Conditions of Appointment/ Re-appointment	Appointed as a Non-executive Director, liable to retire by rotation.
Remuneration to be paid	Entitled for payment of sitting fees and commission
Remuneration last drawn	Refer Corporate Governance Report forming a part of the Annual Report
No. of Board Meetings attended during the year	6 (six)
Directorship in other Companies (Public Limited Companies)	1. Edelweiss Asset Reconstruction Company Limited 2. Edel Finance Company Limited 3. Vardhman Special Steels Limited 4. EdelGive Foundation
Name of listed entities from which the person has resigned in the past three years	ECL Finance Limited (a High Value Debt Listed Entity as defined under the Listing Regulations)
Membership/ Chairmanship of Committees of other public limited companies (Audit Committee and Stakeholders' Relationship/ Investors Grievance Committee only)	Member of the: - i) Audit Committee of Vardhman Special Steels Limited; and ii) Stakeholders' Relationship Committee of Edel Finance Company Limited.
Relationship with other Directors inter-se and with Key Managerial Personnel of the Company	Mr. Rashesh Shah, Chairman and Managing Director of the Company is the spouse of Ms. Vidya Shah
No. of shares held in the Company	3,10,66,200 Equity Shares of ₹ 1 each

Awards & Accolades

Edelweiss has continually been recognised for its best practices, be it in customer experience, employee well-being or technology implementation. Its journey of excellence in business transformation and product innovation has been acknowledged with honour, awards and accolades. Some of these are mentioned below.



ALTERNATIVES

The only Indian alternative manager to feature in the top 100 global fund raisers in private debt by Private Debt Investor

Asset Management platform (Sekura) - four of our assets (1 Transmission, 1 Solar and 2 Road) have received the British Safety Council, International Safety Award 2023 this year



NIDO

'Best Analytics HFC' at India NBFC Summit & Awards

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

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

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

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



ZUNO

Future of Insurance Summit & Awards 2023 – Best use of innovation for CX

Smart CX Technology Awards 2023- Differentiated contact centre experience



LIFE INSURANCE

Excellence in Customer Experience' at The Economic Times CX Summit - Excellence in CX 2022

'Fraud Investigation Team of the Year' at 5th Annual Anti-Fraud Conclave Awards of Achromic Point



NBFC

NBFC 100 Leader of Excellence Award for business transformation (outstanding performer)

NBFC & Fintech Excellence Awards 2022 for best digital transformation initiative

India NBFC Summit & Awards 2022 for best NBFC in SME co-lending



MUTUAL FUND

Most Preferred Workplace 2022-2023 – BFSI' by Marksmen Daily



NUVAMA

Nuvama Private awarded with Best Private Bank India 2022

Edelweiss
Ideas create, values protect

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EdelweissFin Company/EdelweissFin

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